

Payment Integrity Scorecard

Program or Activity
Pension

Reporting Period
Q1 2024

FY 2023 Overpayment Amount (\$M)* **\$418**

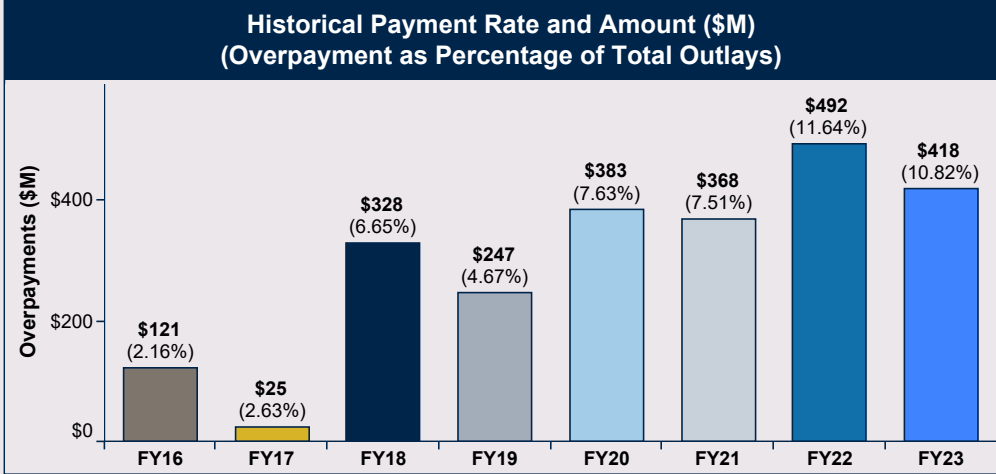
*Estimate based a sampling time frame starting 10/2021 and ending 9/2022



Veterans Administration
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 to eligible recipients who meet the annual income and net worth limits set by law. A change in benefit payment occurs when a required adjustment is made due to a status change (e.g., change in income, net worth, medical expenses, or dependency etc.); which caused a projected \$418 million in monetary loss in FY 2023. A known barrier is relying on beneficiaries to notify the VA when they experience life or financial changes since these factors may impact continued eligibility. When applicable, the VA pursues debt collection through lump-sum offset from benefit payments or by establishing agreed-upon repayment installments.



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

On October 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 variances. Claims with variances were prioritized based on the largest potential overpayment variances and 500 claims were sent weekly to the claims processing stations to resolve these variances, identify overpayments if applicable, and prevent future overpayments. Additionally, during Q1, VA conducted a post-award quality review audit of 38 pension claims during the monthly National Quality Reviews (NQR). VA also conducted a review of Federal Tax Information (FTI) on approximately 11,758 claims at the time of initial application for benefits. This audit identified variances between income reported to the Internal Revenue Service (IRS) versus amounts reported to VA on the application. Claims identified with variances were sent to claims processors to resolve discrepancies and prevent future overpayments. In Q2 of FY 2024, VA will conduct a Special Focus Review of Pension claims to review for policy compliance and accuracy in payments of SSA income adjustments, continue to conduct audits monthly on National Quality Reviews and on claims initially submitted for benefits to identify variances with income reported to the IRS.

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.	Oct-23
2	The VA conducted an audit on National Quality Reviews of 38 claims. See Note 1. Debts were established for applicable overpayments and referred for collection. See Note 2.	Nov-23
3	Conducted an audit on claims to identify variances between income reported to the IRS versus amounts reported to the VA when initially applying for benefits. Claims with variances were sent to claims processors to resolve discrepancies and prevent future overpayments.	Dec-23

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Program or Activity Pension	Reporting Period Q1 2024
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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	On-Track	Mar-24	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 47 claims in Q2, FY 2024. See Note 1.	During Q1, the VA conducted a National Quality Review audit on 38 claims. Debts were established for the applicable overpayments and referred for collection. See Note 2.
			2 Recovery Activity	Conduct Special Focus Reviews (SFR) to ensure the claim processors properly applied policies and procedures in making decisions. Claims with errors are corrected and debts are established for applicable overpayments identified. See Note 2.	The VA did not conduct a Special Focus Review during Q1.
2	On-Track	Mar-24	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 for collection. See Note 2.

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$362M	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 reported to VA. Differences indicate potential overpayments. VA reviews differences to identify and prevent future overpayments.
		When a Veteran passes away, the VA discontinues benefit payments. When the death is not reported timely, or the benefit payment processing has already started when the notice is received, this may create an overpayment of pension benefits.	Automation - automatically controlled operation, process, or system.	VA utilizes the SSA Death Master File to match against active beneficiaries which allows VA to identify discrepancies between SSA and VA in the reporting of deceased beneficiaries and to prevent future improper payments.

The Pension program is a needs-based benefit, providing financial assistance to those who meet legislative requirements. 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 program continues to prioritize and implement effective strategies that reduce improper payments while balancing the need to ensure Veterans and their survivors have access to needed financial assistance. The program made significant headway in implementing a mitigation strategy to decrease future improper payments in the highest overall error category, failure to access data/information. Starting in September 2022, large batches of claims were sent weekly to claims processors for review and corrective action. The impact of the program changes is reflected in a decrease in the improper and unknown payment rate from 11.66% in FY 2022 to 10.86% (a 0.80% reduction) and a \$73 million decrease in improper payments in FY 2023. Note 1: NQR audits include Dependency and Indemnity Compensation, Burial, and the Pension program to which claims are allocated quarterly to audit. Note 2: Once a debt is established by a claims processor, the VA pursues the collection of debts through lump-sum offset, or the VA works with the beneficiary to establish payment plans, as agreed upon.