Opportunities to Enhance Payment Integrity

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GFMC*Virtual*ˢᵐ Webinar Event
August 14, 2023

Learning Objective

Attendees will learn how agencies are:

- utilizing payment integrity services to identify, prevent, and recover improper payments,

- assessing the results of current trends, and

- using data to drive decisions and improve and develop new services.

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Office of Payment Integrity Mission, Vision & Goals

Our Mission

Provide governmentwide partnership, guidance, and solutions through well-messaged, integrated, and cost-efficient payment integrity services. Our services are easily adapted to existing or newly authorized programs to assist federal and state agencies in making informed decisions to support the identification, prevention, and recovery of improper payments and fraud.

Our Vision

Be a trusted partner of federal and federally funded state administered programs issuing federal funds by providing actionable business insights and solutions that transform how agencies approach identification, prevention, and recovery of improper payments and fraud.

The **Office of Payment Integrity (OPI)** represents the consolidation of the Do Not Pay® (DNP) and the Payment Integrity Center of Excellence (PICOE) programs to provide comprehensive governmentwide payment integrity services to its stakeholders.

Our Goals

1. Maximize the use of quality, complete data available to federal agencies and FFSA programs to prevent improper payments.
2. Promote partnerships across federal agencies and FFSA programs to establish OPI as a trusted source for payment integrity solutions.
3. Address improper payment challenges by offering solutions driven by data and expertise that allow our customers to maintain their mission and strategic focus.
4. Identify opportunities to strengthen Governmentwide policy, guidance, and legislation to increase the public's trust in Government payments.
5. Develop expertise and insight to advance governmentwide improper payments and fraud prevention efforts.

OPI Focus Areas

Data Sharing

Legal agreements that allow data to be cross-referenced across Government while maintaining appropriate privacy protections.

Cross-Government Solutions

Solutions implemented to meet improper payments challenges faced by federal and state agencies.

Agency-Specific Solutions

Solutions implemented to meet specific agency challenges related to improper payments.

Data Analytics

Garnering data insights to identify opportunities that meet improper payment challenges faced across Government.

Access to Data

Providing agencies with centralized access to identified data sources that provide insight to eligibility decisions, including Do Not Pay data sources.

Fiscal Service offers modern, seamless, and secure technology to address our customers' payment integrity challenges

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The DNP Initiative

In April 2012, OMB released a memorandum describing the efforts of OMB and the Department of the Treasury to establish the DNP Initiative. An overview of the initiative is outlined below:

Resources

The DNP Initiative includes multiple resources across the Federal Government designed to help agencies determine eligibility to confirm that the right recipient obtains the right payment amount.

Responsibility

Each State or Federal program, and any contractor, subcontractor, or agent of a State, including a State auditor or State program are responsible for reducing IPs and UPs of a Federally funded State-administered program shall have access to, and use of, the Initiative for the purpose for verifying payment eligibility.

Databases

Each agency shall thoroughly review prepayment and pre-award procedures to ensure available databases with relevant information are checked to determine eligibility and prevent IPs and UPs before the release of Federal funds.

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DNP Initiative and the Working System

The Working System is one element of the larger multi-agency government-wide Do Not Pay Initiative and centrally provides a variety of data matching and data analytics services to support agency programs in their efforts to prevent and detect improper payments.

Do Not Pay Initiative

The Initiative supports Federal agencies and federally funded, state administered programs in identifying and preventing improper payments. It encompasses multiple resources that are designed to help Federal agencies review payment eligibility for the purposes of identifying and preventing improper payments.

The Working System

Centralized data and analytics services performed at Treasury as part of the DNP Initiative functions for all federal payments. It includes databases defined by Congress as well as those designated by OMB or a designee and allows agencies to perform pre-payment reviews and other activities

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Why, When, and How to Use the Working System?

The Working System can help mitigate various unintentional errors while simultaneously providing benefits to an agency. Additionally, there are 5 primary ways agencies can leverage the DNP Working System.

UNINTENTIONAL ERRORS DNP MITIGATES

✓ Wrong Recipient

✓ Right Recipient, Wrong Amount of $

✓ No Documentation

✓ Misuse of Funds

BENEFITS TO AGENCY

✓ Verify Eligibility

✓ Save Time

✓ Save Money

✓ Reduce Errors

WAYS TO USE DNP

✓ Online Search

✓ Batch Matching

✓ Continuous Monitoring

✓ Web Service/API

✓ Payment Integration

Agencies use a secure online interface to check various data sources to verify eligibility of a vendor, grantee, loan recipient, or beneficiary to receive federal payments. All agencies are required to use the Working System to support their payment process.

