

# Payment Integrity Scorecard

**Program or Activity**  
Pension

**Reporting Period**  
Q4 2024

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

**\$418**

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

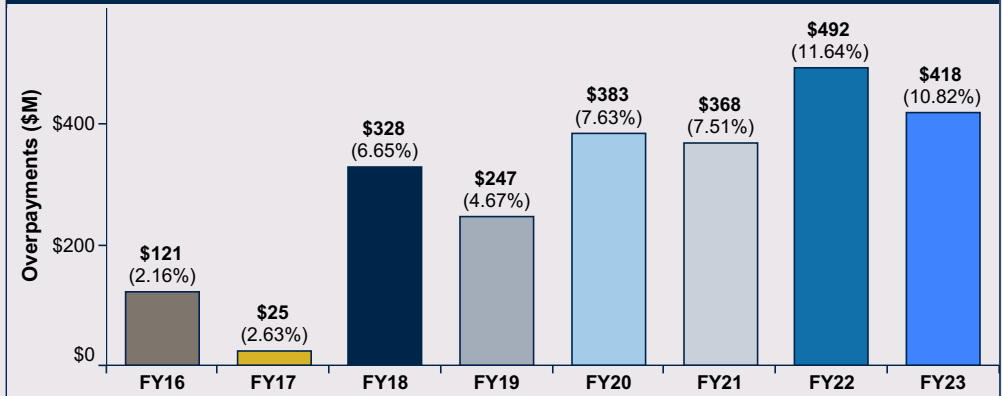


**Veterans Administration**  
Pension

**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.

**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**

VA received the quarterly Social Security Administration (SSA) match and identified variances between what was reported on VA applications and what is paid by SSA. VA reviewed the variances, identified the largest potential overpayments and sent 500 claims weekly to claims processors for review and corrective action and overpayments were created, if applicable. VA also conducted a review of Federal Tax Information (FTI) during the initial application for benefits (approximately 14,521 claims). 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 and prevent overpayments. VA also conducted a review of National Quality Reviews (NQR) audit (47 claims) using a standardized checklist, which included identification of potential overpayments. In Q1, FY 2025, VA will continue to conduct the quarterly SSA data match and review for variances, compare FTI information against information on applications during initial claim submissions, and conduct NQR audits. Additionally, VA will train staff to ensure policies and procedures are properly applied in making accurate pension rate decisions to prevent future improper payments.

**Accomplishments in Reducing Overpayment**

		Date
1	In Q4, VA conducted a match with SSA to identify variances between SSA income a beneficiary is receiving versus amounts reported to VA by the beneficiary. Weekly batches of 500 claims were sent to claims processors to resolve discrepancies and prevent future overpayments.	Aug-24
2	VA finalized the Philadelphia Pension Management Center (PMC) Site Visit Audit. The final report was compiled and the corrective action closed for FY 2024. These internal audits aid in increasing claims accuracy and in the prevention of future improper payments.	Aug-24
3	VA reviewed 47 claims in Q4 to validate the proper policy and procedures were followed. See Note 1. Debts were established for applicable overpayments and referred for collection. See Note 2.	Aug-24

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<b>Program or Activity</b> Pension	<b>Reporting Period</b> Q4 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 Conduct monthly National Quality Review audits across the three processing locations. Claims will be reviewed based on a standardized checklist which includes identification of potential overpayments. VA plans to audit/review 47 claims in Q1, FY 2025. See Note 1.	On-Track	Dec-24	1 <b>Recovery Audit</b>	During Q1, FY 2025, VA will 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. See Note 1.	During Q4, FY 2024, VA conducted a National Quality Review audit of 47 claims. Debts were established for the applicable overpayments and referred for collection. See Note 2.
			2 <b>Recovery Activity</b>	During Q1, FY 2025, VA will conduct a special review to audit claims for compliance with policy in payment, income and expense accuracy by the claims processors. Claims with errors are corrected and debts are established for applicable overpayments. See Note 2.	The VA did not conduct a special review during Q4, FY 2024.
2 During Q1, FY 2025, VA will conduct a special review to audit claims for compliance with policy in payment, income and expense accuracy by the claims processors. Claims with errors are corrected and debts established for applicable overpayments. See Note 2.	On-Track	Dec-24	3 <b>Recovery Activity</b>	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
<b>\$362M</b>	Overpayments within agency control that occurred because of a Failure to Access Data/Information Needed.	Claims 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 randomly reviews claims 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. In September 2022, the program implemented a mitigation strategy to decrease future improper payments by sending batches of claims weekly to claims processors for corrective action. The program changes resulted 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 collection of debts through lump-sum offset, or the VA works with the beneficiary to establish payment plans, as agreed upon.