Getting Payments Right

Goal Leaders

Gay Gilbert, Administrator, Office of Unemployment Insurance, U.S. Department of Labor

Jeff Schramek, Deputy Commissioner, Financial Services and Operations, Bureau of the Fiscal Service

Tim Soltis, Deputy Controller, Office of Management and Budget

Greg Till, Deputy Assistant Secretary, Fiscal Operations and Policy, Department of the Treasury

Megan Worstell, Acting Director of the Office of Financial Management and Chief Financial Office, CMS

Getting Payments Right Goals

To build trust in government by better understanding the nature of improper payments and their relationship to payment integrity.

To demonstrate stewardship of taxpayer dollars by focusing on getting government payments right the first time they are made and preventing monetary loss.

PRESIDENT'S MANAGEMENT AGENDA

Getting Payments Right: FY19 Q4 Accomplishments

Monetary Loss Root Causes

Interviewed **11** programs and Identified **3** successful initiatives

Partnered with the CIO community on Identity Proofing strategies to reduce monetary loss in main root cause categories

Strategic Data Use

Identified new opportunities for collaboration between High Priority Programs to promote better access to needed data sources

Facilitated knowledge sharing between programs of existing data solutions

Mitigation Strategies

Conducted research and deep dive interviews with **8** programs on strategies

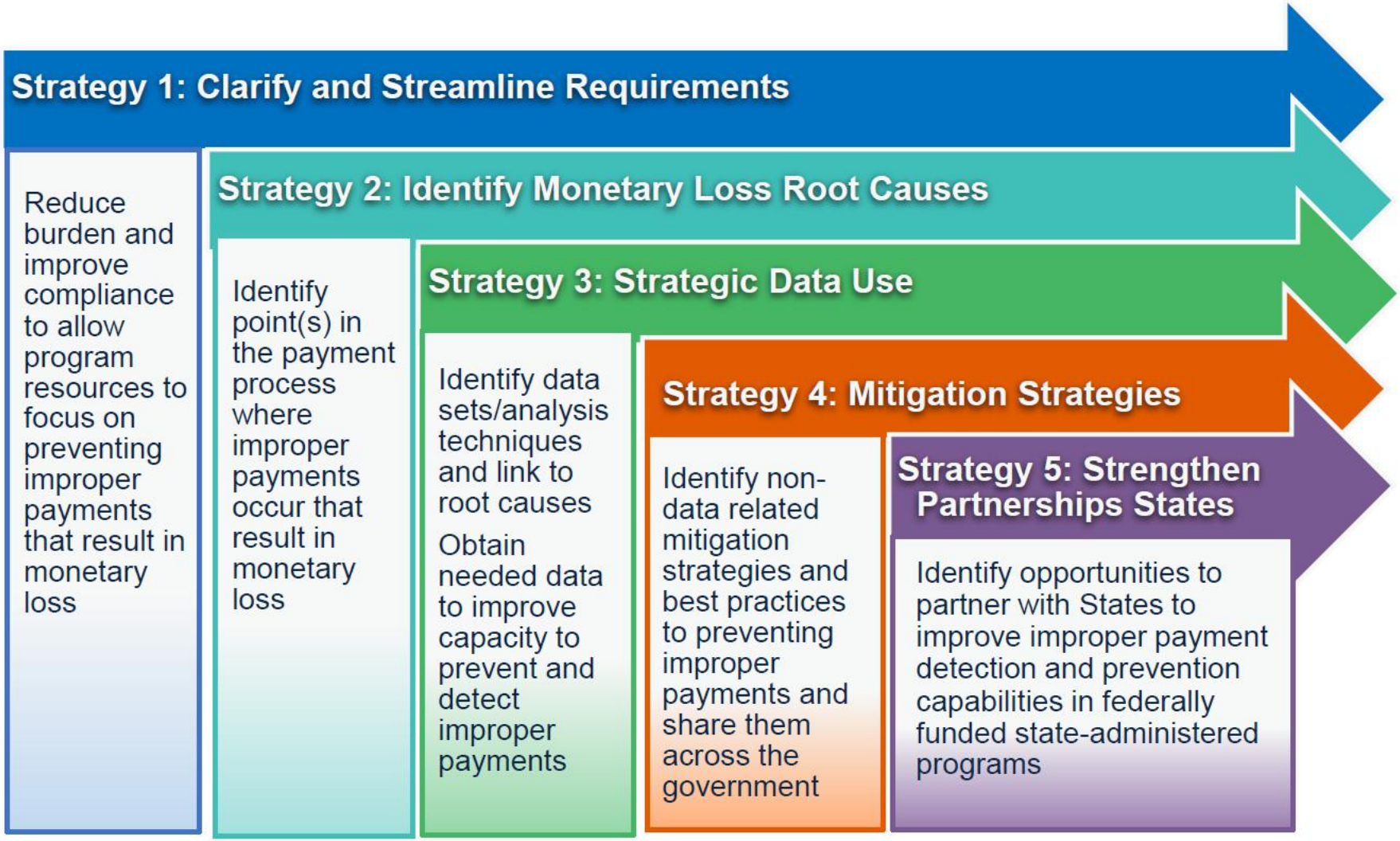
Identified **8** strategies that can be potentially shared across multiple programs