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Current Data Sources and Services

Death Data

- Death Master File (DMF) Social Security Administration (SSA) - Public
- American InfoSource (AIS) Obituary and Probate Records - Commercial
- Department of Defense (DOD) Death
- Department of State (DOS) Death
- Electronic Verification of Vital Events Fact of Death (EVVE FOD) - Commercial

Debarment Data

- List of Excluded Individuals and Entities (LEIE) - Health & Human Services (HHS OIG) - Public & Restricted
- System for Award Management (SAM) Exclusion Records - General Services Administration (GSA) - Public & Restricted

Debarred Foreign Entities

- Office of Foreign Assets Control (OFAC) Department of the Treasury (Treasury) - Public

Registered Entities

- SAM Entity Registration Records - Restricted (GSA) - Restricted

Non-Profit

- Internal Revenue Service (IRS) Tax Exemption Lists: - Public
  - Automatic Revocation of Exemption List (ARL)
  - Form 990-N (e-Postcard)
  - Publication 78 (Pub 78)

Delinquent Debtors

- Credit Alert System (CAIVRS) with input from DOJ, HUD, SBA, USDA & VA - Restricted
- Treasury Offset Program (TOP) Debt Check - Treasury - Restricted

Additional Data Services/Sources

- Data Analytics
- Account Verification Service (AVS)
- Cross Government Payment Information
- Identity Verification

Data can be made available via a combination of Online Search, Batch Match, Continuous Monitoring, API, and analytics projects.

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Newly Designated Data Sources

Multi-Use

- DNP Adjudication Data - Fiscal Service
- Payments, Claims, and Enhanced Reconciliations (PACER) - Fiscal Service

Debarment Data

- National Disqualified List - Department of Agriculture

Incarceration

- Bureau of Prisons Data - Federal Bureau of Prisons

Eligibility Data

- National Plan and Provider Enumeration System (NPPES) - HHS

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Examples of Product Solutions

Deceased Payee Solutions

- Feedback in FY2023 of **$10M** in prevented/recovered improper payments from the Deceased Record Confidence Scoring Tool.

- Plans to expand reach include additional onboarding to monthly reports, access via the Working System, and state access.
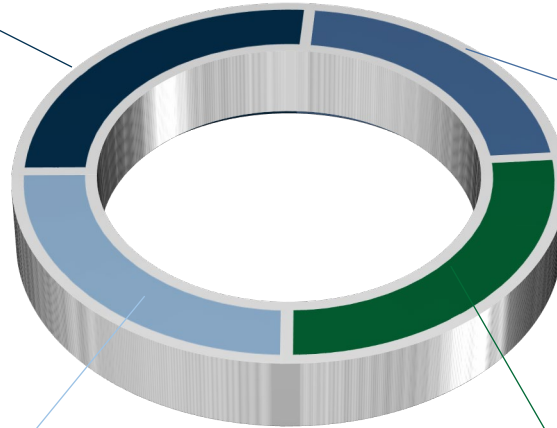
Cross-Agency Solutions

- In 2022, collaborated with DOL, SSA, and OPM to identify **$17M** in prevented/recovered improper payments.

Reaching State Offices

- Built and piloting a Medicaid Screening Service to provide states with death matches, eligibility data, and data quality assessments.

New Data Sources for the Working System

- Performed analysis on Death Notification Entry data which will increase death data coverage.

- Conducted a pilot to investigate the value of income and employment data via The Work Number.

- Initiated identity verification pilot of Lexus Nexis Accurint data service.

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States
Opportunities to Enhance Payment Integrity

Who Can Benefit From Our Services?

CARES Act

Medicaid Recipients Providers

CHIP

SNAP

Unemployment Insurance

Office of the Comptroller

Payment Integrity Information Act of 2019

- Each State and any contractor, subcontractor, or agent of a State, including a State auditor or State program responsible for reducing improper payments of a federally funded State-administered program, and the judicial and legislative branches of the United States, as defined in paragraphs (2) and (3), respectively, of section 202(e) of title 18, shall have access to, and use of, the Do Not Pay Initiative for the purpose of verifying payment or award eligibility for payments.

