



## 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

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Centers for Medicare and Medicaid Services

**Tim Soltis**, Deputy Controller, Office of Management and Budget



# Overview – Getting Payments Right CAP Goal



## Goal Statement

- Demonstrate stewardship of taxpayer dollars by reducing monetary loss and making payments correctly the first time.



## Challenge

- While improper payments may compromise citizens' trust in government, they are not always indicative of fraud, nor do they necessarily represent payments that should not have been made. Having the right information and the capacity to address root causes are critical components.

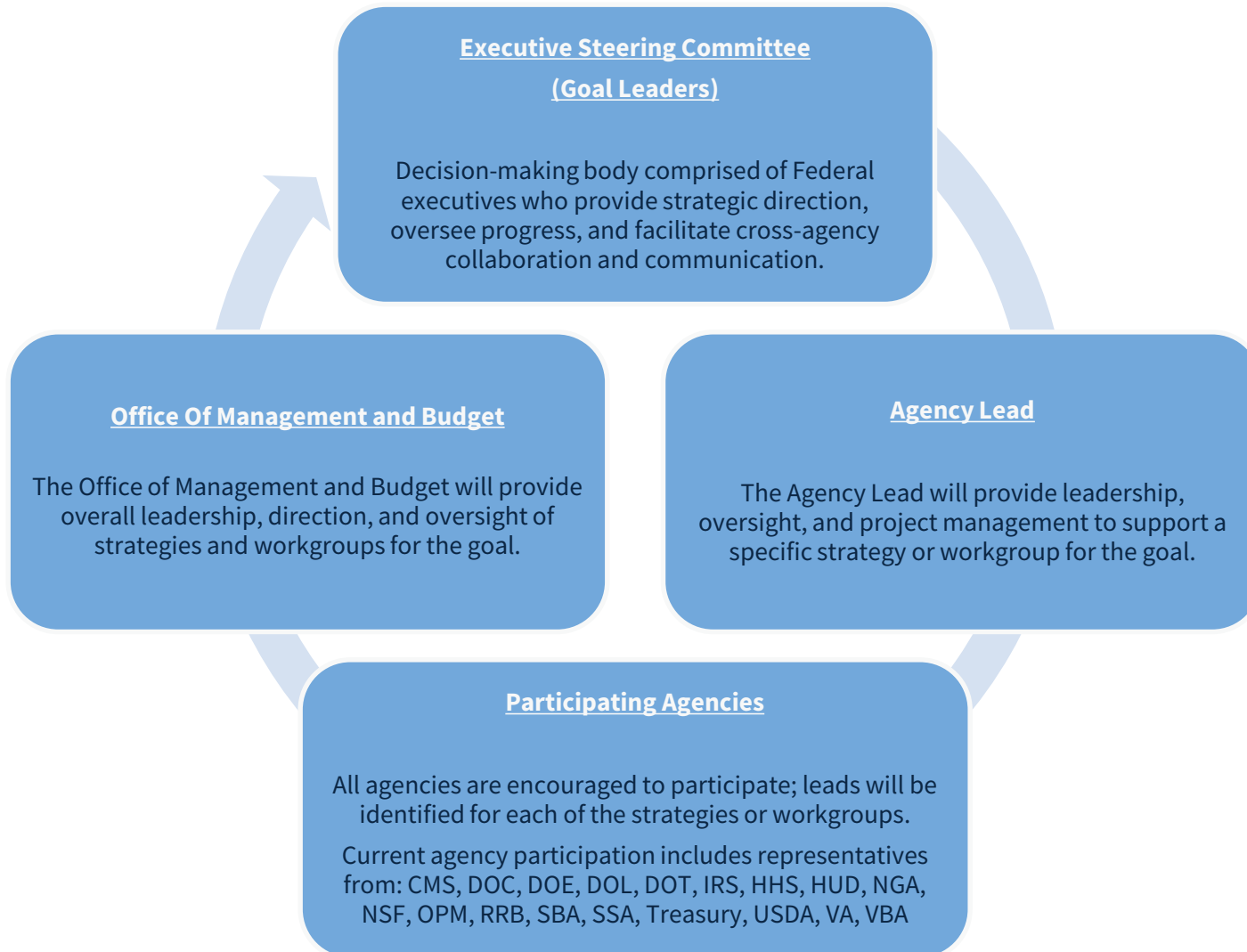


## Opportunity

- To improve the efficiencies of government programs by focusing on getting government payments right the first time they are made and reducing the cost associated with an incorrect payment.
- Build trust in government by better understanding the nature of improper payments and their relationship to payment integrity.

