Do Not Pay
State Initiative
NASACT 2023

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July 2023

Legislative Authority

Improper Payments Elimination and Reduction Act of 2012 (IPERIA)

- Office of Management and Budget (OMB) designated Treasury's Bureau of the Fiscal Service to operate the Do Not Pay Business Center (DNP) and assist agencies in identifying and preventing improper payments

Federal Improper Payments Coordination Act of 2015 (FIPCA)

- Expands the IPERIA authority to the States on a limited capacity

Payment Integrity Improvement Act of 2019 (PIIA)

- Re-established DNP and expanded authorities to all States and Territories
- All <u>federally funded state administered programs</u> can now use DNP to verify payments or award eligibility to prevent improper payments

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Our Mission

To protect the integrity of the federal government's payment processes by assisting federal agencies and state programs in their efforts to identify and prevent improper payments

- – All work must have a connection to improper payments
- – All DNP services are FREE
- – Available for any federally funded state-administered programs

DNP Business Center Components

Web-based Portal	Data Analytics	Agency Support

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Our Capabilities

Eligibility Verification	Payee Consolidation	Integrity Checks	Preventative Controls Assessment	Custom Analysis
Confirm payee eligibility by matching to data sources	Identify potential duplicates	Identify hard-to-detect errors, anomalies, fraud risk in payees, payments, or invoices	Demonstrate if internal controls are effectively preventing improper payments	Provide insight into specific research questions. Existence of cross-state overlap

Results allow State Programs to:

- Establish point-in-time verification of current processes and risk level of improper payments
- Identify high-risk records to further evaluate based on risk and/or impact
- Develop additional process controls and strengthen existing controls to reduce risk of errors
- Maximize resources through prioritized recommendations to implement changes

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Improper Payment Definition

Improper payments occur when:

- Funds go to the wrong recipient

- The right recipient receives the wrong amount of funds

- Documentation isn't available to support a payment

- The recipient uses the funds in a manner that is inconsistent with why it was awarded

If a payment meets any of the above criteria, it is considered improper

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Who can benefit from DNP 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
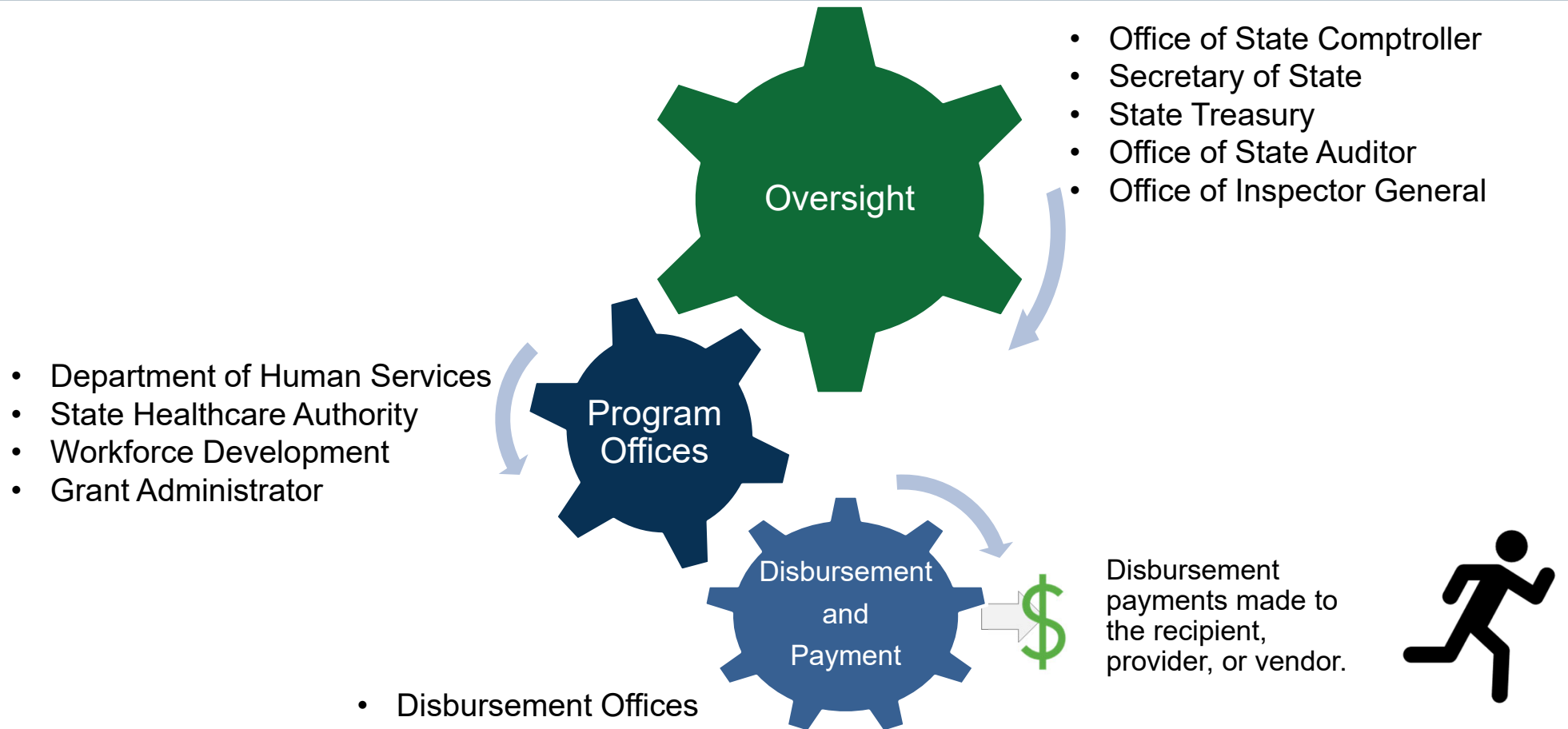
TANF

