



CAP Goal Action Plan



# Getting Payments Right

## Goal Leaders

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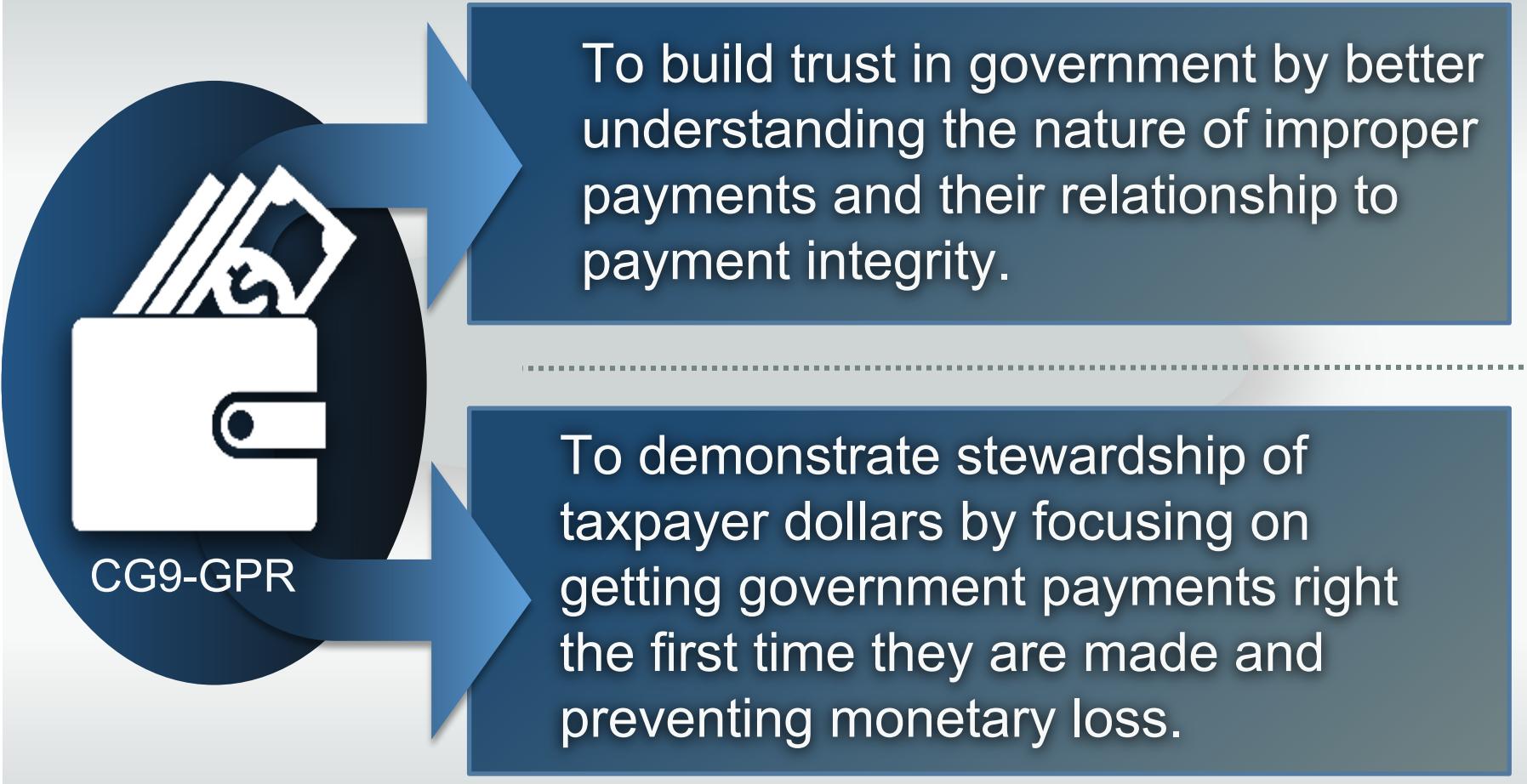
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# Getting Payments Right Goals





# Getting Payments Right During a Pandemic

COVID-19 stimulus funding is larger in both scope and scale than any prior stimulus (ARRA, Sandy, Irma, Harvey, etc.).