Partnership with States

Held kickoff meeting with state stakeholders

Continued to investigate mitigation strategies with high likelihood of success and wide potential impact across multiple state programs

Getting Payments Right : Strategies



PRESIDENT'S MANAGEMENT AGENDA

Getting Payments Right: Governance Structure

Executive Steering Committee
(Lead: OMB, HHS-CMS, DOL, Treasury)

Clarify and Streamline Requirements
Strategy Executive: OMB

IPWG – Definition; Reporting; Statutory Changes; Risk Assessments; Communication
12/17 – 5/18 Completed phase 1
Lead Agencies: DHS, DOL, DOT, ED, HHS, HUD, NASA, Treasury, SSA, USDA, VA

Identify Monetary Loss Root Causes
Strategy Executive: TBD

Root Cause Identification
12/18 – 5/19 Completed phase 1
Lead: HHS
Support: VA, SSA, HUD, DOL, Treasury

Identity Verification
8/19 – 1/20
Lead: OMB
Support: DOC, DOL, HHS-CMS, Treasury-BFS, VA, VBA

Strategic Data Use
Strategy Executive: Treasury

Dataset Identification
12/18-5/19 Completed phase 1
Lead: Treasury
Support: USDA, DOE, DOC, DOL, HHS, HUD, VA, SSA, HHS/DOT OIG

Data Access Identification
8/19 – 1/20
Lead: DOC
Support: DOD, DOL, DOE, CMS, VA, Treasury BFS, VBA

Mitigation Strategies
Strategy Executive: VA

Leveraging Existing Strategies to Reduce Monetary Loss
8/19 – 1/20
Lead: USDA
Support: DOD , DOT , HHS-CMS , SSA, USDA , VA , VBA

Strengthen Partnerships States
Strategy Executive: Treasury

Initial States Research Projects
5/19 – 10/19
Lead: OMB

States Partnership Work Group
12/19 – 04/20
Lead: OMB
Support: TBD - States

*Tentative Assignment

PRESIDENT'S MANAGEMENT AGENDA

Current Objectives & Deliverables

Identify Monetary Loss Root Causes - Identity	• Quantify the amount of monetary loss that results from an inability to verify identity • Determine how the prevention of monetary loss relates to the larger OFCIO identity initiative • Determine existing solutions and capabilities • Determine whether any current solutions or capabilities can be scaled • Prepare a recommendation for the ESC on a path forward	*Report/file containing analysis of monetary loss as a result of inability to verify identity *Determine recommended path forward
Strategic Data Use - Data Access Identification	• Identify which eligibility criteria are linked to the largest monetary loss root causes for each program over $100M Identify where access to data for eligibility pre-check could mitigate the improper payments resulting in monetary loss • Prioritize data sources by greatest impact to prevention of monetary loss (assuming no legal barriers)	*Report containing data sets/analysis that can be used. *Report indicating amount of monetary loss that will be prevented from accessing identified data sets/analysis.
Mitigation Strategies – Monetary Loss	• Identify mitigation strategies proven successful at agencies and determine opportunities to expand across government • Convene experts to share mitigation strategies that are not data dependent and have proven effective • Identify which shared mitigation strategies can be used	*Report/File containing best practices and lessons learned
Strengthen Partnerships States	• Develop an operating charter • Establish a pilot that looks into best practices and creative solutions implemented to prevent improper payments in federally funded state-administered programs • Develop a comprehensive contact list for state level administrators and IG's	*Report/File containing best State level best practices and POCs