ARPA

Foster & Child Care

Grants & Loans

Office of Inspector General

Vendor Payments

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Addresses Multiple Stakeholder Needs

- Office of State Comptroller
- Secretary of State
- State Treasury
- Office of State Auditor
- Office of Inspector General

Oversight

- Department of Human Services
- State Healthcare Authority
- Workforce Development
- Grant Administrator

Program Offices

Disbursement and Payment

Disbursement payments made to the recipient, provider, or vendor.

- Disbursement Offices

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DNP can help unlock benefits using your data

🔑 Support the Point-in-Time Prevention & Identification of Improper Payments

🔑 Verify Payee or Payment Eligibility Throughout Payment Lifecycle

🔑 Detect Potentially Fraudulent Activity

🔑 Identify Overpayment Risks Associated with Duplicate Payments

🔑 Ensure Screening Efficacy through the Review of Data Quality

🔑 Provide Time, Resource, and Cost Savings through Quick Turnaround of Results & Access to Data at <u>NO COST</u>

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State Customers

DNP's Overall State Impact:
DNP has continued to engage the state community at large, including continuing its partnership with Oregon, Tennessee, and Washington. In fact, all three of the initially designated states have had at least one office onboard to DNP services.

Since FY17, DNP has promoted its services to 85 programs across 43 states resulting in 35 requests for Portal Enrollment and/or Analytics Projects. As of June 2023, state agencies and programs have shared feedback that their partnership with DNP has resulted in the identification of **$34.6M** in improper payments.