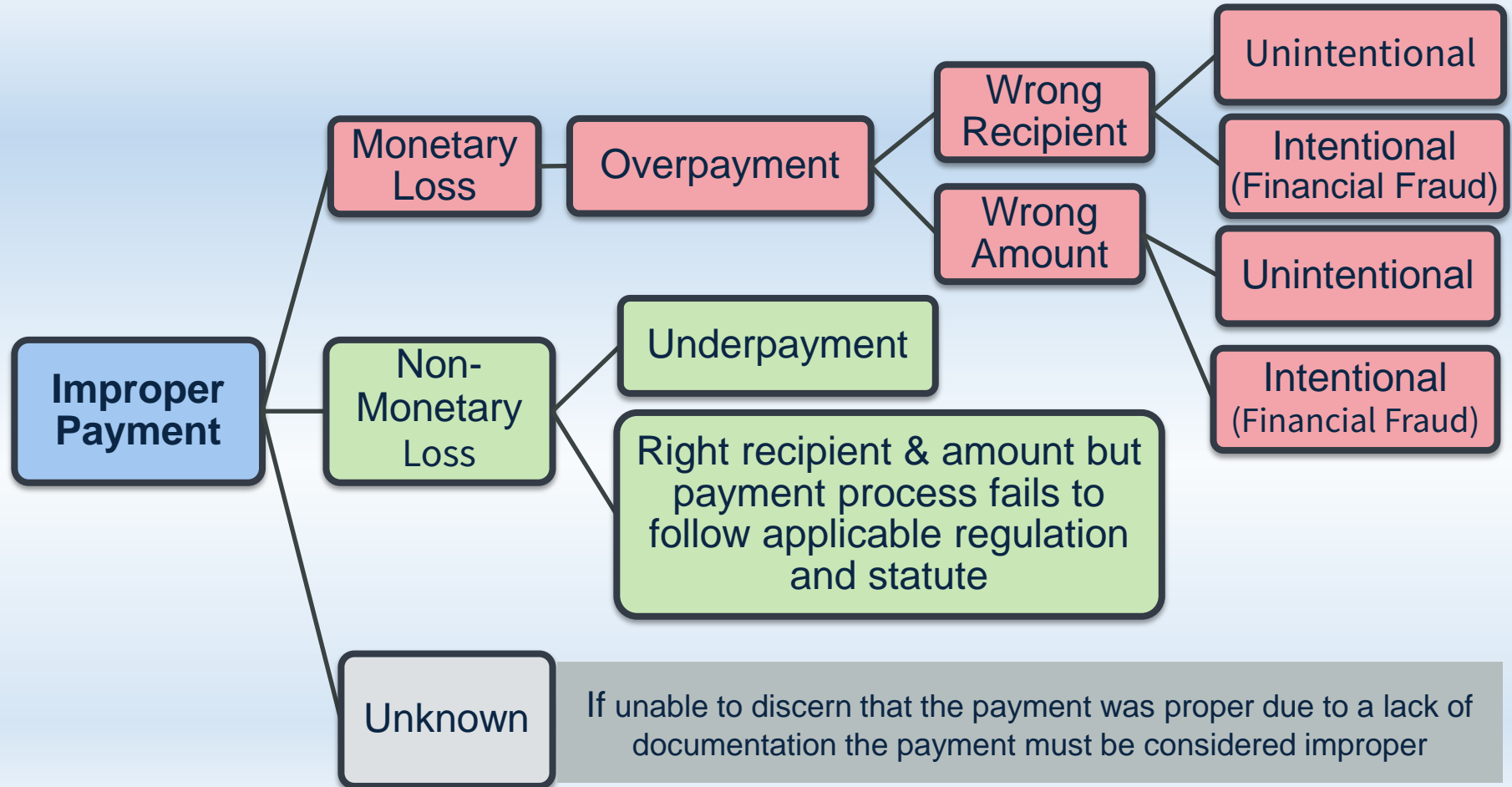


# Overview – Getting Payments Right Goal Leadership





# Types of Improper Payments





# Getting Payments Right – Strategy

## Strategy 1: Clarify and Streamline Requirements

Reduce burden and improve compliance to allow program resources to be focused on preventing improper payments that result in monetary loss.

## Strategy 2: Identify Monetary Loss Root Causes

Identify the point(s) in payment process where the improper payment resulting in monetary loss occur.

## Strategy 3: Strategic Data Use

Identify data sets/analysis techniques and link to root causes. Obtain needed data to perform pre-payment checks.

## Strategy 4: Mitigation Strategies

Identify non-data related mitigation strategies for monetary loss prevention. Share and implement strategies across the government.

Four strategies have been identified to achieve the objective of the CAP Goal. Milestones have been updated to align with these four strategies.





# Progress Snapshot

## 2020 President's Budget

New Payment Integrity chapter released in the **President's 2020 Budget**

## Program Scorecards

Quarterly program scorecards published on [paymentaccuracy.gov](https://www.paymentaccuracy.gov) highlighting **improper payment prevention progress**

## PIIA Legislation

Released PIIA 2019 for agency Legislative Review

Adjudicated **111** comments across **14** agencies

## Anti-Fraud Playbook

Published playbook with fraud prevention techniques to help **prevent intentional improper payments** (aka fraud)

