Summary of Financial Statement Audit and Management Assurances

The following tables provide a summary of audit-related or management-identified material weaknesses and the non-compliance with FFMIA and Federal financial management system requirements outlined in the 2012 Performance and Accountability Report. The title of each material weakness is consistent throughout this section and in the entire document. The material weakness and the associated remediation plan is the same as the audit-related material weakness.

During 2012, VA continued its remediation plans to correct the one material weakness identified in prior years for "Information Technology (IT) Security Controls." As of September 30, 2012, VA continues to report this material weakness.

No new material weaknesses were found in the design or operation of internal controls during 2012 as a result of VA's annual assessment of internal control over financial reporting, operations, laws and regulations, and financial management systems requirements in accordance with FMFIA sections 2 and 4. Under FFMIA Section 803(a) for 2012, VA reported non-compliance with Federal financial management system requirements related to the material weakness for "Information Technology (IT) Security Controls". VA also reported non-compliance with Federal accounting standards related to the Debt Collection Improvement Act.

Table 1 - Summary of Financial Statement Audit

Audit Opinion	**Unqualified**				
Restatement	**No**				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
IT Security Controls	✓				✓
Total Material Weaknesses	**1**	**0**	**0**	**0**	**1**

Table 2 - Summary of Management Assurances

Effectiveness of Internal Control over Financial Reporting (FMFIA – 2)						
Statement of Assurance	**Unqualified**					
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	**0**	**0**	**0**	**0**	**0**	**0**
Effectiveness of Internal Control over Operations (FMFIA – 2)						
Statement of Assurance	**Unqualified**					

Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	**0**	**0**	**0**	**0**	**0**	**0**
Conformance with Financial Management System Requirements (FMFIA – 4)						
Statement of Assurance	**Conform except for the non-conformance findings below**					
Material Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
IT Security Controls *	✓					✓
Total Material Non-Conformances	**1**	**0**	**0**	**0**	**0**	**1**
Compliance with Federal Financial Management Improvement Act (FFMIA)						
	Agency			Auditor		
Overall Substantial Compliance	**No**			**No**		
1. System Requirements	**No**					
2. Accounting Standards	**Yes**					
3. USSGL at Transaction Level	**Yes**					

*Note: Material weaknesses and their associated remediation plans are the same as audit-related material weaknesses.

Schedule of Spending (Unaudited)

The Schedule of Spending (SOS) presents an overview of how and where VA is spending money. The data used to populate this schedule is the same underlying data used to populate the SBR. The SOS presents total budgetary resources, gross outlays, and fiscal year to date total obligations for the reporting entity.

The budgetary information in this schedule is presented on a combined basis consistent with the account-level information presented on the Report on Budget Execution and Budgetary Resources (SF-133) and the SBR. Consolidation, which involves line by line elimination of inter entity balances is not permitted for this schedule.

Credit reform financing accounts are material to VA's financial statements, therefore the budgetary accounts and non-budgetary credit reform accounts are presented separately similar to the presentation in the SBR.

As some of the implementation and reporting details of the SOS are still being developed, OMB has directed the schedule be included in Other Accompanying Information to permit VA to explore the optimal means of implementation and reporting. Comparative schedules are not required for 2012; however, comparative schedules will be required starting in 2013.

The SOS is presented in two sections as required for CFO Act agencies in 2012. The first section is entitled "What Money is Available to Spend?" This section of the SOS presents total budgetary resources that were available to spend reconciled to obligations incurred as shown in the Status of Budgetary Resources section of the SBR.
The second section is entitled "How was the Money Spent?" This section of the SOS presents services or items that were purchased within each VA administration consistent with the SBR and classified by the OMB Budget Object Class (BOC) as defined in Circular No. A-11. The most significant BOCs are presented separately within each VA administration with the remaining BOCs presented in aggregate as "Other" within each administration.

The line items in the second section of the SOS will reconcile to obligations incurred in the SBR. "Total Spending" on the SOS equals "Gross Outlays" in the SBR. "Amounts Remaining to be Spent" on the SOS represent the difference between gross outlays and obligations incurred.

The following table summarizes the Schedule of Spending for the year ended September 30, 2012.

DEPARTMENT OF VETERANS AFFAIRS

SCHEDULE OF SPENDING – UNAUDITED (dollars in millions)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgetary	Non-Budgetary Credit Program
What Money is Available to Spend?		
Total Resources	$ 155,547	$ 7,040
Less Amount Available but Not Agreed to be Spent	(12,673)	-
Less Amount Not Available to be Spent	(3,244)	(4,006)
Total Amounts Agreed to be Spent	**$ 139,630**	**$ 3,034**
How was the Money Spent?		
Veterans Health Administration		
Personnel Compensation and Benefits	$ 27,529	$ -
Other Contractual Services	11,580	-
Supplies and Materials	8,784	-
Land and Structures	3,231	-
Equipment	2,058	-
Rent, Communications and Utilities	1,869	-
Grants, Subsidies and Contributions	1,300	-
Other	1,040	-
Veterans Benefit Administration (Including Veterans Benefits, Life Insurance, Housing Credit and Administration)		
Insurance Claims and Indemnities*	53,721	777
Grants, Subsidies and Contributions**	13,329	532
Interest and Dividends	2,817	116
Personnel Compensation and Benefits	1,787	-
Land and Structures	4	1,415
Other Contractual Services	623	144
Other	237	32
National Cemetery Administration		
Personnel Compensation and Benefits	128	-
Other Contractual Services	88	-
Grants, Subsidies and Contributions	28	-
Other	39	-
Indirect Program Administration		
Other Contractual Services	637	-
Personnel Compensation and Benefits	673	-
Supplies and Materials	490	-
Equipment	318	-
Other	286	-
Total Spending	132,596	3,016
Amounts Remaining to be Spent	7,034	18
Total Amounts Agreed to be Spent	**$ 139,630**	**$ 3,034**

*Primarily Veterans' pension and disability compensation costs, insurance program costs and loan guaranty program losses.
**Primarily Veterans' educational readjustment benefit programs, special adaptive housing costs and loan subsidy and reestimate costs.

