

Payment Integrity Scorecard

Program or Activity
Pension

Reporting Period
Q2 2025

FY 2024 Overpayment Amount (\$M)*

\$382

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

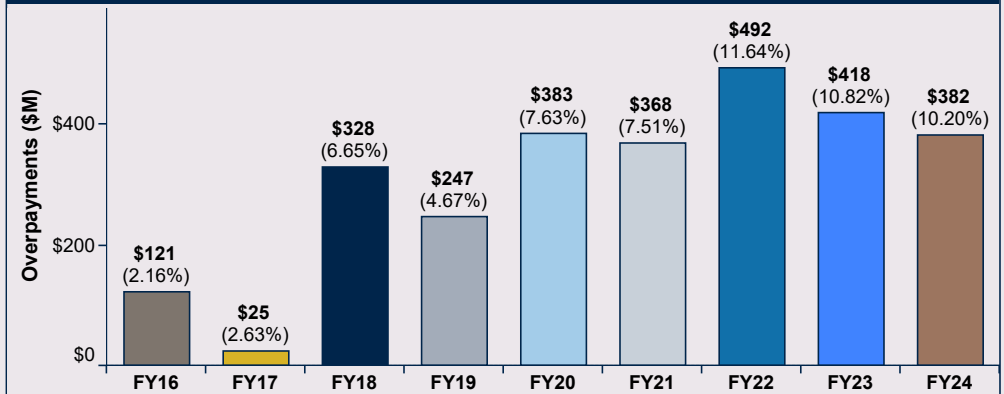


Veterans Administration
Pension

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)



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

During Q2, 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 potential overpayment claims weekly for claims processor review and corrective action, creating overpayments when applicable. VA also conducted an audit of Federal Tax Information (FTI) on initial pension applications (approximately 15,280 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. During Q2, VA conducted a Targeted Program Review (TPR) of FTI exclusion in claimants over 90 years old. Preliminary findings indicate no discrepancies in income reporting, and the TPR is expected to be finalized in Q3. VA also conducted National Quality Review (NQR) audits (41 claims monthly) using a standardized checklist, which identified potential overpayments. In Q3, VA will continue conducting the quarterly SSA data match and reviewing FTI on initial applications to detect variances. NQR audits will review 41 claims monthly, and VA will perform a site visit along with special audits to ensure policies and procedures are properly applied in making accurate pension decisions to prevent future improper payments.

Accomplishments in Reducing Overpayment

Date

		Date
1	Training was provided during the January 2025 Pension Quality Call to the Pension Management Centers (PMCs) which focused on human errors relating to income and medical expenses identified in FY 2024 PIIA testing to ensure program compliance and prevent improper payments.	Jan-25
2	In Q2, 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.	Mar-25
3	VA reviewed 41 claims monthly in Q2 while conducting NQR audits, to validate that proper policy and procedures were followed. See Note 1. Claims with potential overpayments were sent to claims processors to resolve and prevent future overpayments.	Mar-25

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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 41 claims monthly in Q3, FY 2025. See Note 1.	On-Track	Jun-25	1 Recovery Activity	During Q3, FY 2025, VA will conduct monthly National Quality Reviews across three processing locations. Claims are reviewed based on a standardized checklist which includes identification of potential overpayments. VA will review 41 claims monthly. See Note 1.	During Q2, FY 2025, VA conducted National Quality Reviews of 41 claims monthly. Claims with potential overpayments were sent to claims processors to resolve and prevent future overpayments.
2	During Q3, FY 2025, VA will conduct a special audit of claims for compliance with policy in payment, income, and expense accuracy by the claims processors. Claims with errors will be corrected and debts established for applicable overpayments. See Note 2.	On-Track	Jun-25	2 Recovery Activity	During Q3, FY 2025, VA will conduct a site visit with the Milwaukee PMC. Results and feedback from focused reviews of targeted program areas within claims processing will be discussed to ensure program compliance and payment accuracy.	Pre-site visit focused reviews of targeted areas within claims processing were conducted during Q2. SSA Income Match and notification letter reviews found accurate income counting, payment rates and effective dates in all 80 cases.
				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.