Payment Integrity Scorecard

Program or Activity	Reporting Period	FY 2024 Overpayment Amount ($M)*	$382
Pension	Q1 2025		

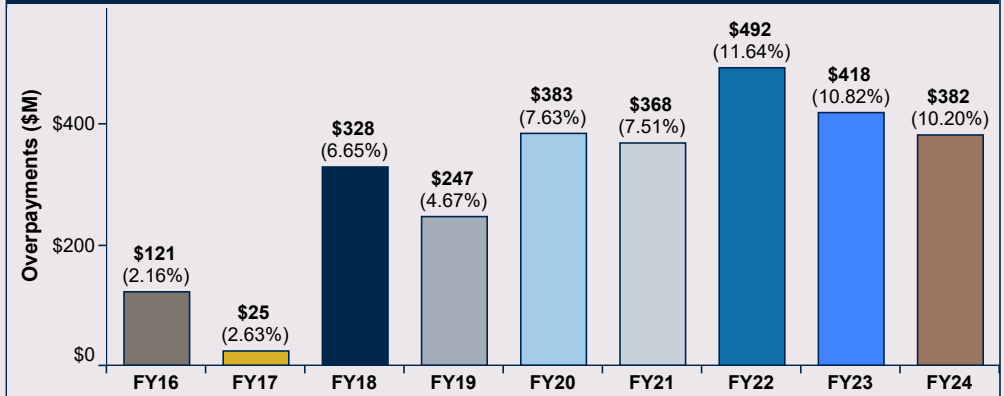*Estimate based a sampling time frame starting 10/2022 and ending 9/2023

Veterans Administration
Pension

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

The Pension program helps wartime Veterans and their survivors cope with financial challenges by providing supplemental income to 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, dependency, etc.); which caused a projected $381.78 million in monetary loss in FY 2024. 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 by offsetting benefit payments for the full amount of the debt or by approved repayment installments.

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

FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
$121 (2.16%)	$25 (2.63%)	$328 (6.65%)	$247 (4.67%)	$383 (7.63%)	$368 (7.51%)	$492 (11.64%)	$418 (10.82%)	$382 (10.20%)

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

During Q1, VA received the quarterly Social Security Administration (SSA) match and identified variances between SSA income a beneficiary is receiving versus the amount reported by the beneficiary. VA reviewed the variances, identified the largest potential overpayments, and sent claims weekly for claims processor review and corrective action, creating overpayments when applicable. VA conducted a Special Focus Review (SFR) that audited 60 SSA income match claims with a 91.67% benefit entitlement (BE) accuracy rate. Claims identified with errors were sent to claims processors to resolve and prevent future overpayments. VA conducted a review of Federal Tax Information (FTI) on initial applications requesting pension benefits (approximately 14,892 claims). This audit identified variances between income reported to the Internal Revenue Service (IRS) versus amounts reported to VA on applications. Claims identified with variances were sent to claims processors to resolve and prevent overpayments. VA also conducted National Quality Review (NQR) audits (47 claims monthly) using a standardized checklist, which identified potential overpayments. In Q2, VA will continue conducting the quarterly SSA data match and review FTI on initial applications for variances. NQR audits will review 41 claims monthly, and VA will also train staff to ensure policies and procedures are properly applied in making accurate pension decisions to prevent future improper payments.

	Accomplishments in Reducing Overpayment	Date
1	VA compared FTI to beneficiary-reported income through Post Award Audits and identified 129 potential overpayments. Beneficiaries were notified and have 60 days to provide information to reduce or eliminate overpayments, after which VA will review for potential adjustments.	Oct-24
2	In Q1, 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 claims were sent to claims processors to resolve discrepancies and prevent future overpayments.	Dec-24
3	VA reviewed 47 claims monthly in Q1 while conducting NQR audits, to validate the proper policy and procedures were followed. See Note 1. Claims with potential overpayments were sent to claims processors to resolve and prevent future overpayments.	Dec-24

Payment Integrity Scorecard

Program or Activity
Pension

Reporting Period
Q1 2025

Goals towards Reducing Overpayments		Status	ECD
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 41 claims monthly in Q2, FY 2025. See Note 1.	On-Track	Mar-25
2	During Q2, 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	Mar-25

	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	Recovery Audit	During Q2, 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 will audit/review 41 claims monthly. See Note 1.	During Q1, FY 2025, VA conducted a National Quality Review audit of 47 claims monthly. Claims with potential overpayments were sent to claims processors to resolve and prevent future overpayments.
2	Recovery Activity	During Q2, 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.	VA conducted a Special Focus Review (SFR) during Q1, FY 2025 that audited 60 SSA income match claims with a 91.67% benefit entitlement (BE) accuracy rate. Claims identified with errors were sent to claims processors to resolve and prevent future overpayments.
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
$382M	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.	Training teaching a particular skill or type of behavior; refreshing on the proper processing methods.	VA performs staff training to ensure policies and procedures are properly applied in making accurate pension rate decisions to prevent future improper payments. Training will focus on human errors identified during FY 2024 payment integrity testing.
			Audit - process for assuring an organization's objectives of operational effectiveness, efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.	VA conducts random reviews of 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 quarterly matches with SSA to identify variances between SSA income received versus amounts reported by beneficiaries to VA. Variances are indicators of potential overpayments. VA reviews differences to identify and prevent future overpayments.

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 strategies that reduce improper payments, while balancing the need to ensure Veterans and their survivors have access to financial assistance. Although the error rate for this program increased from 10.86% in FY 2023 to 13.85% in FY 2024 (for a 2.99% increase), the program made improvements that will increase its ability to reduce improper payments in the future. The program obtained more details during payment integrity testing to improve development of effective corrective actions which improved corrective action and mitigation strategies planned for FY 2025. Additionally, the program updated testing procedures to correctly differentiate monetary loss from unknown payments, resulting in a $36.28 million decrease in projected monetary loss in FY 2024. Note 1: NQR audits include Dependency and Indemnity Compensation, Burial, and the Pension program to which claims are allocated quarterly for auditing. Note 2: Once a debt is established by a claims processor, VA pursues collection of debts through lump-sum offset, or VA works with the beneficiary to establish payment plans, as agreed upon.