Improper Payments Elimination and Recovery Act (IPERA) of 2010

Narrative Summary of Implementation Efforts for 2011 Agency Plans for 2013-2015

The Department of Veterans Affairs (VA) is the second largest Federal agency and has a diverse universe of payment types. It is a balancing act for VA to ensure Veterans and their families continue to receive benefits in a timely manner while making progress towards reducing/preventing improper payments. Due to the agency's highly complex payment environment, it is a challenge to meet previously established reduction targets.

VA has many programs and activities in place to prevent improper payments. These include data matching programs with the Social Security Administration (SSA) and the Internal Revenue Service, recovery auditing, and the implementation of software designed to detect improper payments. Moreover, VA has recently had an analysis conducted by the independent Recovery Accountability and Transparency Board (RATB) with the result of a "six sigma" accuracy rate on a statistically significant sample of Compensation and Pension (C&P) payments where part of the payment is based on beneficiary dependents.

Although much has been accomplished at VA to control improper payments, much more remains to be done. In the 2011 PAR, VA reported $2.4 billion in improper payments with an overall Improper Payment (IP) rate of 2.65 percent. This was an increase of $271 million or 1.7 percent over the amounts reported in 2010. While trends are showing the IP rates are continuing to increase, actual IP amounts are decreasing. For 2012, VA estimates a total of $2.2 billion in improper payments and an IP rate of 3.4 percent.

In March 2012, VA's OIG completed its review of VA's compliance with IPERA and determined VA is not in compliance. Accordingly, VA made elimination of improper payments its top financial priority. To best support this priority and VA's commitment to comply with IPERA, the Department formed a task force governed by the Chief Financial Officer and senior accountable officials and program managers within VA's Administrations. All are focused on IPERA compliance and identification of root causes of improper payments and corrective actions. Since the OIG report, task force summits have been held to increase our knowledge of improper payments – types of improper payments, what types are avoidable, what types aren't, and root causes. These actions will set the stage for our work in the coming years. During this drive to increase our knowledge, we may initially uncover additional causes of improper payments, but this is unavoidable if we want to fully grasp the extent of the problem and be able to address it.

Beginning in 2012 and continuing in 2013 the group will:

1. Increase knowledge about VA improper payments especially root causes.
2. Focus on ways the Department can eliminate and reduce erroneous payments.
3. Further review the improper payment data and totals to ensure greater accuracy and improve precision.

4. Adequately explain to stakeholders, the causes of VA's improper payments by program to help them better understand VA's payment environment.
5. Determine how to better institutionalize IPERA program activities to achieve objectives.

The group will also review programs and establish achievable improper payment reduction goals to establish corrective action plans and determine if legal and regulatory changes are needed to stop the issuance of improper payments.

At the Administration level, the Veterans Health Administration (VHA) has also dedicated resources towards reducing improper payments. VHA actively works with program managers and field personnel to effectively implement corrective action plans to reduce improper payments and has significantly increased its program oversight designed to identify and prevent improper payments.

In 2012, VHA drove significant reductions in improper payments in its Other Contractual Services, Prosthetics, State Home Per Diem Grants, and Supplies and Materials programs. VHA has also worked aggressively to improve internal controls over its Beneficiary Travel program and Non-VA Care Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) program. In the Non-VA Care Fee program, VHA worked closely with the Office of Information and Technology to successfully implement software enhancements and has developed process improvements and increased staff training that has positively impacted payment accuracy.

The Veterans Benefits Administration (VBA) formed internal teams to support the elimination of improper payments.

The teams' goals are to accomplish the following:

- Make improvements to VBA programs, and identify and report improper payments.
- Provide recommendations on potential VBA procedural changes that can be implemented to reduce overpayments.
- Provide recommendations for changes in regulations and/or laws that impact VBA programs in an effort to reduce improper payments.

In 2012, VBA further intensified its efforts to reduce improper payments by analyzing reportable programs and existing controls for possible improvements. The Insurance and Loan Guaranty programs, which were reportable in prior years, made considerable improvements. The Insurance program improper payment rate is 0.01 percent due to the high quality work performed by Insurance Specialists and the controls established by the Insurance Service Internal Control Staff (ICS). ICS intensifies traditional management controls (e.g., internal system edits, supervision, performance reviews, and quality control reviews) resulting in improved effectiveness and efficiency. The Loan Guaranty program was below the reportable threshold in 2012.

The National Cemetery Administration (NCA) continued to make elimination of improper payments its priority. NCA has a solid internal control program and has been under IPERA reporting thresholds for a number of years. NCA actively supports the initiative's taskforce. NCA contributes to policy changes that may strengthen VA's approach and support the elimination of improper payments.

Section I. This section briefly describes the risk assessments performed for the risk-susceptible programs based on OMB's IPERA guidance thresholds, highlighting changes from last year's report.

VHA

A risk assessment baseline was established for all 25 VHA programs in 2011. Eighteen programs (totaling $6.7 billion) were considered to be low risk and are not susceptible to significant improper payments. These programs will be reassessed in 2014. Seven of the 25 programs were determined to be highly susceptible to significant improper payments. The VHA high-risk programs are Beneficiary Travel, CHAMPVA, Non-VA Care Fee, State Home Per Diem Grants, Supplies and Materials, Prosthetics, and Other Contractual Services.

VBA

VBA conducted risk assessments of all six Veterans benefit programs to identify areas susceptible to significant improper payments. The predominant risk factor for VBA's assessment was to consider known program information and the benefit program's improper payment data reported in 2011. Of VBA's six programs, five were considered high risk and one low risk. Compensation and Pension, Education, Vocational Rehabilitation and Employment (VRE), and Insurance were considered to be highly susceptible to the issuance of improper payments. Loan Guaranty was considered to be low risk and not susceptible to significant improper payments.