When the increased scope and scale of the stimulus is combined with the fact that the funds must be distributed quickly, and often under new criteria and authorities, the overall risks for improper payments is significantly heightened.

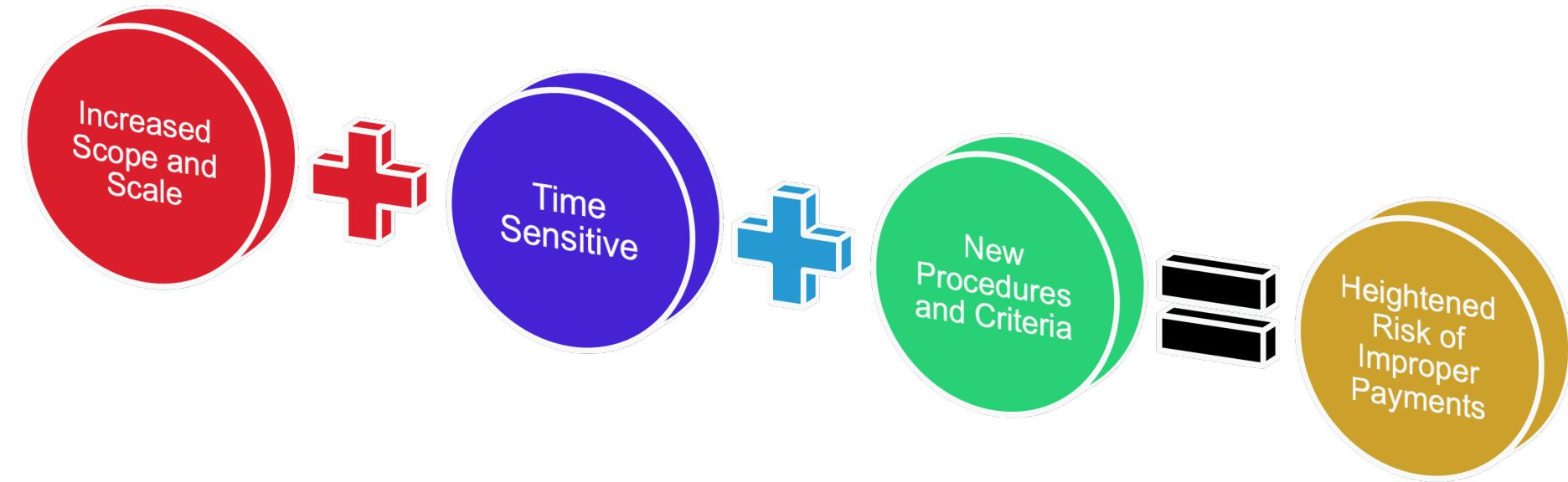
The percentage and amount of improper payments will be higher than pre-COVID-19 levels. The degree of increase in the percentage of improper payments will be influenced by the program's ability to manage an increase in funding or other factors that may increase the risk of improper payments within the program during a pandemic (i.e. economic conditions, increased applications, new program requirements).

Increase will be reflected in the program estimates between FY20 and FY24.





# Getting Payments Right During a Pandemic





# Getting Payments Right During a Pandemic: Road Map

Goal(s): Identify increased risk to Improper payments as a result of COVID and identify areas for risk mitigation.

