Payment Integrity Scorecard

Program or Activity Pension	**Reporting Period** Q4 2023	**FY 2022 Overpayment Amount ($M)*** **$492**

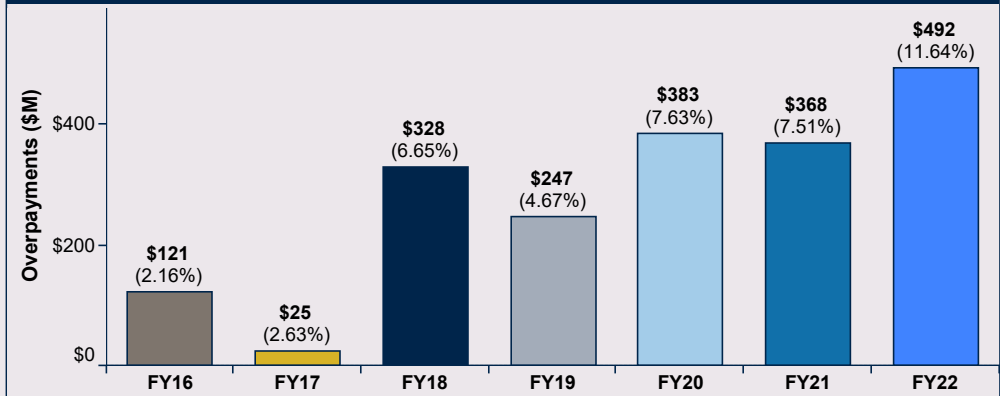*Estimate based a sampling time frame starting 10/2020 and ending 9/2021

VA
Pension

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

The Pension program helps wartime Veterans and their survivors by providing supplemental income with Pension benefits. Monthly Pension payments are made to eligible beneficiaries who meet the annual income and net worth limits set by law. Adjustments are required when a beneficiary has a change in eligibility (i.e., income, medical expenses, dependency, etc.), and these changes caused $492 million in overpayments in FY 2022. The Debt Management Center pursues debt collection through lump-sum offset from benefit payments or by establishing installment payments. A known barrier is relying on beneficiaries to notify the program when they experience a change in income as this is a factor necessary to determining eligibility for benefits.

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

	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Amount	$121	$25	$328	$247	$383	$368	$492
Percentage	(2.16%)	(2.63%)	(6.65%)	(4.67%)	(7.63%)	(7.51%)	(11.64%)

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

During Q4, VA conducted a Special Focus Review (SFR) on 60 claims to determine whether claims processors used the correct medical mileage rate and performed manual calculations properly when medical expenses included a mileage reimbursement. The review identified 19 errors that impacted payments for a 68% accuracy rate. In July 2023, the findings were shared with the claims processing stations, errors were corrected, and a new job aid was provided to prevent future errors and overpayments. A follow-up SFR will be conducted in FY 2024 to determine whether the accuracy rate improved. An audit on the National Quality Review (NQR) was conducted on 36 claims. See Note 1. Debts were established and referred to the Debt Management Center for collection of any resultant overpayments identified in the SFR and NQR. See Note 2. On July 11, 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 28,000 variances. Claims with variances were prioritized based on the largest potential overpayments and 500 claims were sent weekly to the claims processing stations to resolve variances, identify and establish debts for overpayments if applicable, and prevent future overpayments. In Q1 of FY 2024, VA will continue to conduct Special Focus Reviews, National Quality Reviews, and the SSA income match.

	Accomplishments in Reducing Overpayment	Date
1	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.	Jul-23
2	The VA conducted a Special Focus Review on 60 claims to determine whether claims processors used the correct medical mileage rate and performed manual calculations properly when medical expenses included a mileage reimbursement. The 19 errors identified were corrected.	Jul-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.	Jul-23

Payment Integrity Scorecard

Program or Activity
Pension

Reporting Period
Q4 2023

	Goals towards Reducing Overpayments	Status	ECD
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.	Completed	Oct-23
2	Validate whether the data identification process requires adjustments to improve accuracy in the quarterly income match with SSA and determine if any needed changes impact the project's expected completion date. No change to the completion date was necessary.	Completed	Oct-23

	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
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 Q1, FY 2024. See Note 1.	During Q4, 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	Recovery Activity	Conduct Special Focus Reviews (SFR) to ensure claim processors properly apply policies and procedures in making decisions. Claims with errors are corrected and debts are established for overpayments identified. See Note 2.	During Q4, the VA conducted a Special Focus Review of medical mileage calculations (60 claims). Debts were established for any resultant overpayments and referred to the Debt Management Center for collection. See Note 2.
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 made based on an initial determination in response to a claim received and are not adjusted unless there is an indication of a 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 is established by the claims processing center, it is referred to the Debt Management Center (DMC) which pursues the collection of all debts through lump-sum offset (from current or future payments), or the DMC works with the beneficiary to establish installment payments, as agreed upon.