Key Milestones – Clarify and Streamline Requirements

Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues
Update guidance as needed	Ongoing	Ongoing	Change	OMB	None
Implement any new legislation	Ongoing	Ongoing	Change	OMB and Agencies	None
Update communication and messaging as needed	Ongoing	Ongoing	Change	OMB	None

Key Milestones – Identify Monetary Loss Root Causes

Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues
Quantify the amount of monetary loss that results from an inability to verify identity	Aug 2019 – Jan 2020	In-progress	None	OMB and Agencies	Resource Availability
Determine how the prevention of monetary loss relates to the larger OFCIO (Federal) identity initiative	Aug 2019 – Jan 2020	Complete	Status Updated	OMB and Agencies	Resource Availability
Determine existing solutions and capabilities related to Identity verification	Aug 2019 – Jan 2020	In-progress	None	OMB and Agencies	Resource Availability
Determine whether current capabilities related to Identity verification can be scaled	Aug 2019 – Jan 2020	In-progress	None	OMB and Agencies	Resource Availability
Prepare recommendation for CAP Goal 9 ESC on path forward	Aug 2019 – Jan 2020	In-progress	None	OMB and Agencies	Resource Availability

Key Milestones – Strategic Data Use

Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues
Assuming no barriers, identify all available private and public data sets that could be used to perform eligibility pre-checks	Dec 2018 – May 2019	Completed	No Change	Agency Program/ OMB	None
Identify which data sets are currently being used within each program to perform pre-checks and analysis aimed at preventing monetary loss	Dec 2018 – May 2019	Completed	No Change	Agency Program/ OMB	None
Catalogue data elements within each dataset (i.e. income, residency, DOB, SSN, etc.)	Dec 2018 – May 2019	Completed	No Change	Agency Program/ OMB	None
Cross walk the results of the three data calls performed in the previous working groups (monetary loss root cause, eligibility criteria, data sources)	Aug 2019 – Jan 2020	In Progress	None	Agency Program/ OMB	Resource Availability
Create an interview template for targeted interviews with individual programs	Aug 2019 – Jan 2020	Completed	Status Updated	Agency Program/ OMB	Resource Availability
Using targeted interviews/engagements with program SME, identify which eligibility criteria are linked to the largest monetary loss root causes for each program over $100M in monetary loss	Aug 2019 – Jan 2020	Completed	Status Updated	Agency Program/ OMB	Resource Availability

Key Milestones – Strategic Data Use

Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues
Using results of program interviews, identify where access to data for eligibility pre-check could mitigate the improper payments resulting in monetary loss	Aug 2019 – Jan 2020	In Progress	None	Agency Program/ OMB	Resource Availability
Identify which data sets from the data call contain the needed eligibility pre-check criteria that can be used to perform pre-checks for improper payment prevention of monetary loss	Aug 2019 – Jan 2020	In Progress	None	Agency Program/ OMB	Resource Availability
Prioritize data sources by greatest impact to prevention of monetary loss (assuming no legal barriers)	Aug 2019 – Jan 2020	In Progress	None	Agency Program/ OMB	Resource Availability
Identify the method and/or requirement for accessing/incorporating the data (beginning with element that will achieve the largest amount of monetary loss)	Jan 2020 – July 2020	Not Started	None	Agency Program/ OMB	Resource Availability
Identify the ROI and Barriers to accessing data	Jan 2020 – July 2020	Not Started	None	Agency Program/ OMB	Resource Availability
Develop proposal to access the data	Jan 2020 – July 2020	Not Started	None	Agency Program/ OMB	Resource Availability
Execute each proposal	July 2020 - March 2022	Not Started	None	Agency Program/ OMB	Resource Availability
Incorporate data into pre-payment review process and demonstrate effectiveness of monetary loss prevention	2022-2024	Not Started	None	Agency Program/ OMB	Resource Availability