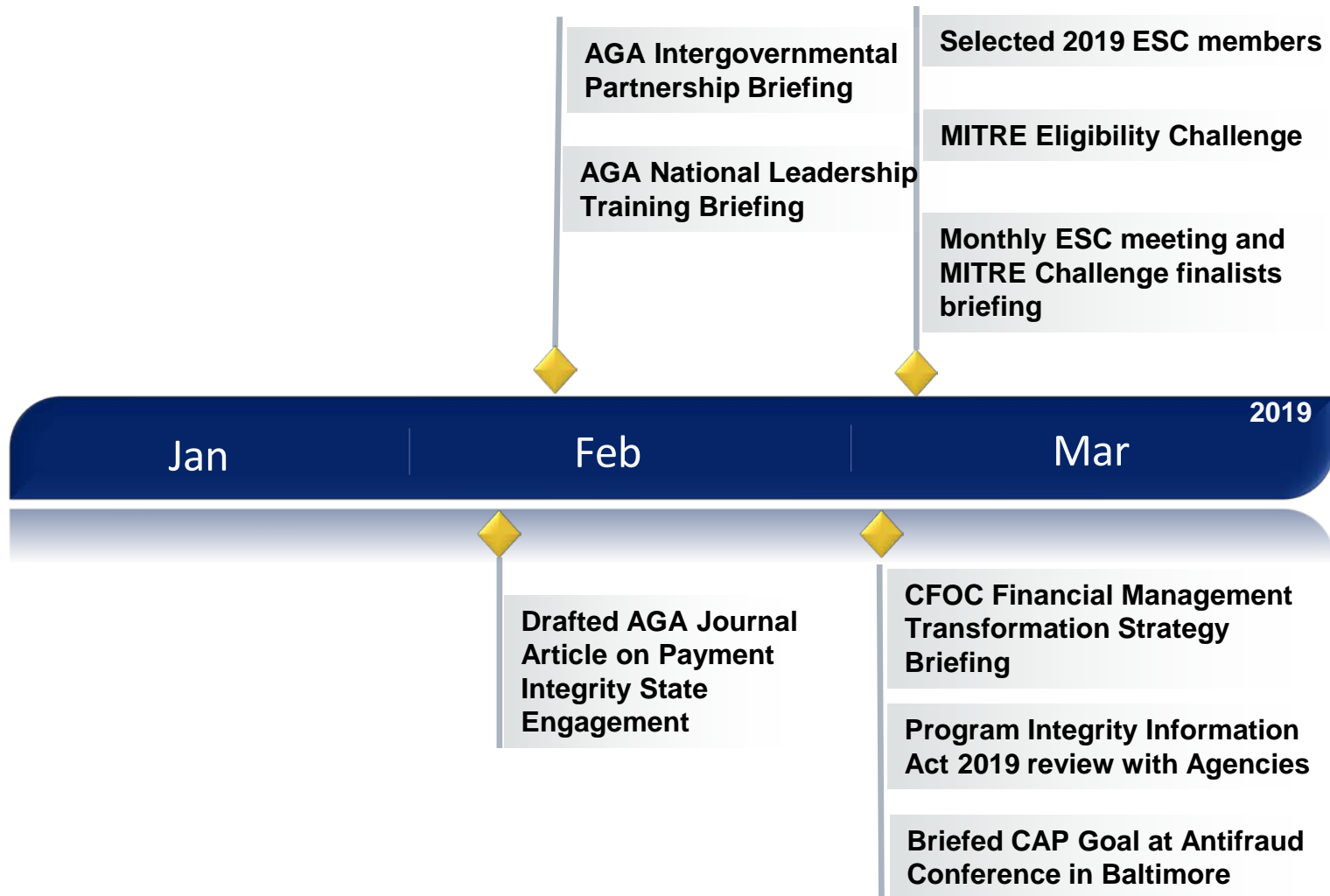
## Outside Engagement

Partnership for Public Service published **"The Buck Stops Here"**

MITRE announced **Eligibility Verification Challenge Winner**



# **Progress – Getting Payments Right CAP Goal Communications with Federal, State, Local and Private Entities**

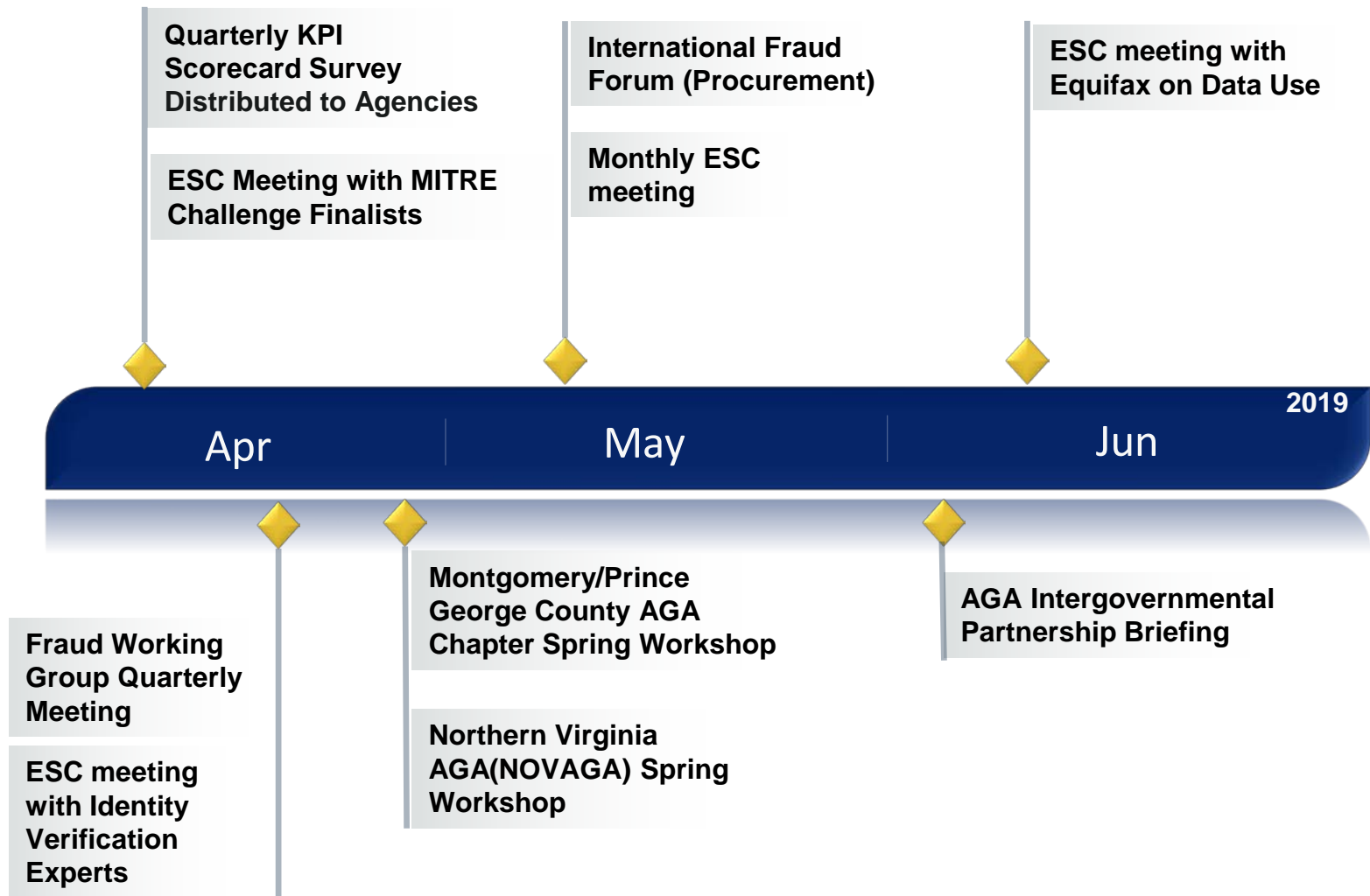


\* Association of Government Accountants (AGA)





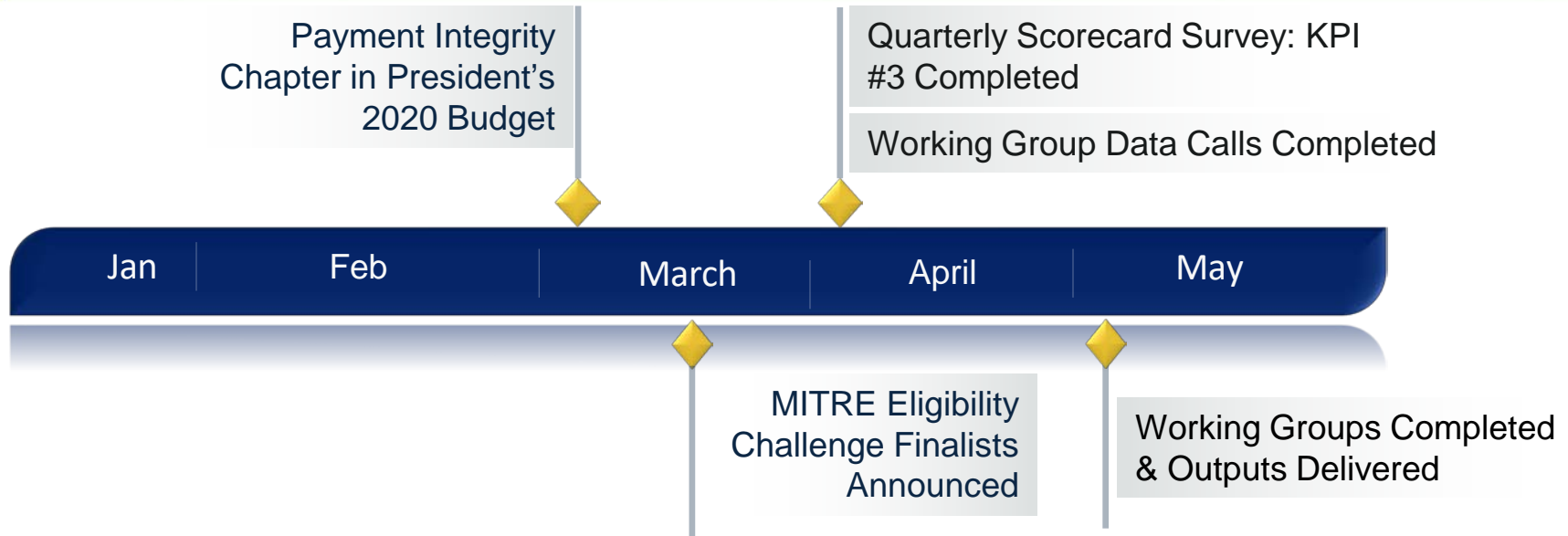
# **Progress – Getting Payments Right CAP Goal Communications with Federal, State, Local and Private Entities**







## Accomplishments



- **March 2019** - New Payment Integrity chapter released in the President's 2020 Budget highlighting select statutory changes needed to improve the prevention of improper payments resulting in monetary loss. First time the President's Budget has focused on the Getting Payments Right CAP Goal.
- **March 2019** - MITRE announced winners of its Payment Integrity Challenge, *Strengthening Eligibility Verification for Federal Benefit Programs*. Challenge finalists presented innovative solutions to overcome one of the most difficult aspects of Getting Payments Right: verifying applicant eligibility.
- **April 2019** - Completed quarterly scorecard survey to agencies for Key Performance Indicator (KPI) #3 to highlight quarterly progress made on 24 programs with more than \$100M monetary loss and/or High-Priority Programs. Results will be available on [paymentaccuracy.gov](https://paymentaccuracy.gov) and [performance.gov](https://performance.gov)
- **April 2019** - Completed root cause and strategic data use working groups data calls to Federal agencies to determine monetary loss root causes across programs and availability of data sources to support mitigation strategies. Received responses on 57 programs across 20 Federal agencies.
- **May 2019** - Completed two of ten working groups. Working groups delivered critical products to support follow-on working groups to include a root cause matrix for improper payments resulting in monetary loss with root cause similarities mapped across programs and a report of all datasets being used in Federal programs.