Legend:
- 🟩 **FIPCA Designated State**
- 🟦 **Engaged State**
- 🔴 **Analytics Project**
- ◆ **Portal Onboarding**
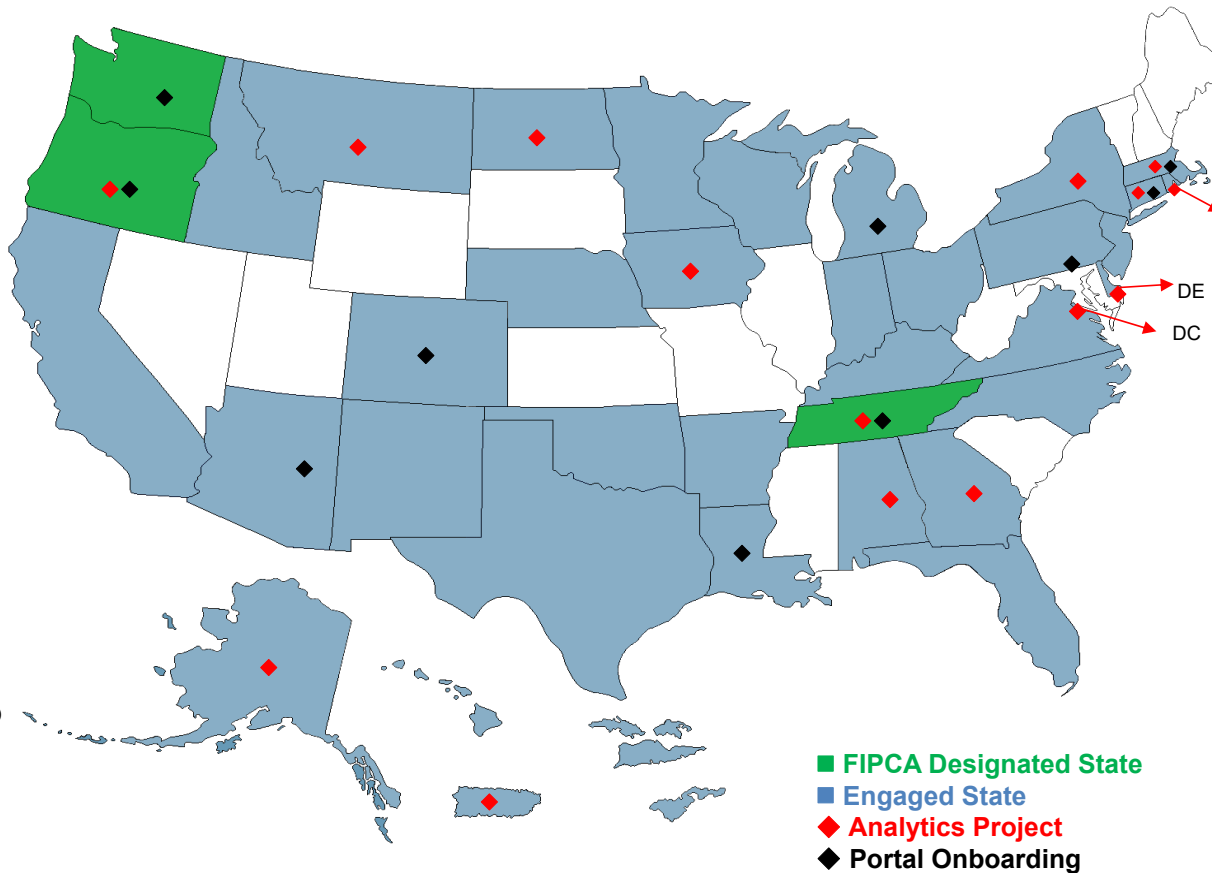
Engagement	
States	43
Programs	85
Active States	23
Active Programs	35
Inspct Gen	4

Analytics	
Total Projects	24
Complete	20
Delivered	3
Initiated	1
Pending	0

Portal	
# of States	10
State Programs	22
Portal Users	78

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DNP Business Center Components

Web-based Portal

The DNP Portal lets you search available data sources at no cost.