Key Milestones – Mitigation Strategies

Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues
Identify mitigation strategies that have been proven successful at individual Agencies through a reduction in monetary loss, determine opportunities to expand the successes across government	Aug 2019 – Jan 2020	Completed	Status Updated	Agency Program/ OMB	Resource Availability
Convene experts to share mitigation strategies that are not data dependent and have proven effective	Aug 2019 – Jan 2020	In Progress	None	Agency Program/ OMB	Resource Availability
Identify which shared mitigation strategies can be leveraged by Agencies	Aug 2019 – Jan 2020	In Progress	None	Agency Program/ OMB	Resource Availability
Using root cause analysis, identify which monetary loss root causes need mitigation strategies that are not data dependent (i.e. the root causes that can not be fixed by additional access to data for a pre-check or root causes that are more easily addressed in other ways, i.e. training, system changes, application form reconstruction, etc.)	Jan 2020 – May 2020	Not Started	None	Agency Program/ OMB	
Convene experts to share current mitigation strategies for identified monetary loss root causes in step 1	Jan 2020 – May 2020	Not Started	None	Agency Program/ OMB	
Evaluate shared mitigation strategies shared to determine which could be leveraged for identified root causes	Jan 2020 – May 2020	Not Started	None	Agency Program/ OMB	

Key Milestones – Mitigation Strategies

Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues
Prioritize the mitigation strategies to identify those which will yield the greatest amount of monetary loss and those which are easiest and fastest to implement	June 2020 – Oct 2020	Not Started	None	Agency Program/ OMB	
Develop proposals to implement mitigation strategies	June 2020 – Oct 2020	Not Started	None	Agency Program/ OMB	
Implement mitigation strategies	Nov 2020 – June 2021	Not Started	None	Agency Program/ OMB	
Demonstrate effectives of preventative actions	2022-2024	Not Started	None	Agency Program/ OMB	

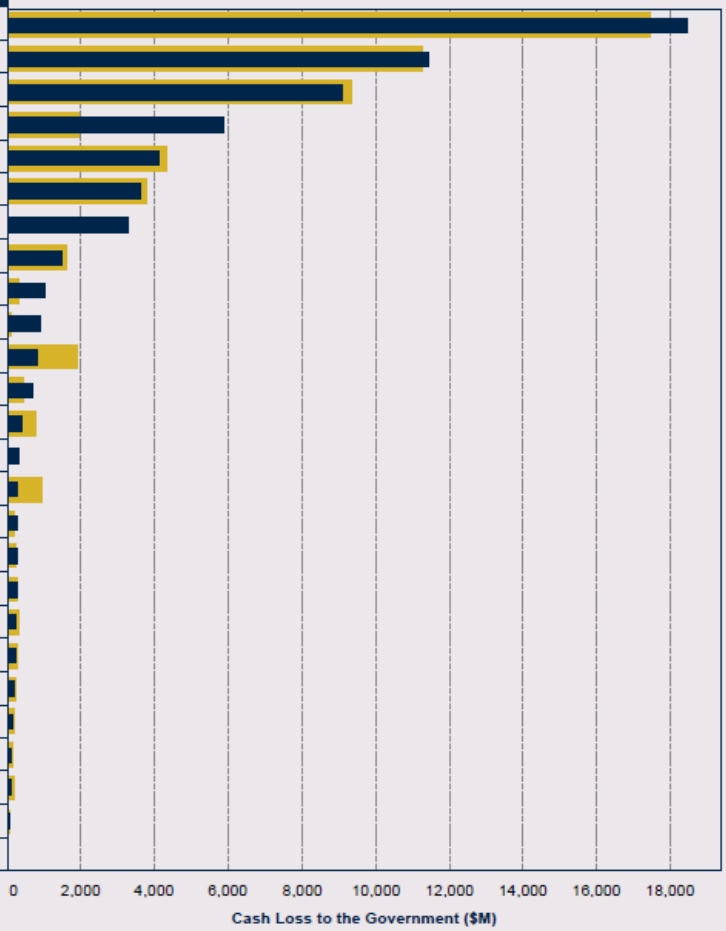
Key Milestones – Strengthening Partnerships with States

Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues
Initial PMF Project to call states to establish POC's and determine best practices.	May 2019 – Aug 2019	Completed	Addition	OMB and PMF	Resource Availability
Develop an operating charter	Aug 2019 – Dec 2019	In Progress	Date Adjustment	Agency Program/ OMB	Resource Availability
Develop a comprehensive contact list for state level administrators and IG's	Sep 2019 – Dec 2019	In Progress	Date Adjustment	Agency Program/ OMB	Resource Availability
Establish a pilot that looks into best practices and creative solutions implemented to prevent improper payments in federally funded state-administered programs	Sep 2019 – Mar 2020	In Progress	Date Adjustment	Agency Program/ OMB	Resource Availability

Annual Key Performance Indicator: Amount of Monetary Loss and Change in Monetary Loss

Cash Loss to the Government (FY17 - FY18)

Agency	Program or Activity	Change ($M)	Indicator
Treasury	Earned Income Tax Credit	$984M	↑
HHS	Medicare Fee For Service	$186M	↑
HHS	Medicare Part C	-$216M	↓
SSA	Old-Age, Survivors, and Disability Insurance	$3956M	↑
SSA	Supplemental Security Income	-$203M	↓
HHS	Medicaid	-$164M	↓
USDA	Supplemental Nutrition Assistance Program	N/A	
ED	Pell Grant	-$135M	↓
VA	Community Care	$705M	↑
DOT	Federal Highway Administration Highway Planning and Construction	$766M	↑
USDA	National School Lunch	-$1076M	↓
HHS	Medicare Part D	$231M	↑
ED	Direct Loan	-$379M	↓
VA	Pension	$304M	↑
USDA	School Breakfast	-$660M	↓
DOD	Military Pay	$113M	↑
HHS	Child Care	$61M	↑
VA	Compensation	-$37M	↓
FCC	Universal Service Funds - Lifeline	-$109M	↓
OPM	Total Program Retirement	-$27M	↓
HHS	Childrens Health Insurance	-$42M	↓
USDA	Federal Crop Insurance Corporation	-$14M	↓
DOD	Travel Pay	-$25M	↓
USDA	Special Supplemental Nutrition Program for Women, Infants, and Children	-$89M	↓
DOL	Unemployment Insurance	$26M	↑
VA	Purchased Long Term Services and Support	$24M	↑



Cash Loss - Cash loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.