NCA

NCA conducts risk assessments on its Headstone Marker and Graveliner programs annually. In doing so, NCA can ensure there are no instances where the results meet the reporting threshold. All other NCA funds payments generally are for payroll, purchase card transactions, and/or contract payments. NCA has a sound internal control program over its purchase card payments which, at this time, are also at or below the micro purchase level and deemed non reportable.

Section II. This section briefly describes the statistical sampling process conducted to estimate the improper payment rate for each high-risk program identified, highlighting changes from last year's report.

VHA

Prior to selecting a statistical sample, VHA received concurrence from OMB on VHA's sample design, sample size, and measurement methodology for 2012. Data for 2011 was used to ensure an accurate representation of a full year's data.

VHA used a two-stage sampling methodology for its high risk programs. A matrix was developed for VHA's operational programs (i.e., Beneficiary Travel, Other Contractual Services, Prosthetics, and Supplies and Materials) to ensure coverage in each program selected for sampling.

In the first stage, VHA used the RATS-STATS statistical software to select eight facilities using the Rao, Hartley, and Cochran sampling selection method. Using this approach, 147 VHA facilities were randomly categorized into eight groups weighted by the total dollar of invoices and then within each group, one facility was selected for review.

Due to their unique processes and complexity, CHAMPVA, Non-VA Care Fee, and the State Home Per Diem Grants programs were sampled using a slightly different approach.

- For the CHAMPVA program, payments are centralized at the VHA Health Administration Center requiring only a simple random sample to be conducted.
- For the Fee program, a separate group of eight medical facilities was selected using the RATS-STATS software. Purchase care auditors along with contractors conducted the reviews.
- For the State Home Per Diem Grants program, 10 State Veterans Homes were selected across 13 medical facilities using the RATS-STATS software.

In the second stage, simple random sampling was used to draw a sample of sufficient size to yield an estimate with a 90 percent confidence level and a margin of error of plus or minus 2.5. [1]

Using this methodology, each payment within a medical facility has an equal probability of being selected from VA's Financial Management System. VHA used the Audit Command Language software to select the second stage sample.

In response to the OIG report on VA's compliance with the IPERA, VHA adjusted the calculation of improper payment rates in 2012 by using sample projected estimates of the total payment values in the denominator instead of the known population total payment values. Also, sampling weights were calculated based on the payment amounts instead of the record counts. Projection results are accomplished by a statistician using the RATS-STATS software.

[1] VA OIG report dated March 14, 2012, stated that VHA needed larger sample sizes to meet OMB's precision targets of 90 percent confidence level and 2.5 percent margin of error. OMB approved VHA's 2012 sampling methodology prior to the OIG finding. VHA will update the sampling plan in 2013 to fully incorporate OIG's recommendation to pull larger sample sizes to meet OMB's precision targets.

The statistical sampling processes for estimating the VBA high-risk program improper payment rates are detailed below

VBA

1. Compensation and Pension Services

There were no changes from 2011 in the estimation and sampling methodologies of improper payments for this program.

VBA's calculation for the estimated improper payment rate, for both the Compensation and Pension programs, is based upon the actual dollar amounts of debt referred to the VA Debt Management Center (DMC) and 50% of the total erroneous payments identified in VBA's Systemic Technical Accuracy Review (STAR) program. The 50% from STAR is the amount of debt assumed to be "written off" due to administrative error; therefore, it is included in the total amount of erroneous payments. The remaining 50% of the debt, identified through the STAR program, is reflected in total debt amounts that are provided by the Debt Management Center (DMC), all of which are included in the total number calculation of VBA improper payments. Debts identified through DMC reports can include erroneous payments spanning multiple years, as in overpayments associated with VA's matching programs.

2. Education Service

A random sample of existing education claims processed was examined. The sample size was designed with a confidence level of 90 percent with a ±2.5 percent confidence interval. The sample size was computed using the following formula: SS = Z2 * (p * q) / C2. A Z value of 1.645 was used to obtain a confidence level of 90 percent, p is the estimated error rate of 8 percent, q= 1-p (92 percent), and c= confidence interval of ±2.5 percent. An error rate of no more than 2 percent was expected. However, to ensure a sample size was large enough to meet statistical rigor, an error rate of 8 percent was used in the

event an error rate higher than 2 percent was identified. As a result, a random sample of 319 claims was required to achieve the desired confidence level. As a change from 2011, the Education Service proportionally stratified the sample by benefit type.

3. Vocational Rehabilitation and Employment Service (VRE)

To estimate the value of improper payments, all accounts receivables established during 2011 for the VRE program were considered. VRE reported all payments made due to amended awards for subsistence allowance and reviewed re-entrance awards. It is currently the best available methodology to identify underpayments.

4. Insurance Service

The Insurance program conducts 100 percent review of disbursements.

Section III. This section describes VA's IPERA Corrective Action Plan for each of the identified high-risk programs to reduce the estimated rate and amount of improper payments for each type of root cause of error identified.

Last year VHA incorrectly reported payment errors in the Other Contractual Services program that were attributed to miscoding of cost centers and budget object codes, even though these errors did not result in budgetary or financial misstatements. VHA asserts that the payments in question were made to the proper recipients, in the proper amounts and at the proper times. Therefore, the program should not have been reported in Table 1 of the 2011 PAR. The Other Contractual Services program is being reported in the PAR as it was determined to be a high risk program for IPERA purposes, but was excluded from Table 1 as it did not meet the reporting thresholds of the table.[2]

Additionally, two of the five VBA programs determined susceptible to significant improper payments were evaluated and had estimated improper payments that did not exceed the IPERA and OMB A123, Appendix C reporting thresholds. The VBA Education program had a rate of zero percent with no identified improper payments in the sample testing. VBA attributes the significant improvement in the reduction of improper payments from 2011 to two key factors:

- As VA employees charged with processing Post-9/11 GI Bill benefit claims gained experience, accuracy rates increased.
- A reduction in manual data entries as a result of enhancements to the Long Term Solution (LTS) system used to process Post-9/11 GI Bill benefit claims.

