Payment Integrity Scorecard

Program or Activity	Reporting Period	FY 2024 Overpayment Amount ($M)*	
VA Community Care	Q4 2025		$417

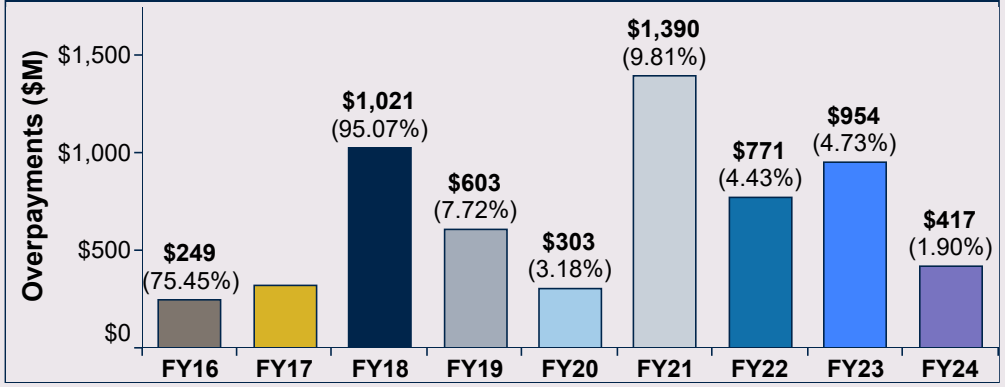
*Estimate based a sampling time frame starting 10/2022 and ending 9/2023

VA
VA Community Care

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

The VA Community Care program allows VA to authorize Veteran care at non-VA health care facilities when the needed services are not available through the VA, or when the Veteran is unable to travel to a VA facility. The program was used to provide timely and specialized care to approximately three million Veterans in FY 2024. The program reported $416.63 million in projected monetary loss in FY 2024, most of which resulted from paying for claims not received within the required timeframe, services lacking proper authorization, or amounts that did not align with the contracted rate. There are no known financial, contractor or provider status related barriers prohibiting improving the 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 change process include continued work to enforce Community Care Network contract requirements to ensure third-party administrators bill at the correct allowable rates, billed services are within the authorized care and claims are submitted within the required timeframes. Actions taken and planned regarding audit include conducting post-payment reviews and establishing bills of collection for claims that were overpaid. In addition, VA issued internal guidance on how to prevent future overpayments caused by incorrect National Provider Identifier (NPI) on claims which do not match the NPI on the authorization. Actions planned regarding change process include ensuring contract language is clear and clarifying any inconsistent payment methodology instances when third-party administrators do not follow clean claim requirements, bill at incorrect rates or when providers do not meet the requirements for reimbursement. Finally, VA is entering into a contract modification to clarify the claims processing for standard episodes of care. VA designed these actions to reduce overpayments attributed to failure to access data/information. VA is confident that these improvements will allow for more accurate payment validation.

	Accomplishments in Reducing Overpayment	Date
1	VA coordinated with third-party administrators to clarify requirement for price adjustment of urgent care claims within the Community Care Network contract.	Jun-25
2	VA worked internally with acquisitions to draft a bilateral contract modification to clarify claims processing logic for Standard Episode of Care (SEOC) with one of the third-party administrators.	Jun-25
3	VA reviewed system logic to flag claims caused by incorrect National Provider Identifier (NPI) on claims which do not match the NPI on the authorization. VA determined it was not a widespread issue and established bills of collection as needed.	Jul-25

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Program or Activity	Reporting Period
VA Community Care	Q4 2025

	Goals towards Reducing Overpayments	Status	ECD
1	VA will work internally to create a policy that provides guidance on how to proceed when the payment system identifies a National Provider Identifier mismatch.	Completed	Jul-25
2	VA will review FY 2025 payment integrity testing results to evaluate causes of error related to monetary loss and develop effective corrective actions.	On-Track	Oct-25

	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	Recovery Activity	VA recovers overpayments such as duplicate payments, payments made in the incorrect amount, unapplied credits, etc., when identified.	In FY 2025 Q4, VA identified $52.71 million in overpayments for this program and recovered $41.09 million to date. In FY 2026, VA will continue to process bills of collection for these identified overpayments.
2	Recovery Audit	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 Q4, VA identified $26.71 million in overpayments for this program and recovered $25.49 million to date. In FY 2026, 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
$417M	Overpayments within agency control that occurred because of a Failure to Access Data/Information Needed.	Community Care Network contracts lacked clear language on standard episode of care claims processing. In addition, the system did not flag claims when the provider on the claim did not match the provider on the authorization, resulting in payments to unauthorized providers.	Change Process – altering or updating a process or policy to prevent or correct error.	VA will update system logic to flag claims when the provider listed does not match the provider on the authorization. In addition, VA will conduct post-payment reviews, establish bills of collection for claims lacking proper authorization, and track results in a database.
		VA did not enforce contract requirements for third-party administrators to bill at the correct allowable rates. As a result, VA paid for claims that exceeded the allowable contract rates.	Change Process – altering or updating a process or policy to prevent or correct error.	VA will enforce contract requirements for third-party administrators to bill at the correct allowable rates. VA will ensure contract language is clear and clarify any inconsistent payment methodology instances with third-party administrators regarding payment discrepancies.
		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 services that did not meet contractual requirements for timely claim submission.	Audit - process for assuring an organization's objectives of operational effectiveness, efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.	VA will perform an analysis of the current timely filing rules and implement actions to strengthen oversight. In addition, VA will conduct post-payment reviews, establish bills of collection for untimely submitted claims, and track results in a monetary loss database.

The VA Community Care program continues to prioritize and implement effective corrective actions and mitigation strategies that reduce improper and unknown payments as evidenced by its sixth consecutive year of reductions and achieved compliance with the Payment Integrity Information Act of 2019 for FY 2024. Specifically, from FY 2023 to FY 2024, the VA Community Care program decreased its improper and unknown error rate from 4.92% to 1.90% (3.02% reduction) and improper and unknown payments from $992.38 million to $416.63 million ($575.75 million reduction). VA's process for development of corrective actions and mitigation strategies ensures the severity of the error is considered to ensure the action is adequate. 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 health care providers.