

# Goal: Getting Payments Right

Program or Activity  
Pension

Reporting Period  
Q3 2019

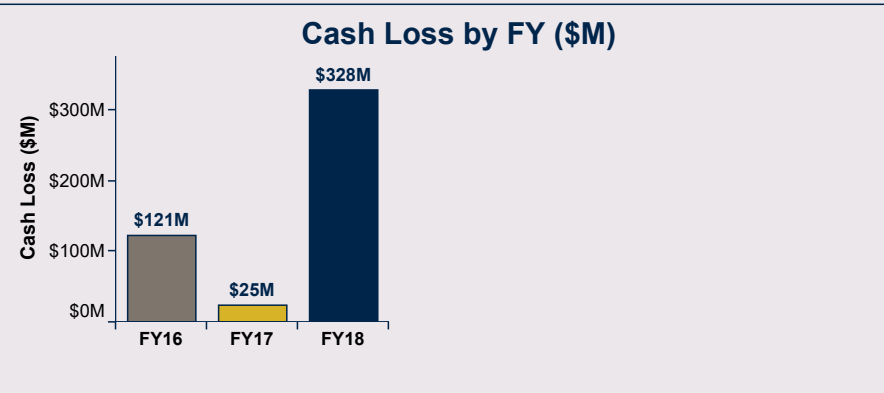
Change from Previous FY (\$M)

\$304M



**Brief Program Description:**

The Pension program helps Veterans and their families cope with financial challenges by providing supplemental income through Veterans Pension and Survivors Pension benefit program.



| Key Milestones  | Status    | ECD    |
|---|-----------|--------|
| 1 Finalize estimated cash loss estimation methodology                   | Completed | Nov-18 |
| 2 Identify estimated cash loss amount for FY 2018                       | Completed | Nov-18 |
| 3 Identify true root causes of cash loss                                | Completed | Nov-18 |
| 4 Develop mitigation strategies to get the payment right the first time | Completed | Nov-18 |
| 5 Evaluate the ROI of the mitigation strategy                           | On-Track  | Dec-21 |
| 6 Determine which strategies have the best ROI to prevent cash loss     | On-Track  | Dec-21 |

| Quarterly Progress Goals   | Status   | Notes  | ECD    |
|--|----------|--|--------|
| 1 Q3 2019 Update current SSA Death Match utilizing the Death Master File to include award dependents of Veterans and survivors/beneficiaries. Initiative would help ensure timely award adjustments based on death of dependents on VA running awards. | On-Track | Implement new batch letters to help solicit first-party information regarding death of dependents. Installation and testing of batch letter process to occur throughout month of July, with functionality implemented upon successful testing. | Aug-19 |
| 2 Q3 2019 Upfront expansion to all Pension end products to allow display of FTI received from the Internal Revenue Service and SSA. Use of information would provide for more accurate processing of claim decisions.                                  | On-Track | Phase 2 of upfront expansion will include End Products 120s with running or previously terminated awards. This will substantially increase the number of claims reviewed and updated for accurate income information.                          | Oct-19 |

| Recent Accomplishments   | Date   |
|--|--------|
| 1 Completed Targeted Program Reviews related to dependency, Medicaid adjustments and burial benefits. Final report findings include recommendations for improvements when errors are found.  | Feb-19 |
| 2 VA released guidance establishing a bright line net worth limit, with look back and penalty periods for pre-application transfer(s) of assets, to ensure VA only pays Veterans and survivors with genuine need.                                | Feb-19 |
| 3 Implemented phased expansion of upfront verification to now include non-original claims from our claimants who have not received their initial entitlement to pension benefits. Previously, only the original claim was subject to FTI review. | Jun-19 |

| FY18 Amt(\$) | Root Cause   | Root Cause Description  | Mitigation Strategy   | Anticipated Impact of Mitigation  |
|--------------|--|---|---|---|
| \$241M       | Failure to verify: financial data                        | Income changes not reported timely by beneficiaries.  | Extend Federal Tax Information (FTI) functionality to additional claims. Perform Social Security Administration (SSA) Income Match to identify date beneficiaries begin to receive SSA income. Expand use of SSA Death Master File for use on dependents. | The strategy of performing 28 bi-weekly claims reviews will indicate if total income calculations and medical expense deductions were originally correctly calculated for the Veterans and Survivors Pension payments.                  |
| \$34M        | Other reason   | Employee missed development actions, miscalculated benefit amounts or provided incorrect claim decision.                          | Conduct quality monthly reviews to determine training trends for Pension Management Center. Identify claims processing deficiencies, analyze trends, and develop training. Provide electronic manual guidance, to policies, regulations, and procedures.  | The end results of updates to the manuals, guidance, policies, procedures, regulations, etc. will be re-emphasized as part of a training effort and serve as a reference for claim processors to prevent errors in processing payments. |
| \$26M        | Administrative or process errors made by: federal agency | Employees did not complete proper claim development and consider correct expenses before making final decision to award benefits. | National Training Curriculum updated to reflect processes in alignment with current policies and procedures. Mandated and refresher training provided to ensure proper claims processing.   | The approach of requiring annual trainings and providing manual references, policies, and procedures will ensure proper guidance given to the employees and thereby reducing the processing of incorrectly calculated awards.           |

Cash Loss - Cash loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.