# Key Milestones Completed – Clarify and Streamline Requirements

Reduce burden and improve compliance which will allow program resources to be focused on preventing improper payments that result in monetary loss. \*

Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues
Identify initial needed statutory changes and share with Congress	October 2017	Complete	No Change	OMB	None
Revise and publish agency guidance based on 2017 burden reduction engagements	June 2018	Complete	No Change	OMB	None
Identify additional guidance improvements and propose changes to OMB	June 2018	Complete	No Change	CFOC	None
Identify preliminary statutory barriers and other needed changes and present findings to OMB	June 2018	Complete	No Change	CFOC	None
Communicate remaining needed changes to OMB	July 2018	Complete	No Change	CFOC	None
Revise the Payment Integrity and Fraud sections of OMB Circular A-136	March 2019	Complete	Change	OMB	None
Revise Payment Integrity Data Calls	April 2019	In Progress	Change	OMB	None
Communicate additional needed Statutory Changes with the Hill	2019	In Progress	Change	OMB and Agencies	None
Revise OMB Circular A-123, Appendix C	2021	In Progress	Change	OMB	Resource constraints have delayed the progress of this milestone

\* Milestones have been updated to align with the four strategies identified to achieve the objective of the CAP Goal.





# Monetary Loss Root Causes Steps & Outputs

Develop understanding of existing payment processes behind the improper payments resulting in monetary loss

Identify what is causing the improper payments resulting in monetary loss at the point(s) previously identified

Document the payment process steps and identify the point(s) where the improper payment resulting in monetary loss is occurring

Group similar causes together and develop revised root cause matrix categories for improper payments resulting in monetary loss

- Revised root cause matrix for improper payments resulting in monetary loss.

- Analysis containing root cause similarities mapped across programs.



## Key Milestones – Identify Monetary Loss Root Causes

Revise root cause matrix to focus on causes of monetary loss. Analyze and identify similarities across programs. \*

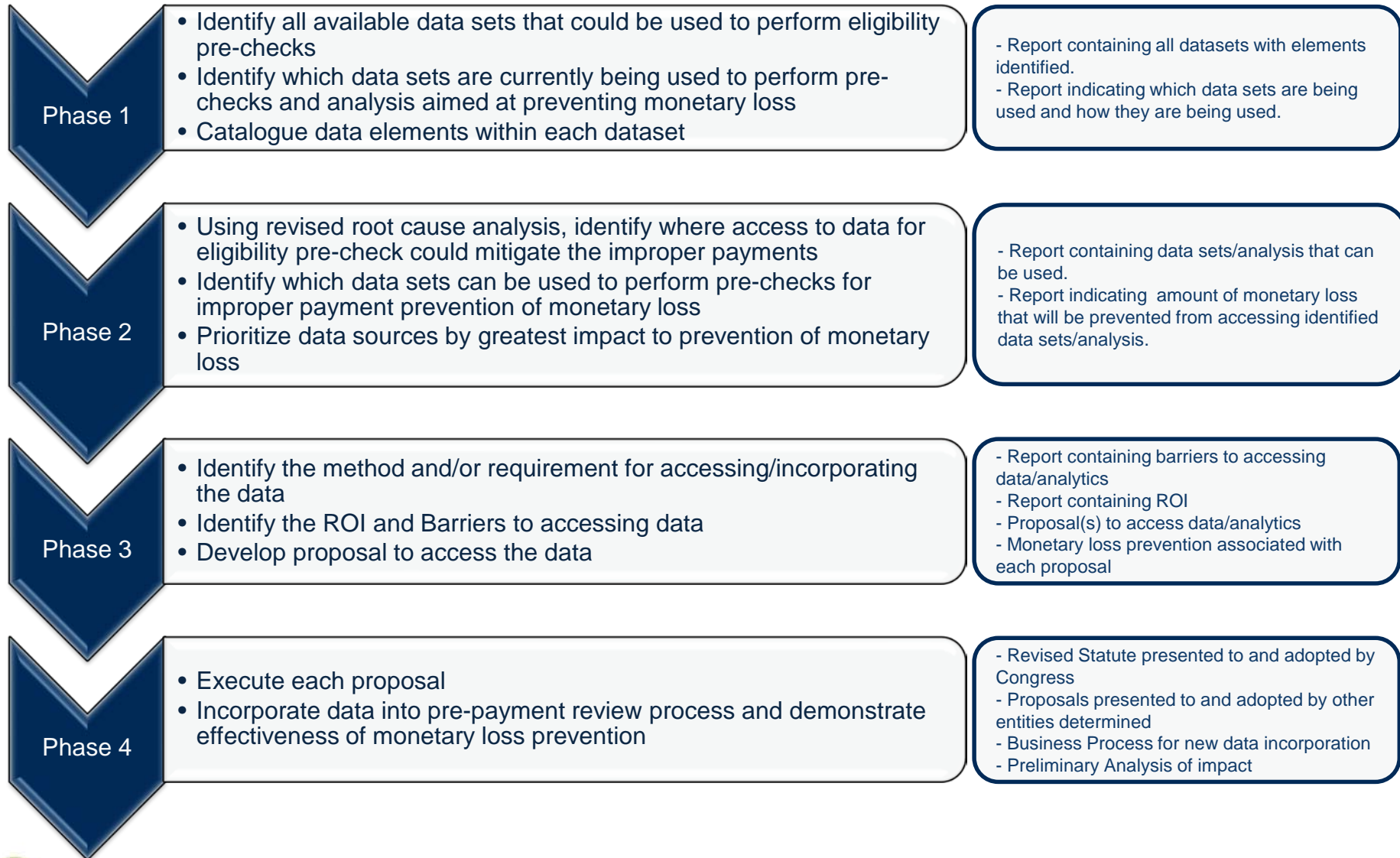
Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues
Develop understanding of existing payment processes behind the improper payments resulting in monetary loss	Dec 2018 – May 2019	In Progress	Date Adjustment	Agency Program	None
Document the payment process steps and identify the point(s) where the improper payment resulting in monetary loss is occurring.	Dec 2018 – May 2019	In Progress	Date Adjustment	Agency Program	None
Identify what is causing the improper payments resulting in monetary loss at the point identified above	Dec 2018 – May 2019	In Progress	Date Adjustment	Agency Program	None
Group similar causes together and develop revised root cause matrix categories for improper payments resulting in monetary loss	Dec 2018 – May 2019	In Progress	Date Adjustment	Agency Program	None



