

# Payment Integrity Scorecard

**Program or Activity**  
Pension

**Reporting Period**  
Q2 2023

**FY 2022 Overpayment Amount (\$M)\***

**\$492**

\*Estimate based a sampling time frame starting 10/2020 and ending 9/2021

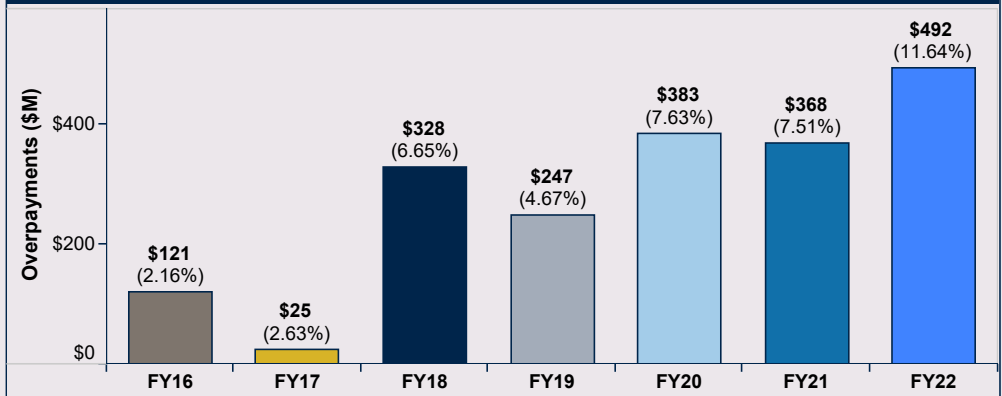


**VA**  
Pension

**Brief Program Description & summary of overpayment causes and barriers to prevention:**

The Pension program helps Veterans and their families cope with financial challenges by providing supplemental income through Veterans and Survivors Pension benefits. The program provides monthly payments to wartime Veterans who meet age or disability requirements and whose income and net worth are within the yearly limits set by law. Income limits require adjustments when beneficiaries have changes to eligibility factors (i.e., income or medical expenses, dependency, etc.), and these changes are the primary cause of overpayments, which totaled \$492M in FY 2022. A known barrier is relying on beneficiaries to notify the program when they experience a change in income as this is a factor necessary for determining eligibility for benefits.

**Historical Payment Rate and Amount (\$M)  
(Overpayment as Percentage of Total Outlays)**



**Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments**

Improper payments associated with incarceration adjustments were identified during testing in fiscal year (FY) 2022. To provide further analysis, a special focus review (SFR) was completed on a random selection of 50 claims to ascertain whether claims processors properly adjudicated the claims and made correct adjustments to prevent improper payments. The review found no errors related to benefit calculations and that payments were made in the correct amounts. Additionally, an updated match from the Social Security Administration (SSA) was received, and claims were sent to the field to determine if there was any variance in the amount of SSA income a beneficiary was receiving versus the amount the beneficiary reported to the VA. Claims were prioritized in batches to resolve the discrepancies and prevent future improper payments. The program will continue to conduct these reviews in the next quarter. Additionally, an on-location pension site visit will be conducted at St. Paul, MN, Pension Management Center (PMC). The purpose of this site visit will be to review policy and procedural compliance and for the prevention of future overpayments. This visit will also include random pension claim reviews.

**Accomplishments in Reducing Overpayment**

**Date**

1	Conducted a quarterly match with SSA to identify variances between SSA income a beneficiary is receiving versus amounts reported to VA. Claims with variances were prioritized and sent to claims processors in batches to resolve discrepancies and prevent future overpayments.	Jan-23
2	An incarceration SFR was completed on 50 random claims to ascertain whether users properly adjusted awards to prevent improper payments. The review found no benefit calculation errors and that payments were made in the correct amount.	Mar-23
3	Coordinated with the payment processing office to identify additional data elements needed in the SSA Death Match Annual File to identify awards requiring review, which will help identify and reduce overpayments related to the death of Veterans' survivors and dependents.	Mar-23

# Payment Integrity Scorecard

<b>Program or Activity</b> Pension	<b>Reporting Period</b> Q2 2023
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Goals towards Reducing Overpayments	Status	ECD	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
<b>1</b> Conduct a quarterly match with SSA to determine if there is any variance in the amount of SSA income a beneficiary is receiving versus the amount the beneficiary reported to VA.	On-Track	Jun-23	1 Recovery Audit	Pension uses a combination of quality reviews and payment reviews to identify potential duplicate payments and overpayments. VA conducts random quality checks to ensure proper eligibility determinations, proper case processing, and payment accuracy.	Once a debt has been established, it is referred to the Debt Management Center which pursues the collection of all debts through lump-sum offset from current or future payments or works with the beneficiary to establish installment payments, as agreed upon by the debtor.
<b>2</b> Conduct an on-location pension site visit at St. Paul, MN, PMC to review for policy and procedural compliance and to identify necessary improvements or updates for the prevention of future overpayments.	On-Track	Jul-23			

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
<b>\$466M</b>	Overpayments within agency control that occurred because of a Failure to Access Data/Information Needed.	Claim processors did not apply policies and procedures.	Audit - process for assuring an organization's objectives of operational effectiveness, efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.	More timely notifications to VA of adjustments needed for beneficiary awards which include changes to benefit status and medical expenses to prevent future improper payments.
		Death of Survivor or Dependent not reported timely.	Automation - automatically controlled operation, process, or system	More timely notifications to VA of adjustments needed for beneficiary awards which include a deceased spouse or dependent to prevent future improper payments.
		SSA income changes not reported timely by beneficiaries.	Automation - automatically controlled operation, process, or system	More timely notifications to VA of adjustments needed for beneficiary awards which include the start of, or changes to, SSA income to prevent future improper payments.

The Pension program is a needs-based benefit. Award payments are initially made based on a one-time determination in response to a claim received and are not adjusted unless there is an indication of change, such as changes to income, medical expenses, or net worth. The Pension program continues to prioritize and implement effective corrective actions and mitigation strategies that reduce improper and unknown payments. Although the Pension experienced an overall increase in improper payments from FY 2021 to FY 2022, the program made significant headway in implementing a mitigation strategy process designed to decrease improper payments in the highest overall error category, failure to access data/information. Starting in September 2022, a large batch of claims is sent weekly to claims processors for review and corrective action. Given the time it takes to implement corrective actions and mitigation strategies, the program expects the impact of this action on FY 2023 payments with anticipated compliance with the Payment Integrity Information Act of 2019 for FY 2024.