The VBA Insurance program had an improper payment rate of 0.01 percent and $200 thousand in estimated improper payments.

Other VA high-risk programs with reportable identified errors and corrective action plans are outlined below.

VHA

1. Beneficiary Travel

VHA identified 47 payments in error totaling $2,865 resulting in an estimated improper payment rate of 8.72 percent. The root cause of errors identified in the Beneficiary Travel program was the result of:

[2] The risk assessment determined the Other Contractual Services program to be potentially susceptible to significant improper payments but after conducting a statistically valid review of sampled payments, VHA determined the program is low risk to improper payments.

Documentation and Administrative Errors
Noncompliance with policies and procedures resulted in 78 percent of improper payments in Beneficiary Travel. The majority of these errors were attributed to omission of the beneficiary travel clerk or certifying official's required signatures on VA Form 70-3542D. This error occurred due to lack of oversight on the authorizing and payment end of the process and misunderstanding of program requirements. Seventeen percent of the improper payments resulted from lack of documentation to substantiate the payment. Five percent of improper payments resulted from payments made to recipients for the wrong amount.

Corrective Action Plan
To resolve these issues, VHA is developing a one claims processing solution, and Purchased Care at the Health Administration Center (PC at HAC) is bringing the audit function in-house to be completed by a team of auditors with subject matter expertise located at field sites. This audit team will significantly increase the number of Non-VA Care audits, enhance the communication between purchased care staff and the field sites, and provide a link to the Field Assistance Program to improve standardization of processes, thereby reducing improper payments.

VHA will implement the following actions to ensure greater compliance with program requirements and reduce risk to the organization.

- A robust standardized audit process will be created to support the national collection of results covering all aspects of program operations and payments. Veterans Integrated Service Networks (VISNs) will be responsible for auditing their own facilities and will be required to follow audit procedures that will ensure inter-rater reliability. The full audit program is expected to be established by June 2013.
- Comprehensive standard operating procedures for use in the management of the Beneficiary Travel Program will be developed and provided to appropriate staff throughout the organization. The expected completion is January 2013.
- Documentation supporting Beneficiary Travel claims is generally available within internal systems. However, as a result of the review, VHA will incorporate additional guidance and training as to where supporting information can be found. VHA will also revise policies and procedures to ensure requests for information and responses regarding agency-wide systems are coordinated and vetted through appropriate national program offices. Implementation will be accomplished by March 2013.
- Due to Congressionally mandated increases in mileage reimbursement rates in late 2008 and increased utilization of VA health care, VA has experienced a dramatic growth in the Beneficiary Travel program that has strained current processes and controls. VHA had identified areas for improvement and has been developing enhanced internal controls and guidance for improved local administration to reduce risk for improper provision of benefits.
- A supplemental tool to the Veterans Health Information Systems and Technology Architecture (VistA) Beneficiary Travel application will be created to help ensure more accurate claims processing by implementing a standardized online mileage determination mechanism. National release of the Dashboard is anticipated by December 2012.
- Regulations will be revised to incorporate legislated program changes and clarify identified areas of potential confusion. VA anticipates publication of proposed rules in 2013.
- Enhancements to electronic travel claims processing system are being developed to address identified system limitations. Changes include improving processing and reporting capabilities, supporting enhanced benefits administration, and decreasing risk

for improper payments. The software is expected to be released in November 2012.

- The implementation of data mining tools for national level reviews based on six potential beneficiary behaviors will be used as the basis for defining and implementing improved reporting and internal controls. The initial tool is scheduled for release by December 2012 with other behaviors to be released as they are fully developed.
- A long term (3-5 years) automated solution is being created to allow self-service and improved electronic travel claims processing from claim to payment. Business rules for this project have been completed, and it is pending IT funding.

2. CHAMPVA

VHA identified five payments in error totaling $153, which resulted in an estimated improper payment rate of 3.42 percent improper payments in the CHAMPVA program. This was a result of:

Documentation and Administrative Errors

Improper payments were due to the use of incorrect vendor information, or data entry error.

Verification errors

Improper payments were due to failure to verify other health insurance or beneficiary information.

Corrective Action Plan

VHA has implemented several corrective actions to ensure greater compliance with program requirements and reduce risk to the organization.

- Standardized audits will be conducted on a regular basis to identify opportunities to improve processes that reduce improper payments.
- Existing VHA capability will be leveraged to establish interfaces for accurate and timely data matches with the Centers for Medicare and Medicaid Services (CMS), DoD, and VBA.
- Automated business rules will be implemented to reduce the amount of manual input. This enhancement will reduce improper payments due to eligibility errors.
- Implementation of Medicare Crossover will continue. This corrective action was first implemented in 2011 and increased electronic claims data receipt by more than 50 percent.

3. Non-VA Care Fee

VHA identified 307 payments in error totaling $69,366, which resulted in an estimated improper payment rate of 12.03 percent. Improper payments in the Non-VA Care Fee program resulted from:

Documentation and Administrative Errors

Seventy-two percent of improper payments resulted from incorrect application of payment methodologies and use of an incorrect payment schedule to price a claim. Fifteen percent of improper payments resulted from incomplete or missing clinical authorization documentation to approve non-VA services. Twelve percent of improper payments resulted from data entry errors, improper invoicing or coding errors, and errors resulting from incorrect use of the Resource Based Relative Value Scale (RBRVS). Less than one percent of errors occurred as a result of insufficient or missing clinical documentation.

Many of the audit discrepancies can be attributed to the manual nature of claims processing and the current technology. The current decentralized claims processing system, with multiple software products in place, is the root cause of many errors. The Non-VA Care

Fee program has more than 2,000 claims processors distributed across 132 Non-VA Care Fee program processing centers. Given such a working environment, with multiple decentralized software products in place, the direct enforcement and responsibility of ensuring compliance with Non-VA Care Fee policies and procedures is sporadic and problematic.