The web-based portal has four ways to deliver match results to you: Online Search, Batch Matching, Continuous Monitoring, and Payment Integration.
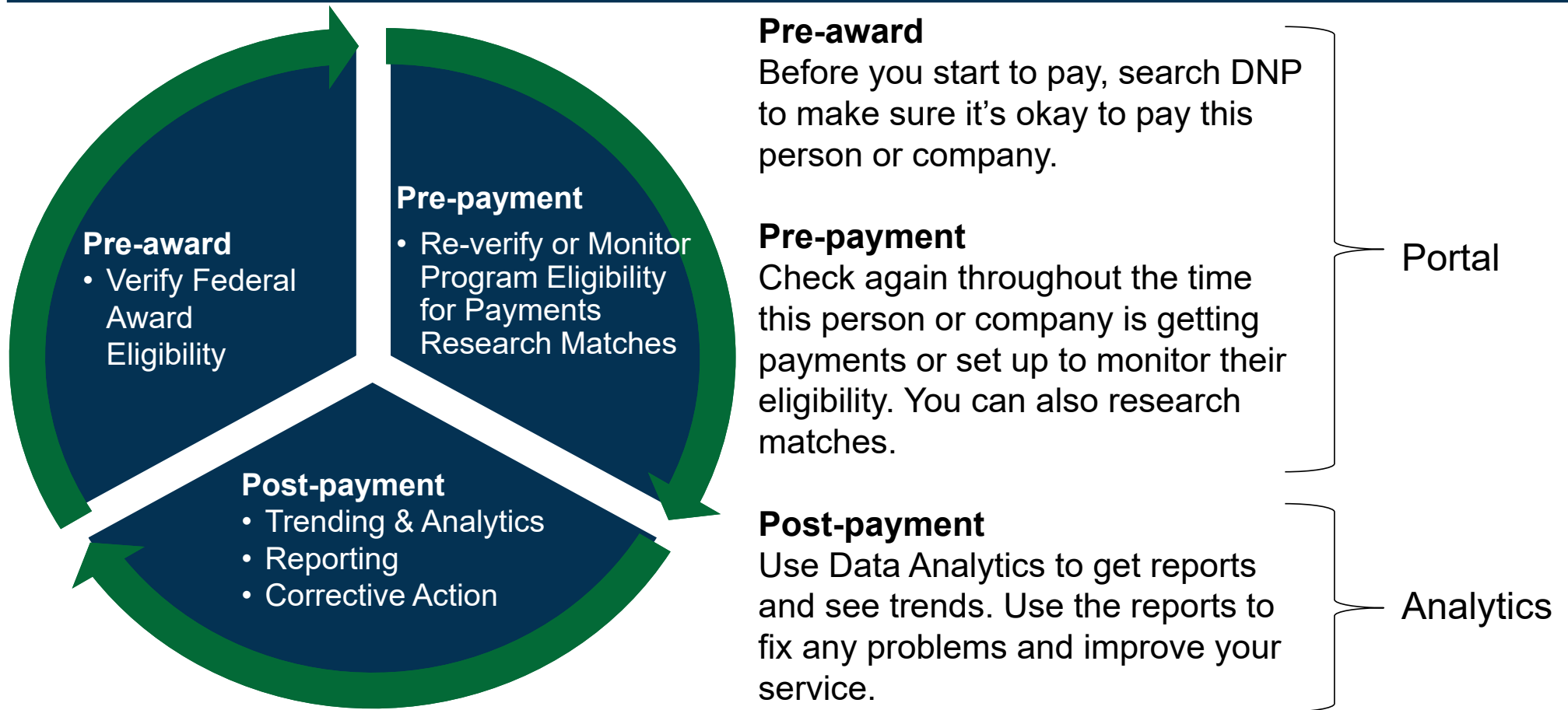
Data Analytics

Data Analytics provides FREE advanced payment analysis services to federal agencies to help combat improper payments.

Agency Support

DNP support staff is here to help you get started, choose the options that are right for you, and to assist you with using the Do Not Pay Business Center.

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DNP and the Payment Life Cycle

Pre-award
- Verify Federal Award Eligibility

Pre-payment
- Re-verify or Monitor Program Eligibility for Payments Research Matches

Post-payment
- Trending & Analytics
- Reporting
- Corrective Action

Pre-award
Before you start to pay, search DNP to make sure it's okay to pay this person or company.

Pre-payment
Check again throughout the time this person or company is getting payments or set up to monitor their eligibility. You can also research matches.