Key Action	Planned Completion Date	Owner	Deliverable
Identify increased funding provided to agencies/programs	April 2020	CAP 9/OMB	Listing of Programs and Funding
Identify risk factors associated with increased funding	April 2020 (Ongoing)	CAP 9/OMB	IP Risk Profile
Survey agencies/programs to understand pre and post payment actions to get payments right, partnership with Oversight Community	May 2020	OMB/Agencies	Risk Survey
Provide new/revised guidance for reporting and tracking new funding	June 2020 (Ongoing)	OMB	Memos; Letters; Updated Guidance
Develop agency and Government Risk Profiles	June 2020	OMB/Agencies	Agency Risk Profile
Engage agencies/programs to understand path forward and recovery plan (where needed)	June 2020	OMB/Agencies	Agency Meetings
Implement identified actions resulting from survey and agency meetings	Ongoing	CAP 9/OMB	TBD
Facilitate productive partnership between agencies and the oversight community	Ongoing	PRAC/IGs/Agencies	Report/Action Plan



# Getting Payments Right: FY20 Q1 and Q2 Accomplishments Snapshot

## Outside Engagements

Finalized the proposals from the MITRE Eligibility Verification Challenge.

Initiated sessions with 3rd parties (e.g. Fiserv) to assess scalable solutions to identity verification issues resulting in monetary loss.

## Strategic Data Use

Began building a CAP Goal 9 master database that initially links 10 data sources, allowing for more concise interpretation of eligibility root causes and identification of mitigation strategy potential.

## Mitigation Strategies

Surveyed high priority monetary loss programs to gauge the receptivity and feasibility of the 8 identified strategies collected from research and deep dive interviews.

## Clarify and Streamline Requirements

Published FY19 Data Call numbers with new recommended categories, identifying monetary loss in and out of programs' control, allowing for a better understanding of where to prioritize resource investment.



# Getting Payments Right : Strategies

## Strategy 1: Clarify and Streamline Requirements

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

## Strategy 2: Identify Monetary Loss Root Causes

Identify point(s) in the payment process where improper payments occur that result in monetary loss

## Strategy 3: Strategic Data Use

Identify data sets/analysis techniques and link to root causes  
Obtain needed data to improve capacity to prevent and detect improper payments

## Strategy 4: Mitigation Strategies

Identify non-data related mitigation strategies and best practices to preventing improper payments and share them across the government

## Strategy 5: Strengthen Partnerships States

Identify opportunities to partner with States to improve improper payment detection and prevention capabilities in federally funded state-administered programs



# Strategy 1: Clarify & Streamline Requirements

**Reduce burden and improve compliance to allow program resources to focus on preventing improper payments that result in monetary loss**

## Completed Goals & Milestones

Evaluated current statutory definition and implementing guidance to identify possible changes to improve usefulness.

Revised and published agency guidance based on burden reduction engagements.

Published a new Payment Integrity chapter in the President's 2020 Budget.

Revised Payment Integrity Data Calls.

Identified areas outside of risk assessment, definition, and reporting within statute that could be changed to reduce burden and improve usefulness and shared with Congress.

Communicated, via technical assistance, needed statutory changes to the Hill.

## Goals: 2020 and Beyond

Monitor technical assistance provided to HSGAC on current draft PIIA.

Revise OMB A-123, Appendix C.

Update other guidance as needed.

Implement any new legislation resulting from statutory changes.



# Strategy 1: Clarify & Streamline Requirements

## Road Map

Goal(s): Revise OMB A-123, Appendix C, update other guidance as needed, and implement any new legislation resulting from statutory changes.

Key Milestones	Milestone Due Date	Owner	Deliverable
Determine categories needed to accurately report the causes of improper payments in a meaningful way.	April 2020	CAP 9/OMB	List of Eligibility Criteria and Root Causes
Define categories and develop draft implementation and reporting guidance.	May 2020	CAP 9/OMB	Draft Guidance
Socialize new categories and associated guidance with community	June 2020	CAP 9/Agencies	Annotated Draft Guidance
Incorporate community feedback and deliver finalized guidance to next working group for incorporation	July 2020	CAP 9/OMB	Draft Guidance
Finalize drafts of implementation guidance documents for the Payment Integrity Information Act of 2019	September 2020	CAP 9/OMB	Draft Guidance
Socialize drafts of guidance with the community	December 2020	CAP 9/Agencies	Annotated Draft Guidance
Incorporate feedback	January 2021	CAP 9/OMB	Draft Guidance
Publish Final Payment Integrity Information Act of 2019 guidance	March 2021	OMB	Final Guidance
Implement guidance	2021-2022	Agencies	None



## Strategy 2: Identify Monetary Loss Root Causes

**Identify point(s) in the payment process where improper payments occur that result in monetary loss**

### Completed Goals & Milestones

Identified primary causes of improper payments resulting in monetary loss.