Corrective Action Plan

The Healthcare Claims Processing System (HCPS) Project is developing a system which will substantially automate business processes for the payment of Non VA Healthcare claims, strengthening internal controls and significantly reducing improper payments. The project is currently in development and is scheduled to roll out a full production release to a VISN pilot site in December 2014 followed by a national rollout starting in mid-2015.

Additionally, VHA will implement the following actions to ensure greater compliance with program requirements and reduce risk to the organization.

- PC at HAC will assess the recommendations of the National Association of Public Administrators reports and recommend an organizational model that best meets the needs of the Non-VA Care Program.
- Implementation of the Quality Corrective Action Program (QCAP). This internal PC at HAC program is designed to identify quality initiatives through various audit findings and reviews. The QCAP facilitates the development of appropriate corrective action teams and processes, and tracks and trends results with the use of an automated tool. Full implementation is scheduled to be complete by the end of 2012.
- The interim solution, Fee Basis Claims System (FBCS), is a graphical user interface based system that is layered on top of the VistA Fee system. The VistA Fee Application Software was deployed more than 20 years ago and was not designed for the sophistication and volume of claims that VHA is now processing. As a result, VHA has developed a full set of business requirements for a replacement system under the Health Care Efficiency transformational initiative. This initiative will address more timely claims processing, elimination of duplicate payments, and reduction of manual entry and data entry errors.
- In August 2012, PC at HAC commenced with FBCS Optimization in a national rollout. FBCS Optimization is the next stage in a nationwide effort to improve and standardize the processes associated with the use of FBCS for claims processing across VHA in support of the Non-VA Care Program Offices in the field.
- The national implementation of FBCS included an initial three-week training course on FBCS procedures that was provided to site Non-VA Care Fee staff during rollout. Supplemental online training was also provided. Ongoing FBCS training has been incorporated to share any recently installed patches and updates to process changes.
- PC at HAC established a Field Assistance Program in 2011 and expanded it in 2012 to provide enhanced site visits designed to improve local operations by assessing site Non-VA Care claims processes and assisting with the development of effective internal controls. Findings are tracked at all sites to measure trends and identify lessons learned to share with all sites for training course development.
- In conjunction with Central Fee, PC at HAC developed a duplicate payment report, accessed through a user-friendly tool called SnapWeb, which identifies potential improper duplicate payments.
- The Non-VA Care Fee Program Academy is the primary training program provided to VISN and VAMC Fee employees nationwide. The Non-VA Care Fee Program Academy is organized into a four-tiered, progressive level of curriculums designed to improve

performance, enhance internal controls and be in compliance with program policies.

- The NNPO intranet site has been expanded to include updated training materials, procedure guides, notices, and FBCS alerts. This information is available to the field to alert staff to any changes and provide status of multiple projects related to Non-VA Care Fee.
- In September 2010, the VHA Chief Business Office (CBO) awarded a contract to conduct additional current year audits for the VHA CBO to do the following:
  - Provide assessment of claims pricing accuracy data.
  - Assess effectiveness of business practices.
  - Develop baseline data for future metrics.

  This contract assesses reimbursement of claims paid on behalf of the National Fee Program Office. This assessment is used to determine if the methods for the payment and processing of medical claims are in compliance with the established Fee Program pricing/payment methodologies and procedures.
- In January 2011, a contract was awarded to assist VA in establishing an enhanced program integrity function to reduce fraud, waste, and abuse through implementation of industry standard applications and processes.

4. State Home Per Diem Grants

VHA identified 42 payments in error totaling $1,680,756, which resulted in an estimated improper payment rate of 4.75 percent. Improper payments in the State Home Per Diem Grants program resulted from:

<u>Documentation and Administrative Errors</u>

Sixty-four percent of improper payments resulted from lack of documentation to substantiate the payment. Thirty percent of improper payments resulted from applying an incorrect daily cost of care rate or using the incorrect number of days in a month to calculate the payment. Six percent of improper payments resulted from incomplete documentation where application forms were not being received from the State Home within 10 days of admission, were not being signed by a VA clinical official, were not date stamped and no other documentation was provided to verify authorization. The root causes for improper payments were determined to be a lack of understanding of program requirements by the staff at the VAMC of jurisdiction who were delegated authority to process payments; non-standardized processes and procedures; and the reliance on a manual processing system resulting in variances of payment calculations and processing.

Corrective Action Plan

To resolve these issues, CBO Purchased Care staff has launched a number of initiatives to include:

- Development of a plan to increase effective communication flow with VA and non-VA stakeholders. Monthly conference calls are conducted to provide training and guidance to VISN and VAMC staff on processing State Home applications and payment invoices.
- VHA Handbook 1601SH.01, *State Veterans Home Perdiem Payment Program*, was released to VA facilities in August 2011. The handbook defines and standardizes procedures associated with the authorization of State Home applications and per diem payment processing actions.
- The development of a State Home Per Diem Grants program standard operating procedures, desk procedures, fact sheets and quick reference guide will be completed in the first quarter of 2013. As of June 2012, Financial Quality Assurance

Managers are auditing the payment accuracy and compliance of completing the 10-10SH application.

- A memorandum was signed by VHA senior leadership on May 5, 2012, to ensure that all applications submitted and approved as of October 2012 are reviewed for accuracy and proper documentation supporting the level of care and associated per diem payment.
- Monthly State Home Per Diem Grants conference calls will be conducted to report audit findings and provide guidance and education to VISNs and VAMCs. Quarterly conference calls with State Home Administrators will start by the first quarter of 2013.
- A new comprehensive VA Intranet State Home Per Diem Program Web site was developed for use by VA Central Office, VISNs, and VAMCs.