Portal

Post-payment
Use Data Analytics to get reports and see trends. Use the reports to fix any problems and improve your service.

Analytics

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DNP Portal

Free web-based Portal and central location for improper payment related data needs.

Online Search
User can search an individual or entity and view matching records instantly at the time of search

Batch Matching
One-time bulk submission for screening grants or loan payments against specified data sources

Continuous Monitoring
Continuous screening for eligibility verification against specified data sources using a grantee or loan recipient listing

Web Service/API
A Web Service or Application Programming Interface (API) creates a connection with agency payment systems and the DNP Portal. This integrates the functionalities of the Portal within agency internal systems.
- Single Query: Call contains search criteria of one entity to be matched.
- Multiple Query: Call contains the search criteria of up to 100 entities per query call

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Current Data Sources Available for State Programs

Death Data

- Social Security Administration (SSA) Death Master File (DMF) <u>Public</u>
  - ➤ Full DMF expected late 2023

- American InfoSource (AIS)
  - Obituary
  - County-Level Probate Records

- Department of Defense (DOD) Death Data

- Department of State (DOS) Death Data

- National Association for Public Health Statistics and Information Systems (NAPHSIS) Electronic Verification of Vital Events Fact of Death (EVVE-FOD)

Registered Entities/ Non-Profit

- General Services Administration (GSA) System for Award Management (SAM) Entity Registration Records

- Internal Revenue Service (IRS)Tax Exemption Lists:
  - *990-N (e-postcard),*
  - *Publication 78 (Pub78),*
  - *Automatic Revocation of Exemption List*

Barred Foreign Entities

- Department of Treasury (TREAS) Office of Foreign Asset Controls (OFAC)

Debarment Data

- Department of Health and Human Services (HHS) List of Excluded Individuals and Entities (LEIE)

- General Services Administration (GSA) System for Award Management (SAM) Exclusion Records

New Data Sources Coming Soon

- Bureau of Prisons Incarceration Data
- Department of Agriculture's National Disqualified List
- Health and Human Services National Plan & Provider Enumeration System
- DNP Adjudication Data

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Upcoming Current Data Sources

- **Bureau of Prisons (BOP) Incarceration Data**
Contains information on incarcerated individuals under the jurisdiction of the U.S. Attorney General. *Does not contain state, county, local, or private incarceration records*. Verifies eligibility for benefits which are prohibited or adjusted for prisoners.

- **Department of Agriculture's National Disqualified List (NDL)**
Contains information on providers that are ineligible to receive federal funding for a meals program, including agencies, individuals, and institutions who have been found to have serious deficiencies in administration or documentation

- **Health and Human Services National Plan & Provider Enumeration System (NPPES)**
Contains information on approved health care providers and health plans; data includes a National Provider Identifier which is unique to the business and is used across various government agencies

- **DNP Adjudication Data**
Information from Do Not Pay customers regarding a determination of whether a payment is proper, improper, or under review as well as any comments associated with the determination Risk-modeling is available to assist customers in prioritizing research that has been completed by other agencies and is more likely to result in a proper or improper determination.

