

# Payment Integrity Scorecard

## Program or Activity

Purchased Long Term Services and Supports

## Reporting Period

Q1 2025

## FY 2024 Overpayment Amount (\$M)\*

**\$218**

\*Estimate based a sampling time frame starting 10/2022 and ending 9/2023



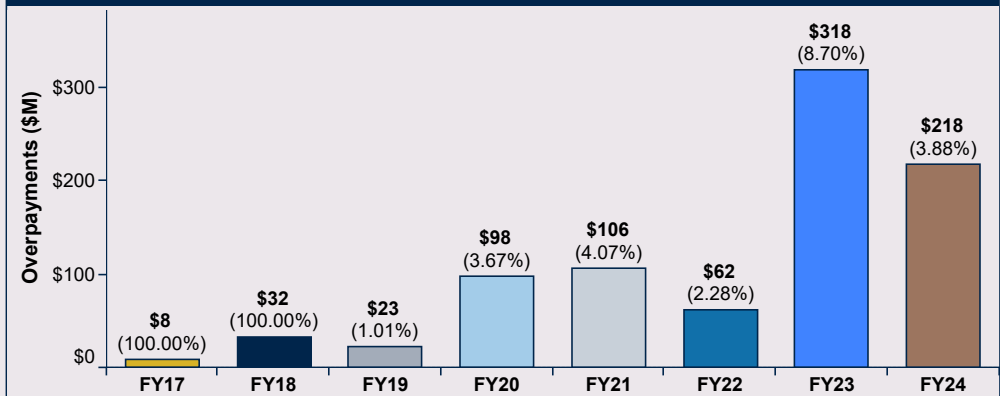
## Veterans Administration

Purchased Long Term Services and Supports

### Brief Program Description & summary of overpayment causes and barriers to prevention:

Purchased Long Term Services and Supports strives to empower Veterans to rise above the challenges of aging, disability, or serious illness. Geriatrics and Extended Care is for Veterans of all ages, including their families and caregivers. The program reported \$218.30 million in projected monetary loss for FY 2024, which resulted from paying an amount that exceeded the contract rate, paying for claims not received within the required timeframe, or paying for billed services that exceeded the authorized care. There are no known financial, contractor or provider status related barriers prohibiting improving prevention of improper payments.

### Historical Payment Rate and Amount (\$M) (Overpayment as Percentage of Total Outlays)



### Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

Actions taken regarding automation include continuing to update the claims processing systems to ensure claims are paid appropriately. In particular, VA requested an update to the consult toolbox to ensure claims are associated with a valid referral. Actions taken and planned regarding change process include drafting a letter for Community Nursing Homes to move to a standardized rate schedule in order to transition payments from a legacy system to an automated claims adjudication system. Moving to standardized rates will allow for increased automation to reduce manual processes and human error associated with claims not paid according to the contract rates or billed services that exceed the authorized care. In the interim, VA is developing training for certifying officials to ensure invoices are validated per the contract pricing prior to payment. VA will also continue working to enforce Community Care Network contract requirements to ensure third-party administrators bill at the correct allowable rates, ensure billed services are within the authorized care, and ensure claims are submitted within the required timeframes (Note 1).

### Accomplishments in Reducing Overpayment

		Date
1	VA determined the states that are not using the Medicare Patient-Driven Payment Model in order to inform VA on the feasibility of moving remaining Community Nursing Homes to a standardized rate schedule.	Aug-24
2	VA gathered documentation and information regarding the timely filing rules for Community Care Network payments and performed an analysis of the associated impact.	Aug-24
3	VA requested an update to the consult toolbox to tie the referral in the authorization system to the Standard Episode of Care to ensure claims are associated with a valid referral.	Nov-24

# Payment Integrity Scorecard

<b>Program or Activity</b> Purchased Long Term Services and Supports	<b>Reporting Period</b> Q1 2025
---	------------------------------------

Goals towards Reducing Overpayments	Status	ECD	No	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
<b>1</b>  VA is creating a training presentation for claims not paid according to the contract rates in order to provide targeted training to the Contracting Officer Representatives and certifying officials that processed the payments.	On-Track	Feb-25	1	<b>Recovery Activity</b>	VA recovers overpayments such as duplicate payments, payments made in the incorrect amount, unapplied credits, etc., when identified.	In FY 2025 Q1, VA identified \$1.28 million in overpayments for this program. In FY 2025, VA will continue to process bills of collection for these identified overpayments.
			2	<b>Recovery Audit</b>	VA uses a recovery audit contract to audit claims for pre-authorized care and test compliance with referrals; whether claims are reimbursed using the appropriate methodology; and that the medical records support the diagnostic related group billed for the services.	In FY 2025 Q1, VA identified \$0.05 million in overpayments for this program. In FY 2025, VA will continue to process bills of collection for these identified overpayments.
<b>2</b>  VA is drafting a letter for Community Nursing Homes to move to a standardized rate schedule.	On-Track	Feb-25	3	<b>Recovery Activity</b>	VA reviews statistical samples tested under the Payment Integrity Information Act (PIIA) and conducts post-payment, deep-dive reviews to identify overpayments stemming from systemic program deficiencies.	From FY 2023 to FY 2025, VA identified \$3.99 million in overpayments for this program and recovered \$3.52 million to date. In FY 2025, VA will continue to process bills of collection for these identified overpayments.

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
<b>\$218M</b>	Overpayments within agency control that occurred because of a Failure to Access Data/Information Needed.	VA did not enforce contract requirements for third-party administrators to bill at the correct rates or ensure certifying officials validated the correct rates prior to payment. As a result, VA paid for services that exceeded the allowable contract rates.	Change Process altering or updating a process or policy to prevent or correct error.	VA will continue clarifying payment methodology with third-party administrators to bill at the correct rates. VA is also transitioning payments from a legacy system to an automated claims adjudication system.
		VA did not enforce requirements for third-party administrators or providers to submit claims in accordance with regulatory or contractual requirements. As a result, VA paid for excluded services that did not meet contractual requirements for timely claim submission.	Change Process altering or updating a process or policy to prevent or correct error.	VA will continue clarifying payment methodology with third-party administrators to ensure claims are submitted in accordance with timely filing contract requirements.
		VA did not enforce requirements for third-party administrators to ensure billed services were authorized or ensure certifying officials validated services did not exceed the authorized care. As a result, VA paid for services that exceeded the authorized amount.	Change Process altering or updating a process or policy to prevent or correct error.	VA will continue clarifying payment methodology with third-party administrators to ensure billed services do not exceed the authorized amount. VA is also transitioning payments from a legacy system to an automated claims adjudication system.

The Purchased Long Term Services and Supports program continues to prioritize and implement effective corrective actions and mitigation strategies that reduce improper and unknown payments as evidenced by its fourth consecutive year of reductions. Specifically, from FY 2023 to FY 2024, the program decreased its improper and unknown error rate from 38.72% to 13.52% (25.20% reduction) and improper and unknown payments from \$1.42 billion to \$760.09 million (\$657.90 million reduction). Given the time it takes to implement corrective actions and mitigation strategies, the program expects the continued positive impact of these actions on its FY 2025 improper and unknown payment rate. Note 1: VA contracts with third-party administrators to provide care to Veterans and to process and pay claims received from non-VA healthcare providers.