5. Supplies and Materials

VHA identified eight payments in error totaling $8,680, which resulted in an estimated improper payment rate of 5.49 percent. Improper payments in the Supplies and Materials program resulted from:

Documentation and Administrative Errors

Eighty-four percent of improper payments resulted from lack of documentation. Six percent of improper payments resulted from non-compliance with VHA policies and procedures. VHA identified errors where receipts lacked required signatures. Six percent of improper payments resulted from payment of an incorrect amount. Four percent of improper payments resulted from the purchase of ineligible goods.

Corrective Action Plan

VHA addressed specific errors at each facility where they occurred. Additionally, VHA developed national purchase card training packages through VA's Talent Management System for cardholders to complete prior to receiving a purchase card. Purchase card holders will also complete reinforcement training annually.

VHA is reviewing the national purchase card regulations to revise receiving report processing for expendable items. The VHA's National Purchase Card Manager is preparing an inquiry to the National VA Inquiry System for VHA Financial Policy. Expendable items are purchased by the card holder and usually delivered to the service or program office without being processed by the warehouse. This change would not preclude the tracking of expendable items as the purchase card holder will have to account for the purchases, certify, and reconcile charges. Approving Officials would also certify that purchased items have been received, and charges are reconciled.

VBA

Historically, VA has reported Compensation and Pension as separate programs for IPERA. The majority of the reported improper payments amounts were from actual debts established and not based on statistical sampling methodologies. The system VA uses to develop program debt amounts does not contain sufficient detail to appropriately assign the debt to either the Compensation or Pension program; therefore VBA used percentages derived from a small sample of debts to attribute debt to the programs. Because the sampling methodology was non-random and rudimentary, VBA has determined this assignment methodology is not a statistically valid means of determining debt amounts. With no valid means of splitting the programs, VBA will not split the improper payment estimates of the two programs for 2012 IPERA reporting purposes in Table 1 that follows this reporting section. Together, the Compensation and Pension Service Programs identified errors that resulted in an improper payment rate of 2.58 percent. The corrective action plans and root causes of the identified improper payments are outlined separately in this section. In 2013, VBA will enhance its data gathering and sampling methodologies for

Compensation and Pension to ensure we have the ability to more accurately report information on the IPERA program. As part of this effort, in early fiscal year 2013 VBA will engage a statistician to assist in developing statistically valid payment samples for testing high-risk programs. VBA will report on the Compensation and Pensions programs separately when these changes are fully implemented.

1. Compensation Service

The Compensation Program improper payments resulted from:

Documentation and Administrative Errors

Improper payments can occur when VA fails to process beneficiary requests in a timely manner (e.g. change in dependency). Most underpayments were due to processing errors made when granting initial decisions on claims.

Authentication Errors

One cause of overpayments was the implementation of the Fugitive Felon Program (FFP). Created by Public Law 107-103, Veterans Education and Benefits Expansion Act of 2001, FFP prohibits Veterans and their dependents who are fugitive felons from receiving specified Veterans' benefits. The law requires VA to terminate awards retroactively from the date the beneficiary became a fugitive felon.

Another key cause of overpayments is beneficiary's incarceration. Title 38 USC 5313 requires VBA to reduce or terminate beneficiary benefits if they have been incarcerated in excess of 60 days for conviction of a felony. The reduction begins on the 61st day of incarceration and continues until the beneficiary is released.

It is important to note that these errors cannot be identified in advance, as VBA has no database to access incarcerated or fugitive felons' records.

Verification Errors

Overpayments can occur when VA does not receive timely notification of a Veteran's death. Examples include:

- A Veteran died and VA subsequently released payment(s) prior to receiving notification of the death.
- VA received notification of the death too late in the monthly processing cycle to prevent the release of the next month's payment.
- A beneficiary's surviving spouse remarried. If the surviving spouse does not notify VA of a change in marital status in a timely manner, payments will continue thereby creating an overpayment.

Corrective Action Plan

VBA continues to improve training programs in an attempt to reduce processing and other types of errors. Centralized training materials are periodically updated. VBA implemented the following actions to strengthen efficiency at Regional Offices (ROs):

- Skills Certification Program - Managers continue to track individual tasks of each VBA employee who is involved in processing of Veterans' claims.
- Quality Review Team (QRT) – In 2011, VBA implemented a pilot program to conduct local quality reviews within 12 ROs. During the pilot program, the QRTs performed quality reviews prior to authorization to ensure correct benefits were paid. In 2012, QRTs were implemented at all ROs to improve claims processing accuracy.

VBA formed a new internal work group to analyze necessary improvements, and plans to seek assistance from an outside contractor to analyze processes and design needed controls to mitigate future improper payments.

VBA analyzes the results of Quality Assurance (QA) reviews and provides detailed feedback to ROs through a variety of methods including monthly Systematic Technical Accuracy Review (STAR) error reporting, which requires follow-up and corrective action. VBA also updates training materials regularly to address error trends.

2. Pension Service

The Pension Service improper payments resulted from:

Documentation and Administrative Errors

Overpayments and underpayments identified during quality reviews of pension claims are minimal and are normally attributed to incorrect grants or denials, income incorrectly counted, effective date or payment rate errors, and/or late dependency changes.

Verification Errors

The existing pension program design contributes to a significant number of overpayments due to beneficiaries' failure to report changes. VBA has both internal and external controls to identify reporting discrepancies. Most pension recipients are required to file an Eligibility Verification Report (EVR) reporting actual income from the previous year and anticipated current year income. The number of EVRs mailed to pensioners is based on those who report receipt of income other than Social Security or medical expenses other than Medicare Part B. In 2011, VBA sent approximately 140,223 EVRs to pensioners to complete.

The Pension program creates overpayments due to late reporting of income changes due to statutory and regulatory provisions:

- Reductions in payment rates are effective the first of the month following receipt of a change in income. As a result, an overpayment is created retroactive to the effective date of the change.
- Failure to return an EVR results in retroactive termination of the award and overpayment from the beginning of the calendar year.

It is important to note two main contributing factors to the creation of improper payments that VA is unable to mitigate:

- Lack of timely notification, often received from a third party which involves due process.
- Income matches with the Internal Revenue Service (IRS), which are completed one to two years after payment, as the IRS information is not available until that time.