Office of State Auditor

TANF

ARPA

Grants & Loans

Foster & Child Care

Office of Inspector General

Vendor Payments

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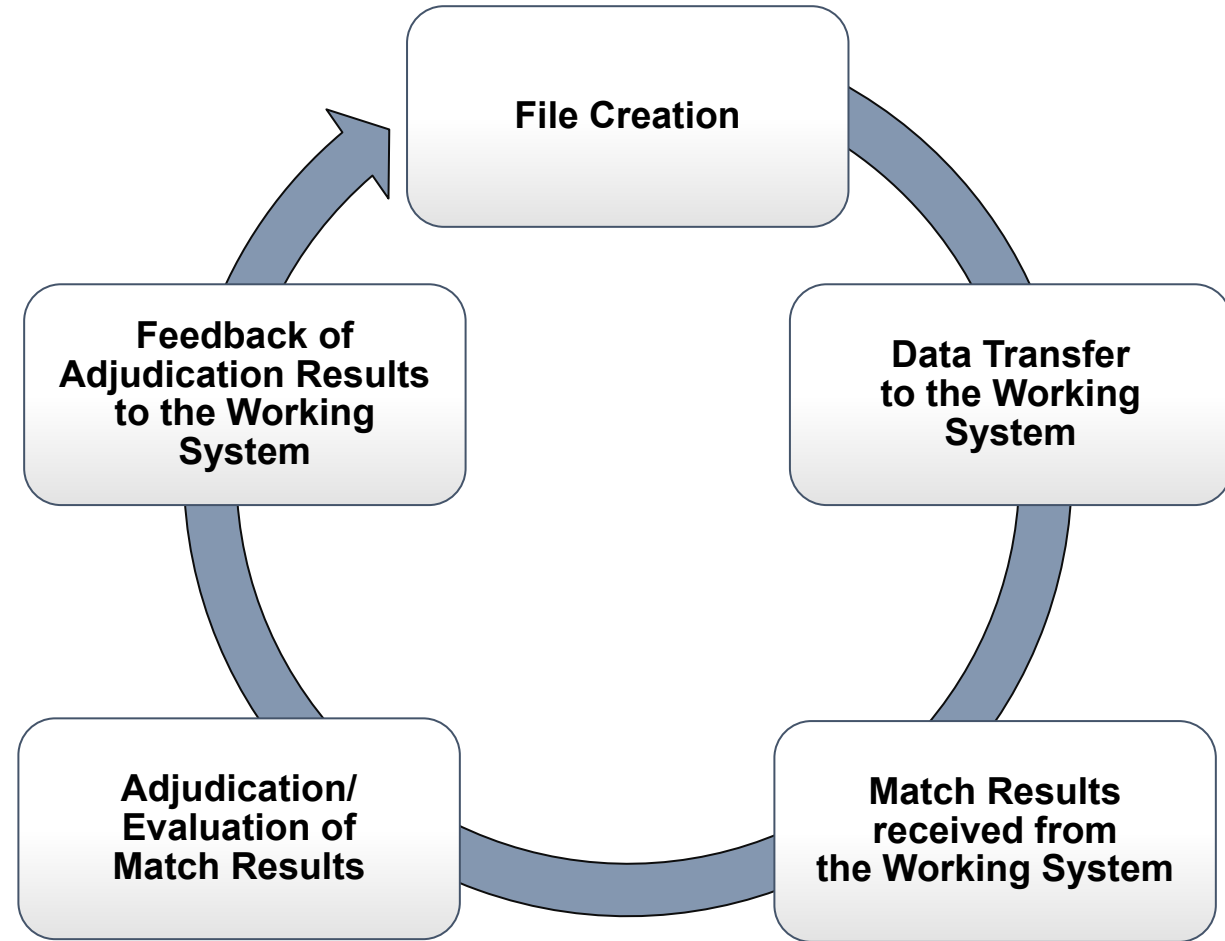
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Continuous Monitoring Snapshot – Monthly Payments

Oregon Office of Payment Accuracy and Recovery

Medicaid and SNAP	
July 2022	158
August 2022	100
September 2022	29
October 2022	64
November 2022 ↓	73 ↓
March 2023	20
April 2023	11
Total Confirmed Deaths:	**2,215**

⬇

Cost Avoidance:	$4,304,291
Recovery:	$1,197,517
Total:	**$5,501,808**

- File Creation
- Data Transfer to the Working System
- Match Results received from the Working System
- Adjudication/ Evaluation of Match Results
- Feedback of Adjudication Results to the Working System

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Success Stories

Alabama Dept of Examiners of Public Accounts
Unemployment Insurance
Oct 2020 – Sept 2022
- 7.5M payment records provided
- 302 Individuals confirmed as being deceased/ 6,345 payments made
- Results: $1,349,255 in Improper Payments
    - Date range of deaths: 1943 - May 2022

https://www.legislature.state.al.us/pdf/eopa/audit_reports/23__068_23-068-Dept.%20of%20Labor%20Special.pdf

State 3
Medicaid and CHIP Eligibility Verification Analysis
FY 2020-2021 and partial 2022
- 268M records provided
- 9K distinct recipients (108K suspected improper payments) who were deceased before their medical service date.
- 11.6K recipients with incorrect Security Numbers (SSNs)
- Results: $1,425,777

