

Goal: Getting Payments Right

Program or Activity
Pension

Reporting Period
Q4 2019

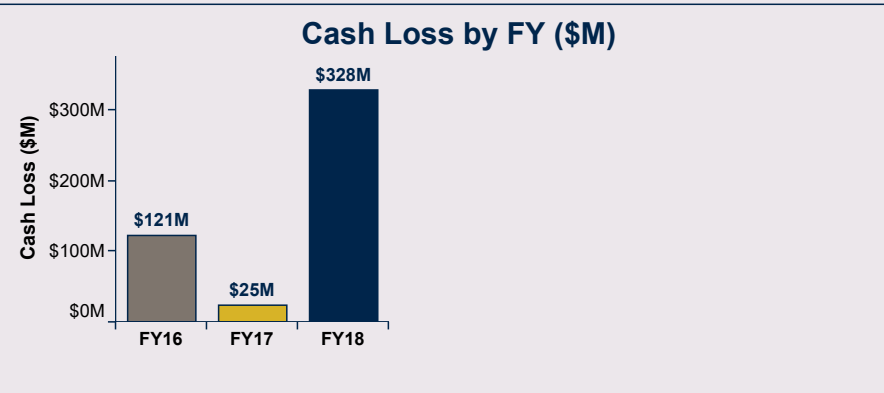
Change from Previous FY (\$M)

\$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 Q4 2019 Provide manual updates and field guidance on new process of upfront verification expansion.	On-Track	New procedures are being drafted, but awaits development of application change request for Share system.	Nov-19
2 Q4 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	Implement phase 2 of upfront FTI expansion to Reopened Pension & Income/Medical Expense Adjustments claims with running or previously terminated awards to increase the number of claims that require review of recent income information.	Dec-19

Recent Accomplishments	Date
1 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
2 Conducted site visit at Milwaukee Pension Management Center. Reviewed workload management, operational and internal control processes.	Aug-19
3 Implemented new batch letter process to help solicit 1st party information for dependents death on running awards which will provide automatic due process prior to award adjustment or removal of dependent.	Sep-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.