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Success Stories

**Portal
&
Analytics**

Publicly Posted reports from state agencies:
https://www.fiscal.treasury.gov/dnp/states.html
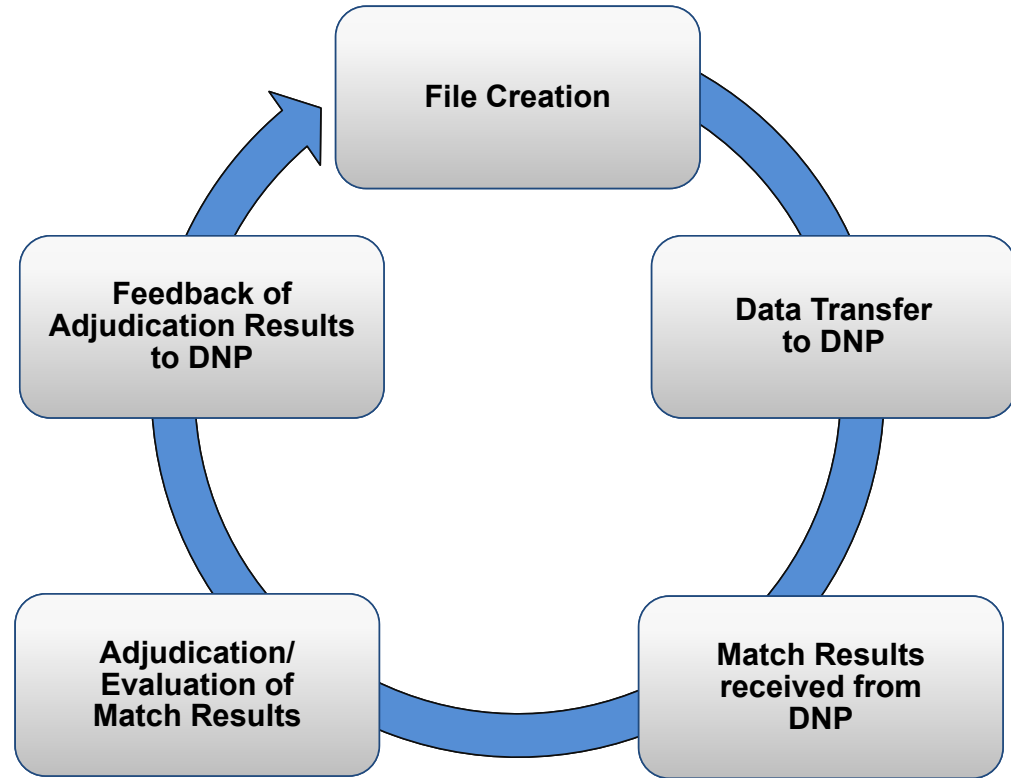
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Continuous Monitoring Snapshot – Monthly Payments

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 DNP
- Match Results received from DNP
- Adjudication/ Evaluation of Match Results
- Feedback of Adjudication Results to DNP

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Success Story- Analytics

An oversight office partnered with DNP in its review of a Federal benefit program to identify the **value of using DNP services** to support their efforts in the identification and prevention of improper payments.

DNP analyzed **10M beneficiary records** to verify their eligibility and identify potentially fraudulent activity between 2020-2021 which included COVID-19 relief funding.

1 **Death Data Source Matching**
Finding: $38.6M in benefits were awarded to 2.2K beneficiaries that appear to have been deceased on or before the payment or claim date.

2 **Age Assessment**
Finding: $26M in benefits were awarded to 1.6K beneficiaries that appeared younger than 12 or older than 100.

3 **Mailing Address**
Finding: $6.8B in benefits were awarded to 386K beneficiaries that shared a mailing address with 10 or more additional beneficiaries.

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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