Developed revised root cause matrix categories for improper payments resulting in monetary loss.

Determined how the prevention of monetary loss relates to the larger OFCIO (Federal) identity initiative.

### Goals: 2020 and Beyond

Determine existing solutions and capabilities related to Identity verification.

Determine whether current capabilities related to Identity verification can be scaled.

Support digital identity processes that enable more convenient and efficient transactions (e.g. FedNow).

Map additional root causes of monetary loss.

Use ERM concepts to demonstrate which programs have reached a tolerable IP rate and create risk appetite statements.

Continue to explore innovative solutions to mitigate monetary loss root causes.



## Strategy 2: Identify Monetary Loss Root Causes Road Map

Goal(s): Support digital identity processes that enable convenient and efficient transactions; determine existing solutions and capabilities related to Identity verification; map additional root causes of monetary loss; use ERM concepts to demonstrate which programs have reached a tolerable IP rate & create risk appetite statements.

Key Milestones	Milestone Due Date	Owner	Deliverable
Clarify strengths and weaknesses in each Agency for identity verification to aid in developing more standardized approaches across government	TBD	CAP 9/OMB	Report/file containing analysis of monetary loss as a result of inability to verify identity
Support increased sharing between the Identification Verification and Payment Integrity worlds	TBD	CAP 9/OMB	Forum/Industry Day
Determine existing solutions and capabilities and which can be scaled	TBD	CAP 9/OMB	Report/file containing analysis of existing solutions and capabilities and recommended path forward
Use data analytics and reporting trends to help programs reach their tolerable rate	TBD	CAP 9/ERM ESC/OMB	TBD

Strategy currently on hold to direct resources to COVID-19 response



## Strategy 3: Strategic Data Use

**Identify data sets/analysis techniques and link to root causes: Obtain needed data to improve capacity to prevent and detect improper payments**

### Completed Goals & Milestones

Identified all (perceived) available private and public data sets that could be used to perform eligibility pre-checks.

Identified which data sets are currently being used within each program to perform pre-checks and analysis aimed at preventing monetary loss.

Using targeted interviews/engagements with program SME, identified which eligibility criteria are linked to high priority programs.

### Goals: 2020 and Beyond

Identify which eligibility criteria are linked to the largest monetary loss root causes & prioritize data sources by greatest impact to prevention of monetary loss.

Initiate agency-specific and cross agency projects to identify and address improper payment challenges (e.g. payments after death, compromised bank accounts).

Identify methods and/or requirements for programs to access/incorporate 'new' data sets into eligibility pre-checks.

Deploy cross-agency solutions that integrate & demonstrate effectiveness of monetary loss preventions.



# Strategy 3: Strategic Data Use Road Map

Goal(s): Collaborate with BFS, PICOE and leverage results of agency-specific and cross agency projects to identify and address improper payment challenges (e.g. Payments after death, compromised bank accounts); identify where access to data for eligibility pre-check could mitigate improper payments resulting in monetary loss, prioritize data sources by greatest impact to prevention of monetary loss, and recommend approaches to extend availability of data sets for incorporation into pre-checks (assuming no legal barriers).

