GAO Highlights

PROGRAM INTEGRITY

Actions Needed to Reduce Improper Payment and Fraud Risks in VA Community Care and Medicare Advantage

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A report to the Subcommittee on Government Operations, Committee on Oversight and Government Reform, House of Representatives

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What GAO Found

The Office of Management and Budget annually designates a list of programs considered high-priority for improper payments. The Department of Veterans Affairs (VA) Community Care program and the Centers for Medicare & Medicaid Services' (CMS) Medicare Advantage program are two of the 30 programs designated as high priority for fiscal year 2025. VA reported a Community Care improper payment estimate of $608 million for fiscal year 2025, or 2.4 percent of the program's outlays. CMS reported a Medicare Advantage improper payment estimate of $23.7 billion for fiscal year 2025, or 6.1 percent of the program's outlays. GAO found gaps in the agencies' efforts to reduce improper payment and fraud risks.

Agency Efforts to Reduce Improper Payments and Fraud Risks

	Community Care Program	Medicare Advantage Program
Developed and implemented a process to identify and assess the root causes of improper payments	●	●
Developed, implemented, and monitored corrective action plans that adequately address the identified root causes of improper payments	●	◐
Conducted a fraud risk assessment that identifies inherent fraud risks, assesses their likelihood and impact, determines risk tolerance, evaluates controls, and documents a fraud risk profile	○	○

Legend: ● Met; ◐ Partially met; ○ Not met.

Source: GAO. | GAO-26-107946

Note: Analysis based on the results of GAO work completed from November 2024 through June 2026.

For the fiscal years included in GAO's review, VA developed and implemented a process to identify and assess the root causes of improper payments in the Community Care program. VA also developed, implemented, and monitored corrective action plans that adequately address the identified root causes. While VA has taken steps to identify and assess fraud risks, these efforts do not meet the key elements of a fraud risk assessment and have not resulted in a comprehensive fraud risk assessment for the program, leaving it vulnerable to fraud.

For the fiscal years included in GAO's review, CMS developed and implemented a process to identify and assess the root causes of improper payments in the Medicare Advantage program. However, its estimated improper payment rate has not decreased but remained steady. CMS's corrective action plans are not sufficiently detailed and do not adequately monitor progress. Specifically, CMS does not have a detailed plan for expediting Risk Adjustment Data Validation (RADV) audits. These audits are CMS's primary corrective action for identifying and recovering improper payments. CMS's backlog of RADV audits contributes to significant delays in its recovery efforts. Furthermore, CMS has not conducted a comprehensive fraud risk assessment for the program. CMS's efforts to reduce improper payments and fraud in the Medicare Advantage program will be inadequate without comprehensive corrective action plans and fraud risk assessments.

Why GAO Did This Study

Reducing improper payments and fraud is critical to safeguarding federal funds and could help achieve cost savings and improve the government's fiscal position.

GAO was asked to assess agency efforts to identify and address root causes of improper payments and fraud. In this report, GAO examines to what extent (1) VA has taken steps to identify and address the root causes of improper payments and mitigate fraud risks in the Community Care program and (2) CMS has taken steps to identify and address the root causes of improper payments and mitigate fraud risks in the Medicare Advantage program.

GAO examined documentation from VA, CMS, PaymentAccuracy.gov, and prior reports from agency Offices of Inspector General (OIG). GAO also interviewed agency officials, OIG staff, and trade association representatives.

What GAO Recommends

GAO recommends that VA conduct a comprehensive fraud risk assessment of the Community Care program that aligns with leading practices in the Fraud Risk Framework. VA concurred with the recommendation.

GAO recommends that CMS establish and document a detailed plan for expediting RADV audits and conduct a comprehensive fraud risk assessment of the Medicare Advantage program that aligns with leading practices in the Fraud Risk Framework. CMS neither agreed nor disagreed with the recommendations. CMS also described past actions it has taken that it believes address GAO's recommendations. GAO maintains new CMS actions are warranted, as discussed in the report.