Corrective Action Plan

VBA analyzes the results of QA reviews and provides detailed feedback to ROs through a variety of methods including monthly STAR error reporting, which requires follow-up and corrective action. VBA also updates training materials regularly to address error trends.

VBA is analyzing necessary improvements through the work group's effort during 2012 and plans to seek assistance from an outside contractor to analyze processes and design needed controls to mitigate future improper payments.

3. Vocational Rehabilitation and Employment Service (VRE)

The VRE Program identified errors that resulted in an improper payment rate of 3.22 percent. Improper payments resulted from:

Documentation and Administrative Errors

VRE improper payments result from only this type of error category. Many of these improper payments are the result of training facilities incorrectly certifying rates of training for Veterans.

In 2011 VRE used the QA program to assess fiscal errors and identify error trends and reasons for improper payments. This information was then used to conduct refresher training with the primary intent to further reduce improper payments.

Corrective Action Plan

As part of the corrective action plan, the VRE QA Web Application was implemented in April 2012. It accomplishes the following:

- Facilitates sampling and tracking of cases for review.
- Facilitates the QA review.
- Automates the analysis and reporting of results.
- Provides post review actions in local and national training requirements, policy adjustments, and procedure enhancements.

Section IV. The table below identifies VA's IPERA reportable programs. This information includes prior years' outlays, percent of improper payments, and dollar amounts of improper payments as well as estimates for the next three years.

Table 1

Improper Payment (IP) Reduction Outlook 2011 –2015 (Based on 2010 –2014 data)

($ in millions)

Program	2011 (based on 2010 actual data)			2012 (based on 2011 actual data)			2013 (based on 2012 estimated data)			2014 (based on 2013 estimated data)			2015 (based on 2014 estimated data)		
	Outlays ($)[1]	IP %	IP $	Outlays ($)[1]	IP %	IP$	Outlays ($)[1]	IP % [6,7]	IP $ [6,7]	Outlays ($)[1]	IP %	IP $	Outlays ($)[1]	IP %	IP $
Compensation & Pension [2]	67,597	1.28[3]	863.30	53,737	2.03[4]	1090.00	60,901	1.57[4]	957.70	64,483	1.57	1,010.50	68,573	1.56	1,069.20
		0.23	157.80		0.55	295.10		0.34	209.60		0.35	226.40		0.35	242.90
Gross Amount		1.51	1,021.10		2.58	1,385.10		1.91	1,167.30		1.92	1,236.90		1.91	1,312.10
VRE	820	7.00	57.40	768	1.61[5]	12.35	959	1.35	12.95	1,067	1.00	10.67	1,172	0.75	8.79
		0.00	0.00		1.61	12.39		1.50	14.39		1.00	10.67		0.75	8.79
Gross Amount		7.00	57.40		3.22	24.74		2.85	27.34		2.00	21.34		1.50	17.58
Beneficiary Travel	879	0.86	7.50	828	8.56	70.90	870	8.50	74.00	913	8.00	73.00	959	7.60	72.30
		0.01	0.10		0.16	1.30		0.00	0.00		0.00	0.00		0.00	0.00
Gross Amount		0.87	7.60		8.72	72.20[8]		8.50	74.00		8.00	73.00		7.60	72.30
CHAMPVA	770	0.84	6.40	849	0.35	3.00	910	2.00	18.20	990	2.00	19.80	1,089	1.50	16.30
		0.19	1.50		3.07	26.10		1.00	9.10		0.50	5.00		0.50	5.50
Gross Amount		1.03	7.90		3.42	29.10[9]		3.00	27.30		2.50	24.80		2.00	21.80
Non-VA Care Fee	4,205	10.17	427.80	4,290	5.48	235.00	4,303	8.00	344.20	4,538	7.50	340.40	4,738	7. 50	355.40
		2.26	95.10		6.55	281.00		1.90	81.80		2.30	104.40		2.20	104.20
Gross Amount		12.43	522.90		12.03	516.00[10]		9.90	426.00		9.80	444.80		9.70	459.60
State Home Per Diem Grants	713	12.94	92.30	787	3.62	28.50	854	9.00	76.90	926	4.50	41.70	1,005	4.00	40.20
		0.75	5.30		1.13	8.90		0.00	0.00		0.00	0.00		0.00	0.00
Gross Amount		13.69	97.60		4.75	37.40[11]		9.00	76.90		4.50	41.70		4.00	40.20
Supplies and	1,626	13.6	221.10	2,052	5.30	108.90	2,154	9.00	193.90	2,262	9.00	203.60	2,375	9.00	213.80

Materials		0.0	0.00		0.19	3.80		0.00	0.00		0.00	0.00		0.00	0.00
Gross Amount		13.6	221.10		5.49	112.70[12]		9.00[13]	193.90		9.00	203.60		9.00	213.80

Note: Overpayments are reported in the shaded cells, and underpayments are reported below the shaded cells.

(1) For some VBA programs, dollars reported are payments, not necessarily outlays.

(2) Dependency and Indemnity Compensation is included with Compensation & Pension.

(3) In 2011, Pension under reported improper payments. The improper payment rate reported was 1% and should have been 8.98%. After an OIG audit in March 2012, VA decided to no longer split the reporting for Compensation and Pension programs in Table 1 since the majority of improper payments were from debts established and the prior-year methodology to split between the two programs was determined to contain errors. Bringing forward the data from 2011 in this year's Table 1, of the $1,021 million estimated improper payments for the combined Compensation and Pension programs, $390.2 million of this total is from the corrected IP rate for Pensions.

(4) IP rate increase reflects the fact that VBA did not process Income Verification Matches (IVM) during 2009 and 2010. The approximate number of IVM claims to be processed in 2012 and 2013 are 95,000.

(5) VRE drop in IP rate for 2012 may be attributable to the change in sampling methodology.