Key Milestones	Milestone Due Date	Owner	Deliverable
Expand research to agencies and programs who are making payments (i.e. payment type) that were not identified in prior workgroups	June 2020	CAP 9/PICOE	Comprehensive list of agencies and sub-agencies
Deliver comprehensive cross-agency view to outline common data sources, data elements and needs as related to payment eligibility requirements which also includes data from PICOE projects and previous interviews and data calls	November 2020	CAP 9/GSA/ PICOE	Database representing cross-agency view of data sources and elements as related to eligibility
Leverage cross-agency view and PICOE projects to identify high priority data sets for use in relevant agency eligibility pre-checks (based on prevention of monetary loss)	January 2021	CAP 9/PICOE	Prioritized list of data sources and elements for incorporation into relevant agency pre-checks
Recommend approaches to extend availability of high priority data sets for incorporation into pre-checks (assuming no legal barriers)	June 2021	Cap 9/PICOE	Recommendations to make data sets available



## Strategy 4: Mitigation Strategies

**Identify non-data related mitigation strategies and best practices to preventing improper payments and share them across the government**

### Completed Goals & Milestones

Identified mitigation strategies that have been proven successful at individual agencies through a reduction in monetary loss and identified opportunities to expand those successes across other Federal agencies.

Compiled historical CAP Goal data for the purposes of determining whether non-data dependent solutions could be expanded to other programs.

### Goals: 2020 and Beyond

Roll out most promising mitigation strategies already in use in some agencies to other agencies who have indicated they could benefit from its application.

Identify additional opportunities to scale non-data mitigation strategies based on government-wide data.

Share successful mitigation strategies identified through data analysis with agencies.

Roll out additional non-data dependent mitigation strategies that show the most promise in reducing monetary loss in different agency programs.



# Strategy 4: Mitigation Strategies

## Road Map

Goal(s): Roll out most promising mitigation strategies to other agencies that can benefit from its application; partner with Office of Evaluation Science (OES) to implement behavioral science pilots; roll out additional non-data dependent mitigation strategies that are most promising in reducing monetary loss across programs.

Key Milestones	Milestone Due Date	Owner	Deliverable
Educate Payment Integrity Community on Behavioral Insights	March 2020	CAP 9/OMB/OES	
Identify and interview Programs that are good candidates	May 2020	CAP 9/OMB/OES	
Identify most promising Programs for first cohort of pilots	May 2020	CAP 9/ESC/OMB/OES	Project Initiation Document
Design application of behavioral insight and embedded evaluation	Nov 2020	OES/Agencies	Design Review Document
Develop proposals and execute pilots with behavioral insights	Dec 2020	CAP 9/OMB/OES	Analysis Plan Document
Learn the effectiveness of preventative actions	TBD	CAP 9/OMB/OES/Agencies	Record of Analysis & Findings; Project Summary; Abstract



# Strategy 5: Strengthen Partnership with States

**Identify opportunities to partner with states to improve improper payment detection and prevention capabilities in federally funded state-administered programs**

## Completed Goals & Milestones

Completed initial PMF Project to call states to establish POC's and determine best practices.

Collaborated with payment integrity officials across 10 states.

Documented successful mitigation strategies with potential for broad impact across multiple state programs.

## Goals: 2020 and Beyond

For Federally-funded state-administered programs with the highest monetary loss due to improper payments, identify common root causes of those improper payments and successful solutions already implemented in some states or at the Federal level.

Narrow focus to 2 programs, SNAP and Medicaid, to identify root causes especially those associated with duplicate enrollment. Special attention to standardizing the application process.

Convene Federal and state stakeholders to exchange information on best practices in preventing improper payments.

Working group will support DNP in evaluating how PARIS is used to identify cross-state dual enrollments, document findings, and develop recommendations to provide supplemental solutions.