TN 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
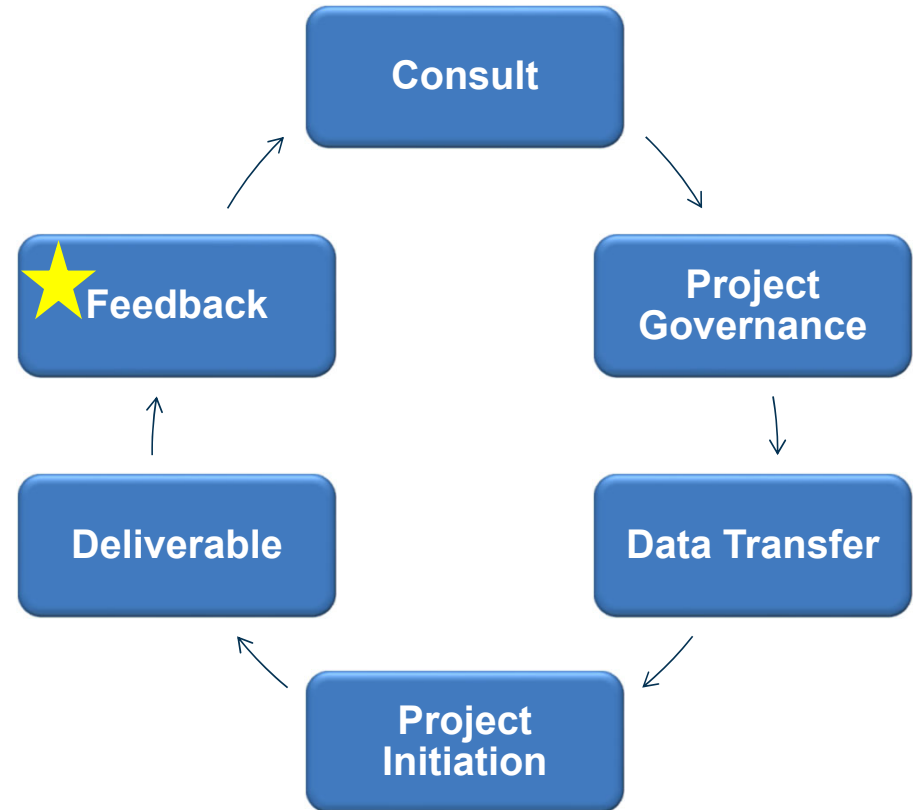
CARES Act Vendor Eligibility

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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Associated Costs and Commitment

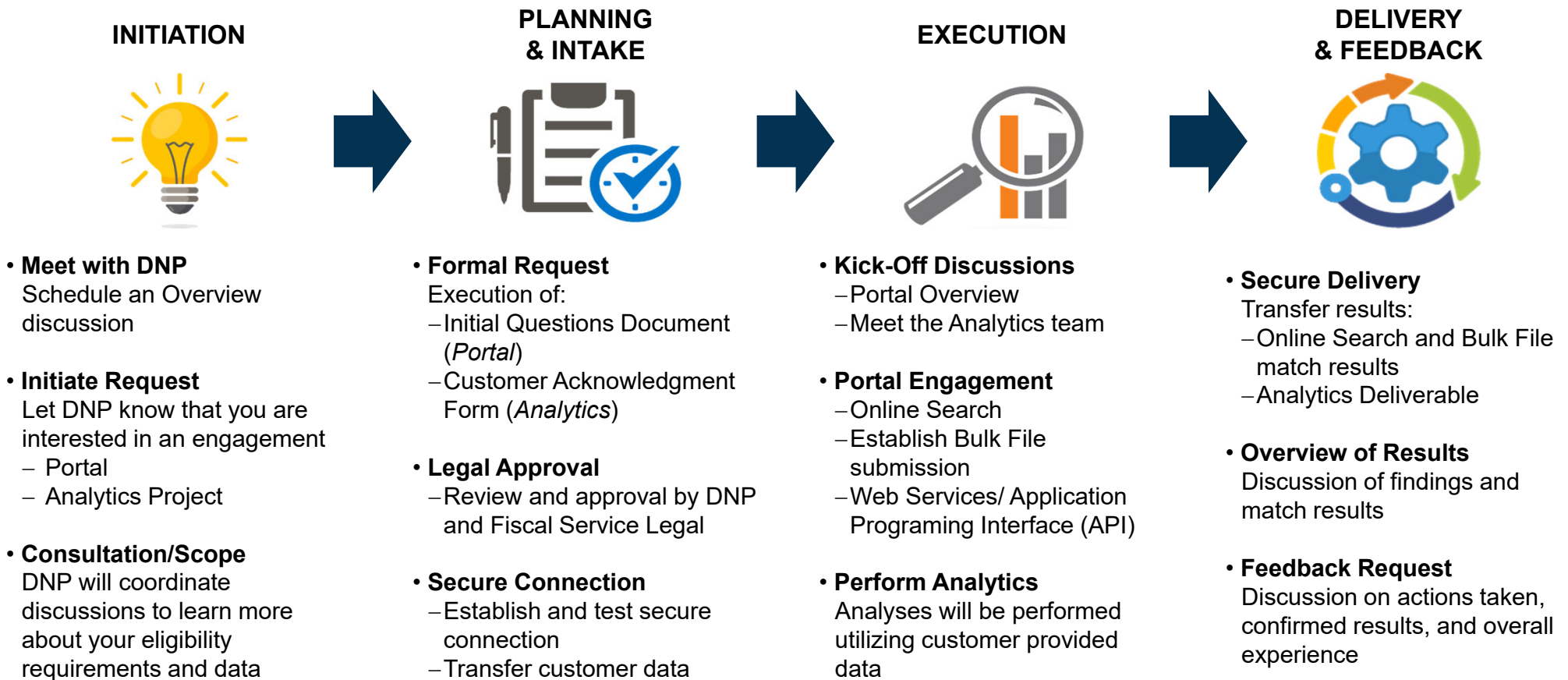## All DNP Services are FREE!