Tennessee Comptroller of the Treasury
Unemployment Insurance
July 2020 to June 2021
- 530 individual records provided (sample)
- 93 Individuals confirmed as being deceased
    - 4 individuals confirmed with incorrect SSN
- Results: $410,709 improper payments

https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2022/2021SingleAudit.pdf

State 4
CARES Act Vendor Eligibility
July 2018 to January 2021
- 119K records reviewed
- $1M in improper payments attributed to debarred vendors (Federal Funding).
    - An additional $12M in State Funding
- $497,493: continued their performance audit of these debarred vendors

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Customer Feedback

❖ *"Utilizing DNP's risk scoring capabilities enhanced our planning activities and provided us with actionable results."*
--State Auditor's Office of Massachusetts

❖ *"Direct benefits include authoritative sourcing that increases LAD's credibility with auditees. The DNP results alert agencies to data errors in their identification data. These skills and the DNP service can become part of our growing data analytic toolbox."*

For LAD, personnel costs were saved by using a single source, rather than manually compiling multiple years do death records the state death records. This saved time both in compiling and performing quality control checks. In addition, the DNP service provided a level of certainty about the death that the state source does not."
--Montana Legislative Audit Division

❖ *"Our partnership with DNP has resulted in an increase in cost avoidance and recovery dollars consistently every month. Additionally, it provides a resource to identify our clients who may have passed away out of state or out of country. We've had a positive experience working alongside the DNP team and encourage others to explore the benefits of this resource."*
--Oregon Department of Human Services, Data Match Unit Managers

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USDA and Do Not Pay®: A Decade Long Partnership

J.J. Bell, Management Analyst, DNP Primary Local Security Administrator
US. Department of Agriculture, Office of Chief Financial Officer, Fiscal Policy Division

GFMC*Virtual*sm Webinar Event

August 14, 2023

Overview of USDA

- USDA is comprised of 162 programs that make up eight mission areas focused on providing leadership on food, agriculture, natural resources, rural development, and nutrition.

- The USDA seeks to provide economic opportunity through innovation, helping rural America to thrive; to promote agriculture production that better nourishes Americans while also helping feed others throughout the world; and to preserve our Nation's natural resources through conservation, restored forests, improved watersheds, and healthy private working lands.

USDA and Do Not Pay®

- Began using Do Not Pay in 2013

- USDA utilizes 3 of the 4 Payment Life Cycles

  - All utilize Pre-award

  - A majority utilize both Pre-award and Pre-payment

  - A handful utilize Pre-award, Pre-payment, and Post-payment
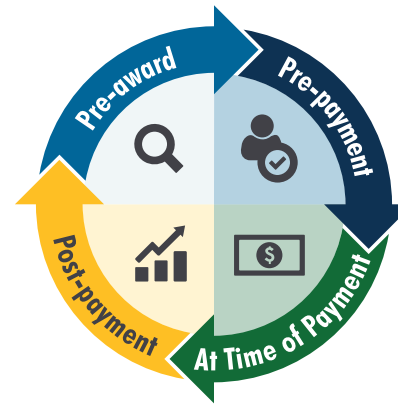
USDA and Do Not Pay®

- ## USDA currently has 1,700+ active users (LSA and Portal Users)

  - Last three years, average annual increase of 3-5% users

- ## Four new programs in various states of the onboarding process

  - Addition of these programs is expected to double our current active user numbers by the end of FY24

USDA

Growing the Program

- Analyze internal improper payment related deliverables submitted by programs throughout the fiscal year

- Review the AFR

- Utilize the information to schedule meetings with Agency points of contact

Growing the Program

- While programs are receptive there are some obstacles to the growth process

  - Concerns about the mechanics of implementing DNP into current established processes

  - Many USDA programs are federally funded State-run programs - there are additional considerations when designing an implementation plan

- These are certainly surmountable obstacles; they just have the potential to add time in the implementation process

  - Conversations with program personnel is critical to success

USDA

Training

- ## Do Not Pay®

  - Overview of program to new enrollees

  - New user training

    - LSAs: enrollment process overview

    - Portal Users: portal demonstration

- ## Internally

  - Each program has their own training program

  - Currently working on Departmental Policy that would create a consistent set of guidelines

USDA

Partnership with Office of Payment Integrity

- ## Weekly meetings

  - Current status

  - Review technical announcements

  - Partner in planning out the direction of USDA program enrollment

- ## Pre-COVID on-site meetings

- ## Informative conversations with PICOE to explore future options that we can pair with Do Not Pay®

Contacts

General Inquiries: opi.outreach@fiscal.treasury.gov

Treasury Working System: donotpay@fiscal.freasury.gov

Website: https://fiscal.treasury.gov/dnp/

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