# Strategy 5: Strengthen Partnership with States

## Road Map

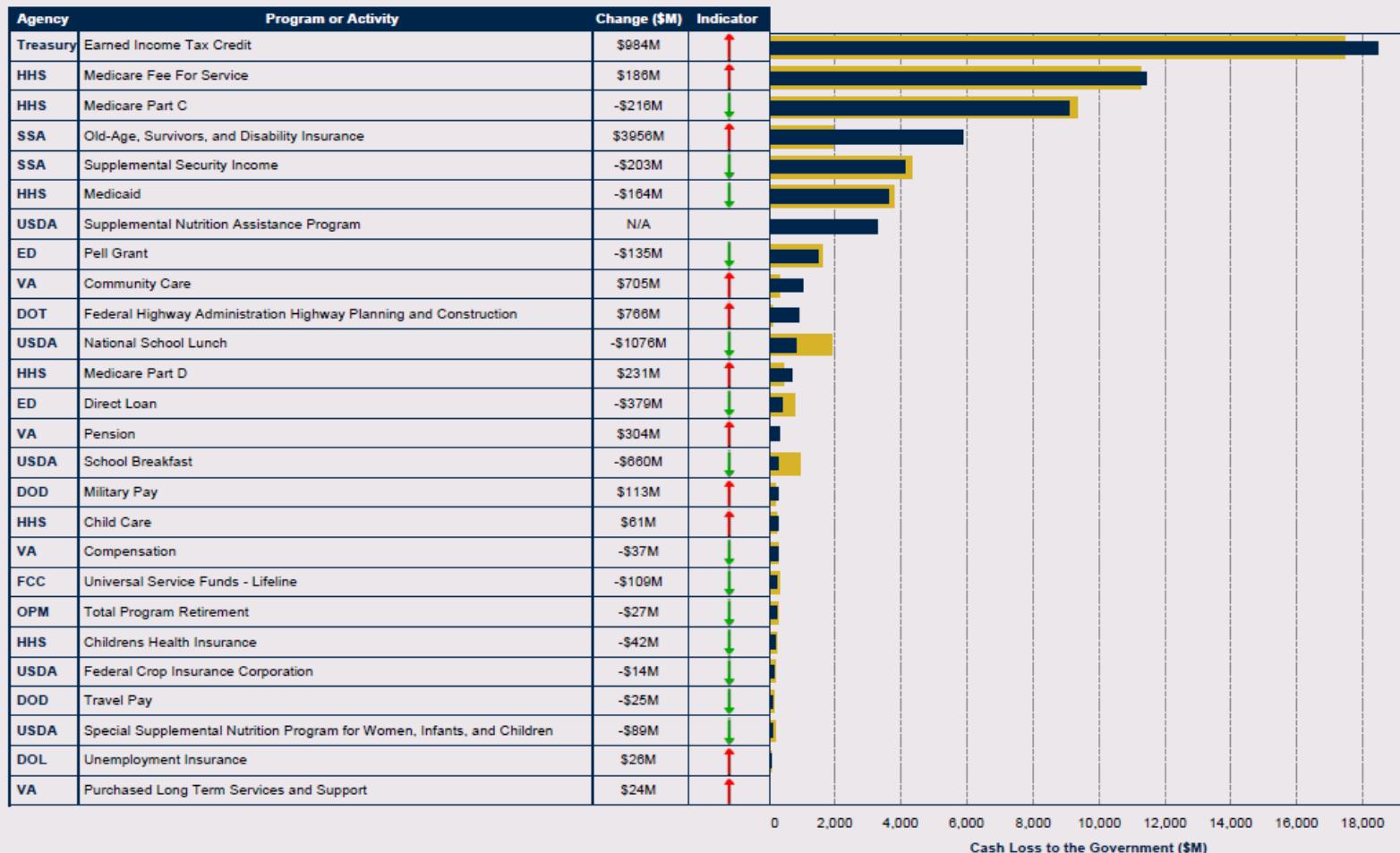
Goal(s): Narrow focus to a particular program(s), eligibility requirement(s), and/or root cause(s), etc. associated with the largest monetary losses; convene Federal and state stakeholders to exchange information on best practices in preventing improper payments; implement pilots based on best practices and State feedback identifying where the Federal Government can partner with states