- **Customer Time and Resource Commitment**
  - Overview, Scope and Planning
  - Governance/Legal Approvals
  - Data Query and Secure Connection/ Data Transfer
  - Training (Portal, ConMon)
  - Agency/Program use

- **Adjudicate Results**

- **Feedback**

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Let's Get Started!

INITIATION	PLANNING & INTAKE	EXECUTION	DELIVERY & FEEDBACK

INITIATION

- **Meet with DNP**
  Schedule an Overview discussion

- **Initiate Request**
  Let DNP know that you are interested in an engagement
  – Portal
  – Analytics Project

- **Consultation/Scope**
  DNP will coordinate discussions to learn more about your eligibility requirements and data

PLANNING & INTAKE

- **Formal Request**
  Execution of:
  – Initial Questions Document (*Portal*)
  – Customer Acknowledgment Form (*Analytics*)

- **Legal Approval**
  – Review and approval by DNP and Fiscal Service Legal

- **Secure Connection**
  – Establish and test secure connection
  – Transfer customer data

EXECUTION

- **Kick-Off Discussions**
  – Portal Overview
  – Meet the Analytics team

- **Portal Engagement**
  – Online Search
  – Establish Bulk File submission
  – Web Services/ Application Programing Interface (API)

- **Perform Analytics**
  Analyses will be performed utilizing customer provided data

DELIVERY & FEEDBACK

- **Secure Delivery**
  Transfer results:
  – Online Search and Bulk File match results
  – Analytics Deliverable

- **Overview of Results**
  Discussion of findings and match results

- **Feedback Request**
  Discussion on actions taken, confirmed results, and overall experience

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Contact Us

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Visit our website:
   https://www.fiscal.treasury.gov/dnp/states.html

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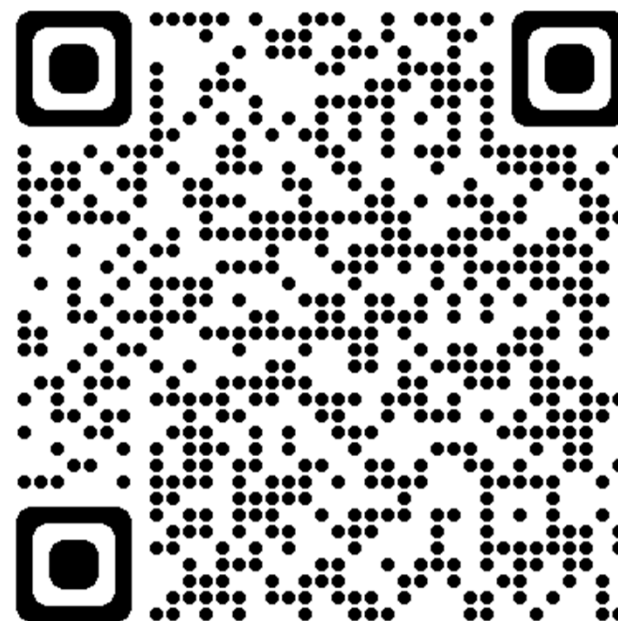
Customer Feedback

❖ "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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