\* Milestones have been updated to align with the four strategies identified to achieve the objective of the CAP Goal.



# Strategic Data Use Steps & Outputs





## Key Milestones – Strategic Data Use

Identify data sets/analysis techniques and link to root causes. Obtain needed data to perform pre-payment checks. \*

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	In Progress	Date Adjustment	Agency Program/OMB	TBD
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	In Progress	Date Adjustment	Agency Program/OMB	TBD
Catalogue data elements within each dataset (i.e. income, residency, DOB, SSN, etc.)	Dec 2018 – May 2019	In Progress	Date Adjustment	Agency Program/OMB	TBD
Using revised root cause analysis from Strategy 2, identify where access to data for eligibility pre-check could mitigate the improper payments	June 2019 – November 2019	Not Started	Date Adjustment	Agency Program/OMB	TBD
Identify which data sets identified above can be used to perform pre-checks for improper payment prevention of monetary loss	June 2019 – November 2019	Not Started	Date Adjustment	Agency Program/OMB	TBD
Prioritize data sources by greatest impact to prevention of monetary loss (assuming no legal barriers)	June 2019 – November 2019	Not Started	Date Adjustment	Agency Program/OMB	TBD



\* Milestones have been updated to align with the four strategies identified to achieve the objective of the CAP Goal.



## Key Milestones – Strategic Data Use

Identify data sets/analysis techniques and link to root causes. Obtain needed data to perform pre-payment checks. \*

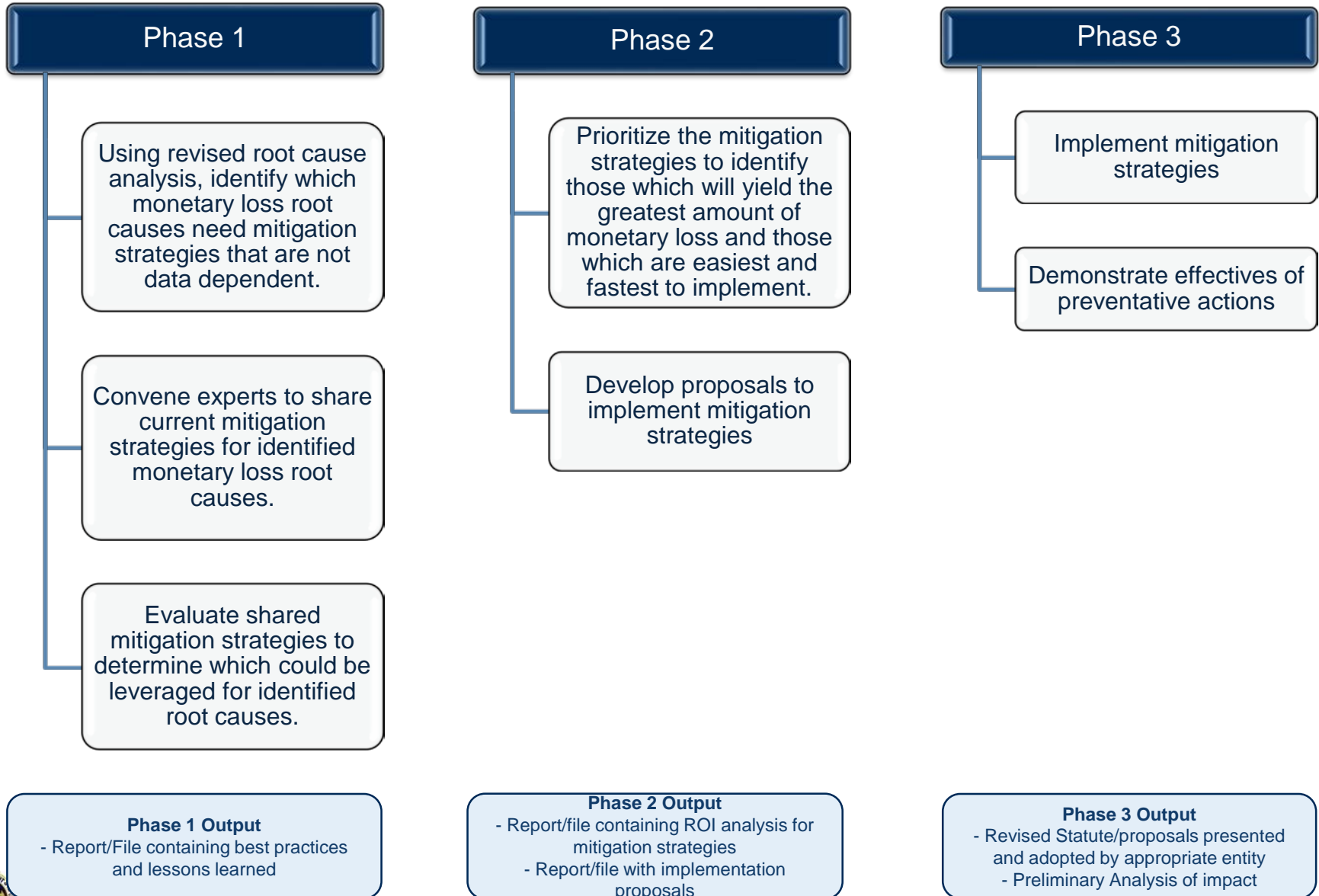
Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues
Identify the method and/or requirement for accessing/incorporating the data (beginning with element that will achieve the largest amount of monetary loss)	Dec 2019 – June 2020	Not Started	Date Adjustment	Agency Program/OMB	TBD
Identify the ROI and Barriers to accessing data	Dec 2019 – June 2020	Not Started	Date Adjustment	Agency Program/OMB	TBD
Develop proposal to access the data	Dec 2019 – June 2020	Not Started	Date Adjustment	Agency Program/OMB	TBD
Execute each proposal	July 2020 - March 2022	Not Started	Date Adjustment	Agency Program/OMB	TBD
Incorporate data into pre-payment review process and demonstrate effectiveness of monetary loss prevention	2022-2024	Not Started	No Change	Agency Program/OMB	TBD