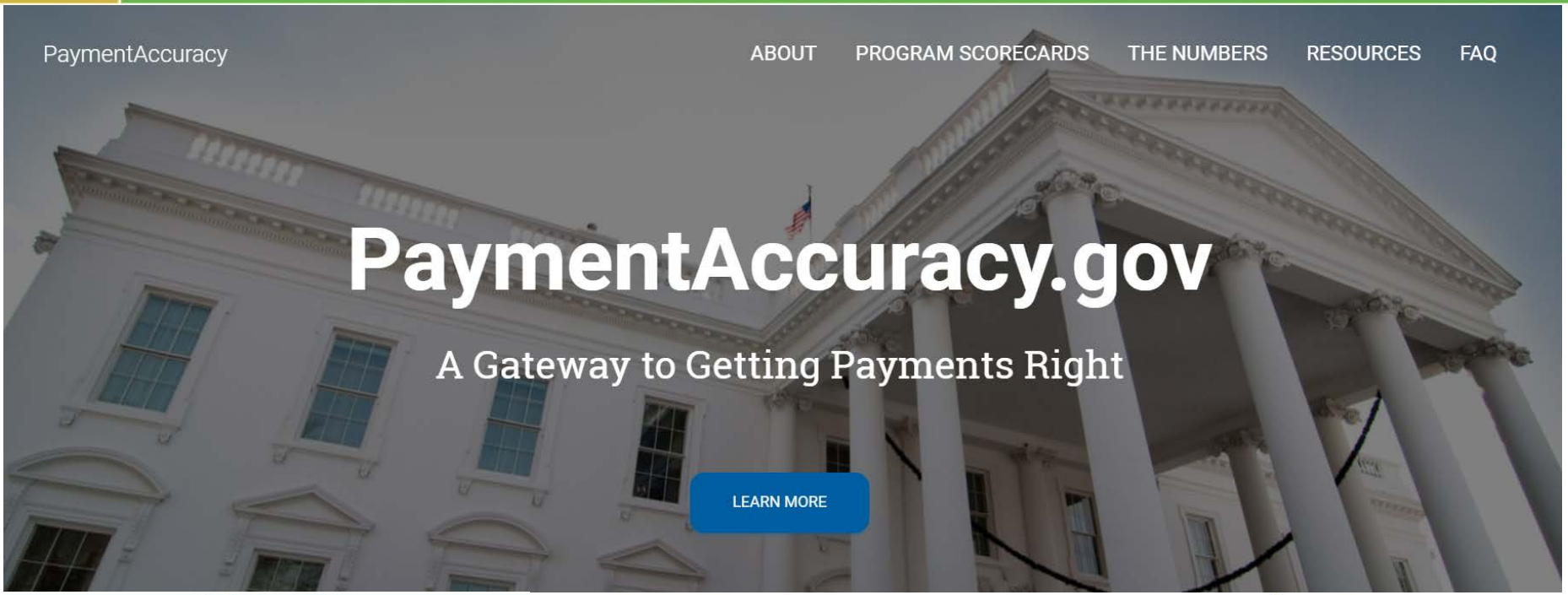
Amounts were reported in millions of dollars

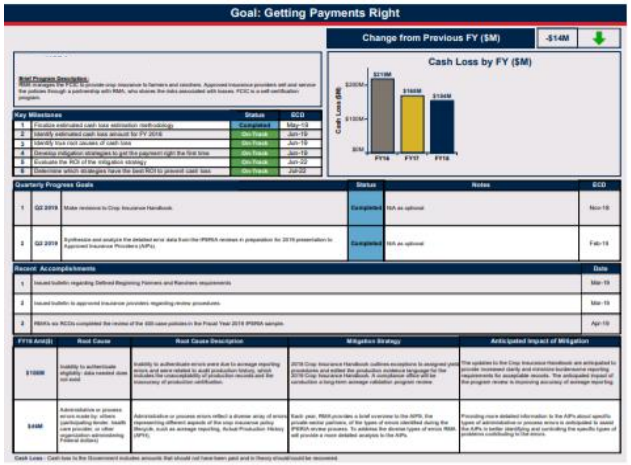
* *Includes high priority programs and programs that have a $100 million or more in cash loss.*
* *Supplemental Nutrition Assistance Program did not report FY17 data.*

Indicator Key
↑ Increase from Previous FY
↓ Decrease from Previous FY

Fiscal Year Key
FY18
FY17

Quarterly Key Performance Indicator: Program Scorecards





High-Priority Programs and Programs over $100M in Monetary Loss

The government can achieve the greatest return on investment for the taxpayer by ensuring that improper payments are eliminated in the highest-risk programs, otherwise known as **high-priority programs**. These programs have improper payments estimates that exceed $2 billion annually.

High-priority programs are designated by the Office of Management and Budget (OMB) and agencies with high-priority programs have additional reporting requirements.

To reduce the monetary loss to the tax payers by issuing payments correctly the first time, in FY 2018 High Priority Programs will be combined with programs that have over a $100 Million or more in monetary loss. This is an opportunity to improve the efficiency of government programs by focusing on reducing incorrect payment that result in monetary loss.

Determination criteria and reporting requirements for high-priority programs are found in OMB Guidance Circular A-123, Appendix C

Select a program from the list below to view program details: