

Payment Integrity Scorecard

Program or Activity
Pension

Reporting Period
Q3 2023

FY 2022 Overpayment Amount (\$M)*

\$492

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

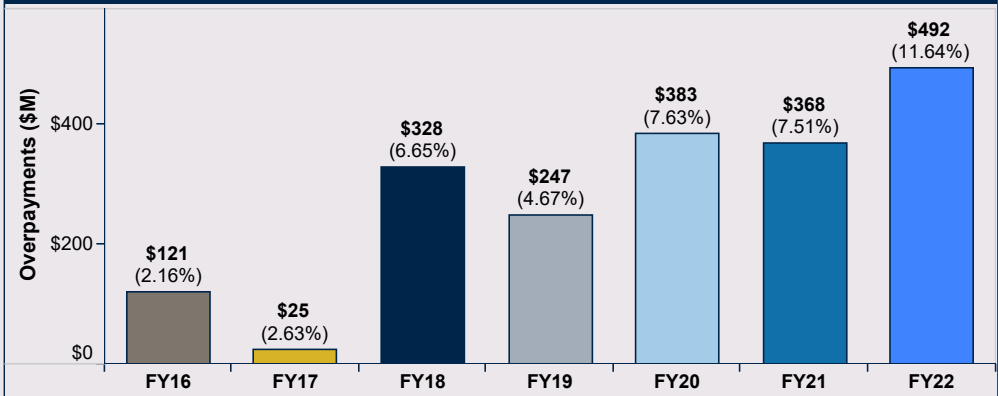


VA
Pension

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

During Q3, VA conducted an audit on National Quality Review (36 claims). See Note 1. Debts were established for any resultant overpayments and referred to the Debt Management Center for collection. See Note 2. On April 3, 2023, VA received an updated match from the Social Security Administration (SSA) of income that pension beneficiaries are receiving from SSA. The VA compared the SSA reported income to the amounts beneficiaries reported to the VA and identified over 31,000 variances. Claims with variances were prioritized based on the largest potential overpayments and five hundred claims were sent weekly to the claims processing stations to resolve variances, identify and establish debts for overpayments if applicable, and prevent future overpayments. During Q4, VA will continue to conduct the National Quality Review and the SSA match performed in Q3. Furthermore, VA will perform an additional data match with SSA to generate the FY23 Death Master File (DMF) report. Using the SSA data of known deaths, VA will analyze any matches, perform appropriate Due Process as required by law to allow the Veteran or beneficiary an opportunity to prove the match is a false positive and benefits payments should continue. Once complete, VA will establish debts as applicable as well as prevent future overpayments.

Accomplishments in Reducing Overpayment

Date

1	Coordinated with the payment processing office to identify additional data elements needed in the SSA Death Match Annual File to identify awards requiring review. This will improve accuracy in identifying overpayments related to deaths of Veterans' survivors and dependents.	Mar-23
2	Conducted a match with SSA to identify variances between SSA income a beneficiary is receiving versus amounts reported to VA by the beneficiary. Claims with variances were prioritized and sent to claims processors to resolve discrepancies and prevent future overpayments.	Apr-23
3	The VA conducted an audit on National Quality Reviews (36 claims). See Note 1. Debts were established for any resultant overpayments and referred to the Debt Management Center for collection. See Note 2.	Jun-23

Payment Integrity Scorecard

Program or Activity Pension	Reporting Period Q3 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
1 Conduct a quarterly match with SSA to identify variances between SSA income a beneficiary is receiving versus amounts reported by a beneficiary to VA. Differences are an indicator of potential overpayments. Claims with variances are prioritized and sent to claims processors in batches to resolve discrepancies, identify and establish debts for overpayments if applicable, and prevent future overpayments.	On-Track	Jul-23	1 Recovery Audit	Conduct monthly National Quality Review Audits across three processing locations. Claims are reviewed based on a standardized checklist which includes identification of potential overpayments. VA plans to audit/review 36 claims in Q4. See Note 1.	During Q3, the VA conducted an audit on National Quality Reviews (36 claims). Debts were established for any resultant overpayments and referred to the Debt Management Center for collection. See Note 2.
2 Perform an annual data match with SSA to generate the FY23 Death Master File (DMF) report. Using the SSA data, VA will analyze and filter the information for comparison and review to resolve discrepancies in reported deaths between SSA files and VA files and identify and establish debts for overpayments if applicable, and prevent future overpayments.	On-Track	Aug-23	2 Recovery Activity	Conduct Special Focus Reviews to ensure claim processors properly apply policies and procedures in making accurate pension rate decisions. Claims with errors are corrected and debts are established for overpayments identified. See Note 2.	The VA did not conduct a Special Focus Review during Q3.
			3 Recovery Activity	VA will continue to recover overpayments identified during special projects and the testing of payments required by the Payment Integrity Information Act (PIIA). These activities include establishing debts if applicable. See Note 2.	VA continues to take action to recover overpayments identified during special projects and the testing of payments required by PIIA. These activities include establishing applicable debts which are referred to the Debt Management Center for collection. See Note 2.

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$466M	Overpayments within agency control that occurred because of a Failure to Access Data/Information Needed.	Claim processors did not apply policies and procedures to pension claims timely which resulted in inaccurate pension rate decisions, which caused VA to overpay beneficiaries.	Audit - process for assuring an organization's objectives of operational effectiveness, efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.	VA Central Office randomly reviews claim processors' work to ensure policies and procedures are properly applied in making accurate pension rate decisions to prevent future improper payments. If applicable, corrective action includes establishing debts for overpayments.
		The Pension program is an income-based program. Beneficiaries did not report changes to SSA income to VA timely, which caused VA to overpay beneficiaries.	Automation - automatically controlled operation, process, or system	VA conducts a match with SSA to identify the difference between the SSA income received versus the amount in the VA system. Differences indicate potential overpayments. VA reviews differences to identify and establish debts for overpayments and prevent future overpayments.
		When a Veteran's dependent passes away, VA must review the beneficiary's pension award and make the proper income and medical expense adjustments. The deaths of dependents were not reported to VA timely, which caused VA to make overpayments.	Automation - automatically controlled operation, process, or system	VA utilizes the SSA Death Master File to match against active beneficiaries, including dependent beneficiaries, which allows VA to identify discrepancies in data between SSA and VA in the reporting of deceased beneficiaries and 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 program 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. Note 1: National Quality Review Audits include Dependency and Indemnity Compensation, Burial, and the Pension program to which 36 claims are allocated quarterly to audit. Note 2: Once a debt has been established by the claims processing center, 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.