\* Milestones have been updated to align with the four strategies identified to achieve the objective of the CAP Goal.



# Mitigation Strategies, Steps & Outputs







## Key Milestones – Mitigation Strategies

Identify non-data related mitigation strategies for monetary loss prevention that can be leveraged across the government. \*

Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues
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.)	June 2019 – November 2019	Not Started	Date Adjustment	Agency Program/OMB	TBD
Convene experts to share current mitigation strategies for identified monetary loss root causes in step 1	June 2019 – November 2019	Not Started	Date Adjustment	Agency Program/OMB	TBD
Evaluate shared mitigation strategies shared to determine which could be leveraged for identified root causes.	June 2019 – November 2019	Not Started	Date Adjustment	Agency Program/OMB	TBD
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.	January 2020 – May 2020	Not Started	Date Adjustment	Agency Program/OMB	TBD
Develop proposals to implement mitigation strategies	January 2020 – May 2020	Not Started	Date Adjustment	Agency Program/OMB	TBD
Implement mitigation strategies	June 2020 – March 2021	Not Started	Date Adjustment	Agency Program/OMB	TBD
Demonstrate effectiveness of preventative actions	2022-2024	Not Started	No Change	Agency Program/OMB	TBD

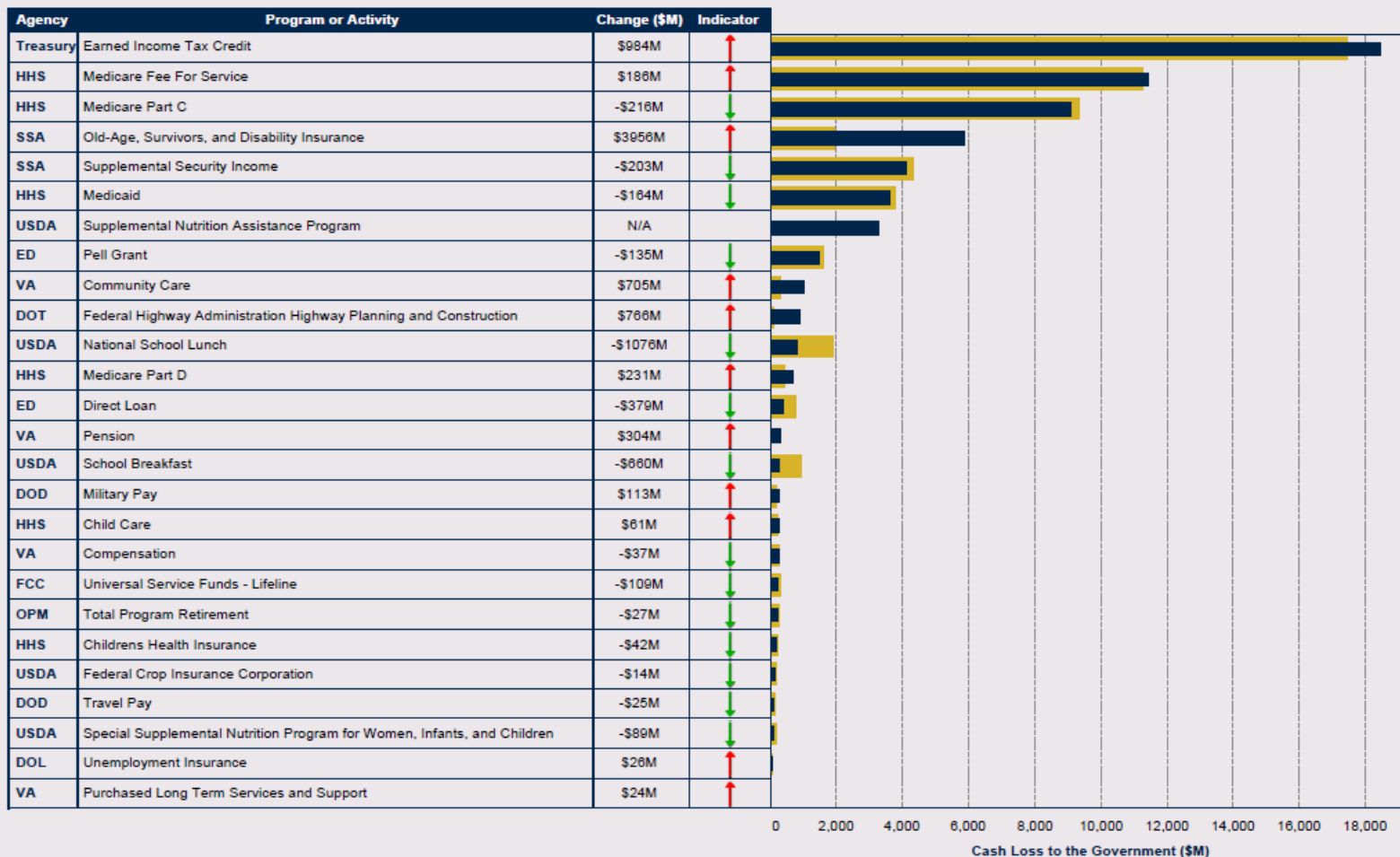


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# Amount of Monetary Loss and Change in Monetary Loss

## Cash Loss to the Government (FY17 - FY18)



**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





# KPI – Sample Quarterly Program Scorecard

## Goal: Getting Payments Right



HHS

Child Care

Brief Program Description:

Administers the following grant programs to States, Federal agencies and tribal governments: (1) State Programs, (2) Tribal Transportation Program, (3) Federal Lands Transportation and Access Programs, (4) and Territorial and Puerto Rico Highway Program

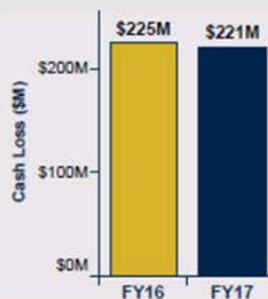
Program or Activity  
Child Care

Change from Previous FY (\$M)

-\$4M



### Cash Loss by FY (\$M)



### Key Milestones

		Status	ECD
1	Identify annual estimated monetary loss amount	Completed	Feb-18
2	Identify the root causes of the monetary loss	Completed	May-18
3	Identify actions needed to tackle the identified root causes of monetary loss	On-Track	Jul-18
4	Establishes quarterly progress goal(s) or milestones to mitigate root causes	At Risk	Sep-18

### Quarterly Progress Goals

			Status	Notes	ECD
1	Q3 FY18	Widely inform key stakeholders on new agency budget process - 50 stakeholders informed by end of June	On-Track	N/A	Jul-18
2	Q4 FY18	Train agency stakeholders on key aspects of agency's cost accounting program	At Risk	N/A	Sep-18

### Recent Accomplishments

		Date
