

# Payment Integrity Scorecard

## Program or Activity

Risk Management Agency (RMA) Federal Crop Insurance Corporation (FCIC)

## Reporting Period

Q2 2025

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

**\$574**

\*Estimate based a sampling time frame starting 7/2021 and ending 6/2022



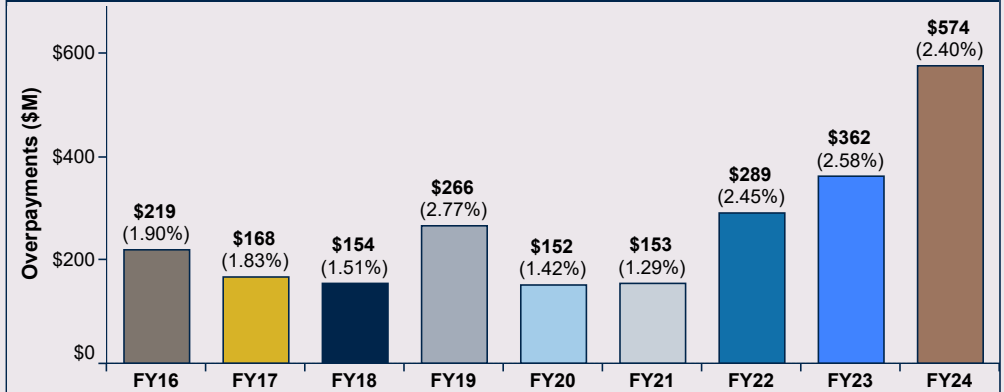
## U.S. Department of Agriculture

Risk Management Agency (RMA) Federal Crop Insurance Corporation (FCIC)

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

RMA administers the Federal Crop Insurance Program which provides crop insurance to farmers and ranchers. Approved Insurance Providers (AIPs) sell and service the policies through a partnership with RMA and share in the risk associated with losses. RMA's review of improper payments provides results data in which the cause of improper payments (i.e., administrative, certification, process errors, etc.) can be identified along with a means of reducing barriers that may prevent payments from being proper.

### 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

In January RMA participated in the National Crop Insurance Services annual Claims Managers meeting. During the meeting Approved Insurance Providers were educated in part on new policies being implemented by RMA for RY2025, updates to current RMA policies, and a compliance overview that included improper payment review results. Additionally, in January RMA issued MGR-25-001 which extended the date when insurability based on enrollment status is determined for Stacked Income Protection Plan (STAX) and Supplemental Coverage Option (SCO) to be April 15th in order to align with the election/enrollment period announced by FSA. The anticipated impact of this publication is to ensure accuracy in the determination of eligibility helping reduce future improper payments. On February 21, 2025, the USDA issued a news release reminding agricultural producers that the final date to apply for or make changes to their spring planted crops, Whole-Farm Revenue Protection and Micro Farm policies was quickly approaching. Sales closing dates vary by crop and location, but in publishing reminders with helpful links and guidance, the USDA hopes to reduce the amount of improper payments due to eligibility.

### Accomplishments in Reducing Overpayment

### Date

1	Participated in the annual National Crop Insurance Services Claims Managers meeting where RMA presented, in part, improper payment review results.	Jan-25
2	RMA participated in KPMG's entrance conference for the Fiscal Year 2024 Payment Integrity Information Act (PIIA) Performance Audit. This audit is conducted annually to ensure programs, including RMA, are in compliance with all PIIA requirements.	Jan-25
3	Participated in OCFO's Improper Payment Work Group meeting where OCFO provided the FY2025 deliverables and due dates along with other important payment integrity updates.	Feb-25

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Goals towards Reducing Overpayments		Status	ECD	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	To assure consistency and compliance with the Spot Check List requirements a Regional Compliance Office conducted a program review regarding the accuracy of the Approved Insurance Provider's spot check list review procedures. All stages of the program review have been completed and a Compliance Report of Findings submitted to the Deputy Administrator of Compliance. The report includes recommendations to assure payment integrity of the spot check list review process in subsequent years.	Completed	Apr-25	1 Recovery Audit	AIPs are notified of any overpayments through RMA's Compliance Activities and Results System (CARS) in accordance with the Standard Reinsurance Agreement requirements. They are then tracked, collected, and verified through RMA's accounting system.	AIPs are notified of any overpayments through RMA's Compliance Activities and Results System (CARS) in accordance with the Standard Reinsurance Agreement requirements. They are then tracked, collected, and verified through RMA's accounting system.
2	As part RMA's Cotton Loss Adjustment program review, all field inspections have been completed by both the Approved Insurance Providers and the Regional Compliance office. Claim reviews are currently being conducted to verify compliance with federal crop insurance policies and procedures. Once the claim reviews are finalized, AIPs will be notified, and results will be recorded. A Compliance Report of Findings to the Deputy Administrator of Compliance will conclude the review.	On-Track	Jul-25	2 Recovery Activity	AIPs are notified of any overpayments through RMA's Compliance Activities and Results System (CARS) in accordance with the Standard Reinsurance Agreement requirements. They are then tracked, collected, and verified through RMA's accounting system.	AIPs are notified of any overpayments through RMA's Compliance Activities and Results System (CARS) in accordance with the Standard Reinsurance Agreement requirements. They are then tracked, collected, and verified through RMA's accounting system.

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$467M	Overpayments outside the agency control that occurred because of a Failure to Access Data/Information Needed.	Improper payments associated with the failure to access data/information are often related to errors in which external stakeholders do not follow Federal Crop Insurance Corporation (FCIC) policies and procedures or are the result of calculation/administrative errors.	Audit - process for assuring an organization's objectives of operational effectiveness, efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.	A cotton loss adjustment review will determine if adjusters are performing loss adjustment procedures correctly when determining production to count. The anticipated impact is improved accuracy in carrying out FCIC procedures, helping reduce improper payments.
\$107M	Overpayments outside the agency control that occurred because of an Inability to Access the Data/Information Needed.	Overpayments due to the inability to access data/information needed are often the result of errors committed by policyholders at the time of certification or by the Approved Insurance Providers who are responsible for the sales and service of the FCIC program.	Audit - process for assuring an organization's objectives of operational effectiveness, efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.	A Spot Check List program review will determine compliance of the AIP's review processes and the accuracy of producer certifications. RMA anticipates the impact will lead to consistency in the AIP's review processes and improved accuracy in certifications by the producers.