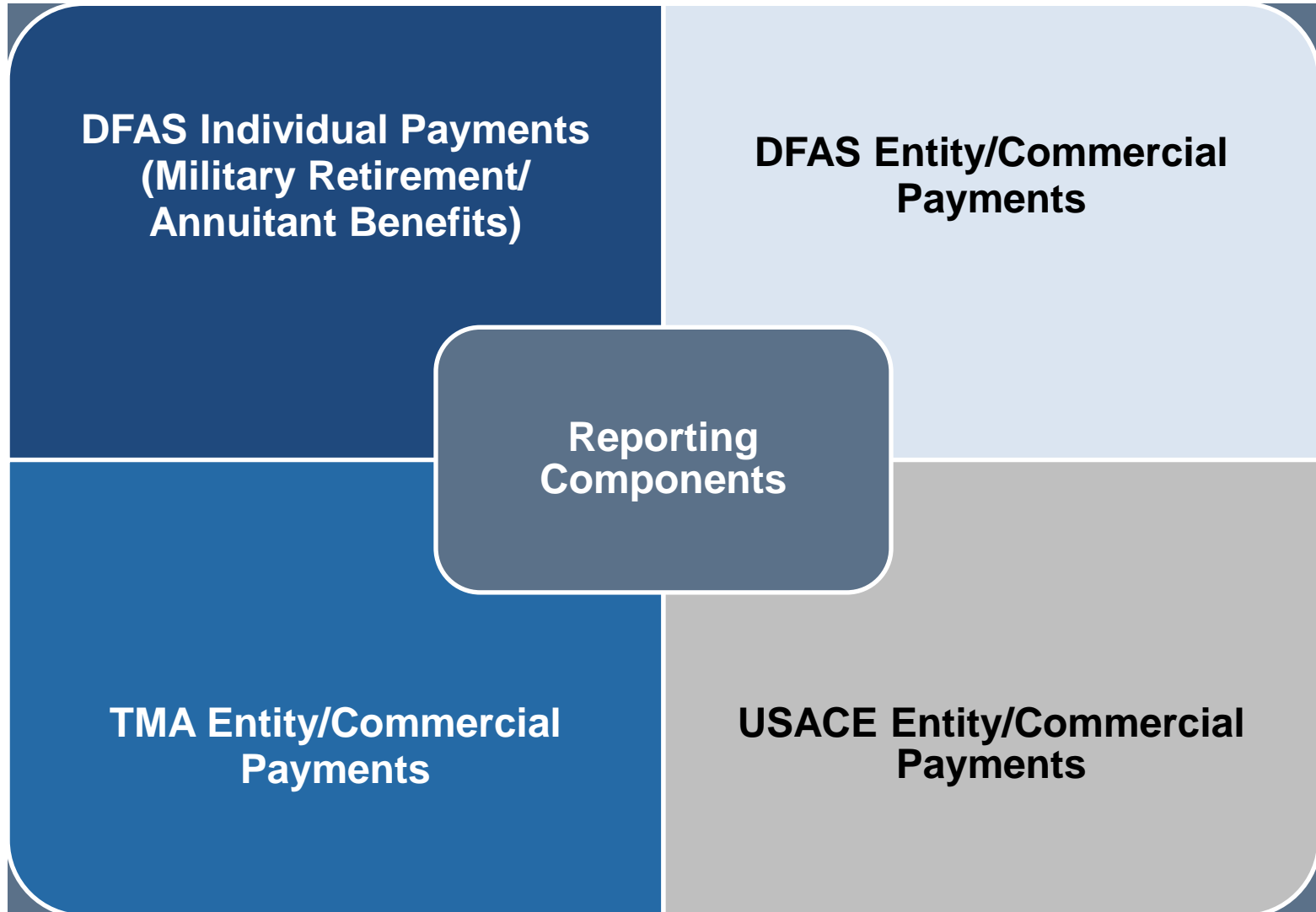




Department of Defense High Dollar Improper Payments

Quarter 1, Fiscal Year 2012

Quarter 1, FY 2012 Reporting Components



What is a High Dollar Improper Payment?

- As stated in Executive Order 13520, “Reducing Improper Payments and Eliminating Waste in the Federal Government”:
 - For payments to individuals, a high dollar improper payment is when the amount paid is \$5,000 or greater and more than 50 percent higher than the correct amount.
 - For payments to entities (commercial vendors and contractors), a high dollar improper payment is when the amount paid is \$25,000 or greater and more than 50 percent higher than the correct amount.
- In accordance with current Office of Management and Budget guidance, DoD is only to include high dollar improper payments to non-Federal individuals and entities beginning with this quarter’s report.

Reasons for High Dollar Improper Payments

- The main cause for improper payments to individuals relates to the timeliness of notification of death.
 - Overpayments sometimes continue for more than one month if notification of death is not timely.
 - Death notifications most often obtained through Social Security Administration file match.
- The main causes for commercial high dollar overpayments are technician input errors and inaccurate or duplicate invoicing by vendors/contractors.
- Nearly 88 percent were recouped as of December 31, 2011, for both individuals and commercial entities.
 - A receivable is established as soon as the overpayment is identified.
 - Collection continues until the debt is satisfied.
 - Commercial overpayments can sometimes be recaptured quickly through offset of a pending invoice for the same firm.

Reasons for High Dollar Improper Payments (cont.)

- For medical entities, primary error causes are:
 - Incorrect pricing of medical procedures and/or equipment.
 - Cost share/deductible miscalculations.
 - Lack of authorization or pre-authorization.
 - Inadequate claim development before payment.
- Follow this link to obtain additional detail on the causes and corrective actions for [Quarter 1, FY 2012's high dollar overpayments](#).
- Follow this link to obtain additional detail on the actual transactions that were identified as high dollar improper payments for [Quarter 1, FY 2012](#).