1	Programs will provide accomplishments.....	May-18
2	Programs will provide accomplishments.....	Sep-18

FY17 Amt (\$M)	Root Cause	Brief Description	Mitigating Strategy	Anticipated Impact of Mitigation
\$65	Administrative or Process Errors Made by: State or Local Agency	State personnel not familiar with federal process	Held Advanced Modeling Training Course for cost accounting. Topics covered included: Labor and non-labor data, Data Integration, and the Data Dashboard	For every 100 stakeholders trained we anticipate preventing \$20 M of cash loss
\$156	Insufficient Documentation to Determine	State personnel not familiar with federal process	Held Advanced Modeling Training Course for cost accounting. Topics covered included: Labor and non-labor data, Data Integration, and the Data Dashboard	For every 100 stakeholders trained we anticipate preventing \$20 M of cash loss

\*\*\* SAMPLE - Does not represent real data\*\*\*





# Agencies Currently Participating in Working Groups





## Department of Agriculture

- Federal Crop Insurance Corporation
- National School Lunch
- School Breakfast
- Special Supplemental Nutrition Program for Women, Infants, and Children
- Supplemental Nutrition Assistance Program

## Department of Defense

- Military Pay
- Travel Pay

## Department of Education

- Pell Grant
- Direct Loan

## Department of Health and Human Services

- Medicare Fee For Service
- Medicaid
- Medicare Part C
- Medicare Part D
- Child Care
- Children's Health Insurance Program

## Department of Labor

- Unemployment Insurance

## Department of the Treasury

- Earned Income Tax Credit

## Department of Veterans Affairs

- Community Care
- Compensation
- Pension
- Purchased Long Term Services and Support

## Department of Transportation

- Federal Highway Administration Highway Planning and Construction

## Federal Communications Commission

- Universal Service Funds-Lifeline





# Connections with Councils, ESCs & Key Groups

- **Association of Government Accountants (AGA)**
  - Intergovernmental Partnership: Payment Integrity Project on Federally Funded State Administered Programs
  - Payment Integrity Communications through public forums such Podcasts, Webinars, Chapter Trainings/Workshops, National Conferences
  - Upcoming Article in AGA Journal
- **MITRE Eligibility Verification Challenge**
- **Partnership for Public Service** Forums such as the recent Payment Integrity Forum that resulted in a publication titled “The Buck Stops Here”
- **Significant Touchpoints with the following Cap Goals**
  - CAP 1: IT Modernization
  - CAP 2: Data Accountability and Transparency
  - CAP 4: Improving Customer Experience
  - CAP 5: Sharing Quality Services
  - CAP 6: Shifting from Low Value to High Value Work
  - CAP 8: Results Oriented Accountability for Grants