Key Milestones	Milestone Due Date	Owner	Deliverable
Determine most promising strategies for implementation in other states.	TBD	CAP 9/OMB	Report
Hold States/Federal partnership session to exchange information	TBD	CAP 9/OMB/ESC	Session
Identify states and FFSA programs interested in adopting new strategies.	TBD	CAP 9/OMB	Working Paper
Develop action plans for strategy implementations	TBD	CAP 9/OMB/DNP	Action Plan
Support CFOC and DNP in providing information for duplicate enrollment report due to Congress	TBD	CAP 9/DNP	Report



# Annual Key Performance Indicator: 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		Fiscal Year Key
↑	Increase from Previous FY	FY18
↓	Decrease from Previous FY	FY17



PaymentAccuracy

ABOUT PROGRAM SCORECARDS THE NUMBERS RESOURCES FAQ

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A Gateway to Getting Payments Right

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## 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:

Goal: Getting Payments Right				
Change from Previous FY (\$M)				
Cash Loss (\$B)			-514M	
Cash Loss by FY (\$M)			↓	
FY18	FY17	FY16		
\$211M	\$146M	\$114M		
Key Milestones	Status	EOC		
1 Fixation estimated cash loss estimation methodology	Completed	May-18		
2 Identify estimated cash loss amount for FY 2018	Ongoing	Jun-18		
3 Identify estimated cash loss amount for FY 2017	Ongoing	Jul-18		
4 Develop mitigation strategies to get the payment right the first time	Ongoing	Jan-19		
5 Evaluate the ROI of the mitigation strategy	Ongoing	Jan-22		
6 Identify estimated cash loss amount for FY 2016	Ongoing	Jan-22		
Quarterly Progress Goals	Status	Notes	EOC	
1 Q3 2018: Make revisions to Crop Insurance Handbook.	Completed	With no optional	Nov-18	
2 Q3 2018: Publish and analyze the detailed area data from the IPMPRA review in preparation for 2019 presentation to Agri-Insurance Providers (AIPs).	Completed	With no optional	Feb-19	
Recent Accomplishments	Date			
1 Issued bulletin regarding defined Reporting Partners and Recipients requirements	Mar-18			
2 Issued bulletin to Agri-Insurance providers regarding review processes	Mar-18			
3 OMB's six POCs completed the review of the 400 case policies in the Final Year 2018 IPMPRA sample.	Apr-18			
FY18 Areas	Main Cause	Main Goal Description	Mitigation Strategy	Anticipated Impact of Mitigation
1 HPRM	Ability to authenticate data needed due to incorrect reporting	Ability to authenticate errors were due to incorrect reporting and mitigate the unnecessary production record and the consequences of producer confusion	2018 Crop Insurance Handbook outlines exceptions to assigned producer numbers and provides specific instructions for reporting errors and mitigating the consequences of incorrect reporting. A compliance officer will set performance standards and encourage self-audit procedures to help prevent similar situations from occurring again.	The solutions to the Crop Insurance Handbook are anticipated to reduce the number of errors and increase the accuracy of reporting. The anticipated impact of the mitigation strategy is to reduce the number of errors and increase the accuracy of reporting.
2 HPRM	Administrative or process errors made by others, such as the agency, state, or local government, or private sector partners, that are types of errors identified during the 2018 Crop Insurance Handbook. A compliance officer will set performance standards and encourage self-audit procedures to help prevent similar situations from occurring again.	Identify and mitigate administrative or process errors made by others, such as the agency, state, or local government, or private sector partners, that are types of errors identified during the 2018 Crop Insurance Handbook. A compliance officer will set performance standards and encourage self-audit procedures to help prevent similar situations from occurring again.	Reducing these administrative or process errors is the 2018 audit specialty. Types of administrative or process errors include a lack of understanding of the rules, lack of communication, and lack of training. The audit will provide a more detailed analysis to the AIPs.	

Cash Loss - Cash loss to the Government includes amounts that should only have been paid and in theory should never be recovered.