(6) VHA improper payment percentages and amounts are based on sampling weights detailed in section II. Overpayments and underpayments have been rounded to equal the projected absolute amount.

(7) Based on OMB's direction, VHA reported non-compliance errors as improper payments in 2011 and 2012. These payments were made in the correct amount, to the correct entity, and for the right reason and are neither overpayments nor underpayments. The estimated improper payment amount resulting from these errors are non-monetary, and do not have a recoverable amount tied to them as corrective actions are internal. However, these errors are reported as overpayments, which may skew the perception of the amount of improper payments that are recoverable in the VHA programs.

(8) The Beneficiary Travel program has a margin of error (MOE) of 5.58 percent; meaning that at a 90 percent confidence interval, the improper payment amount is between $26.0 million and $118.5 million for 2012.

(9) CHAMPVA has a MOE of 4.94 percent; meaning that at a 90 percent confidence interval, the improper payment amount is between $0 and $71.0 million for 2012.

(10) Non-VA Care Fee has a MOE of 3.43 percent; meaning that at a 90 percent confidence interval, the improper payment amount is between $369.1 million and $663.0 million for 2012.

(11) State Home Per Diem Grants has a MOE of 3.74 percent; meaning that at a 90 percent confidence interval, the improper payment amount is between $8.0 million and $66.8 million for 2012.

(12) Supplies and Materials has a MOE of 5.19 percent; meaning that at a 90 percent confidence interval, the improper payment amount is between $6.2 million and $219.2 million for 2012.

(13) The increase in the improper payment percentage for Supplies and Materials in 2013 is due to the higher MOE experienced in 2012 and described in footnote 7. For 2014 and 2015, reduction targets will be reassessed based on 2013 results.

Section V. This section describes VA's Recapture of Improper Payments.

VHA

VHA has a payment recapture audit program in place to identify and collect overpayments. The plan consists of two types of activities¨ internal and external activities. Internal activities are conducted by VHA's CBO and VA's Financial Services Center (FSC). External activities are conducted through the payment recapture audit contingency contracts for specific high-risk programs.

1. VHA Chief Business Office:

The VHA CBO is responsible for several programs that designate VHA as a payer of health care services and as a provider of health care services. The Veteran-focused programs include Non-VA Fee Basis, the Foreign Medical Program, and the State Home Per Diem Program. Veteran-dependent focused programs include CHAMPVA and Spina Bifida. The VHA CBO currently implements multiple mitigation strategies intended to proactively reduce the occurrence of, and retroactively correct, improper payments.

The VHA CBO has had payment recapture audit contingency contracts covering all payer programs in place for many years. These initially covered non-VA inpatient services only but have been expanded to include outpatient services as well. In addition to the recoveries garnered from these audits, the VHA CBO has used these audits to conduct additional training, determined appropriate future technology requirements and standardized business processes. The VHA CBO has also been developing a structured fraud, waste, and abuse program with the intent of implementing healthcare claims scoring tools and predictive modeling to identify and decrease erroneous claims. A contract has been awarded to begin the technology assessment to implement these tools. Analysis will be initially conducted post-payment and will move to a pre-payment process to avoid making improper payments.

Non-VA Care Program: The VHA CBO Purchased Care Program Office worked closely with each VISN to identify overpayments by reviewing internal reports and providing the results to the VISNs for review and verification of payments. VHA CBO internal reports include:

- Monthly potential outliers reports.
- Monthly inpatient potential improper payment reports.
- Post payment duplicate payments report.

CHAMPVA Program: To identify overpayments, VA's PC at HAC reviews the following audits.

- A quarterly possible duplicate payment audit.
- A monthly proper payment audit.
- An ongoing weekly high-dollar audit for all claims over $100,000.
- The quarterly bills of collection audit.

VA Outpatient Recovery Audit, Fiscal Years 2010 and 2011: In September 2010, VHA awarded the first Outpatient Recovery Audit contract as a firm-fixed price contract for a percentage of the collections. This contract covers outpatient claims with dates of service from October 1, 2009 through September 30, 2011. PC at HAC will have two active recovery audit contracts working in the first quarter of FY 13, for outpatient recovery audits for FY 10-FY11 and the Select Duplicate Claims recovery audit contract for FY 06 through FY 11.

VBA

The Compensation and Pension Services conduct recapture audits by matching beneficiary's payment records to other Government databases that potentially identify ineligible beneficiaries. Current matches include the Social Security Administration (SSA)

master death file, SSA prison match, Federal Bureau of Prisons, and IRS. When a match between two records is confirmed, VBA will take steps to verify the data, and when required, adjust the case and establish a receivable for collection.

VBA systems are not designed to identify and track receivables based on the source of identification (i.e., recapture audits compared to receivables identified through other means); therefore, VBA is not able to provide specific amounts that were identified by matches and their collection status. VBA is analyzing the system changes required to capture more debt details to report improper payments identified through recapture audit activities.

In November 2011, VBA awarded a contract for the analysis of Compensation and Pension payments to determine whether it is feasible to implement a traditional recapture audit program using an outside contractor. The analysis of the program concluded that a traditional external contract recapture audit program for the Compensation and Pension Programs would not be feasible or cost-effective.

In its final report, the contractor provided additional recommendations to enhance VBA's internal recapture audit program. These recommendations include performing certain data matches more often, developing more robust matching criteria to match a number of data points instead of a single data point, and exploring other potential data sources. VBA is evaluating these recommendations and will implement them if practical and cost-effective.

Financial Services Center (FSC)

The VA FSC is a franchise fund (fee-for-service) organization which does not receive funding in the annual appropriations act. The FSC offers a wide range of financial and accounting products and services to both VA and other Government agencies.

The FSC operates several payment review processes and performs various performance measure reviews of vendor payments using statistical sampling to verify payment accuracy and timeliness on either a monthly or quarterly basis. FSC staff review the file of commercial vendor payments scheduled for payment three times daily for payment amounts $50 and greater. These payments are matched against other payments and against the previous 90 days of disbursed payments to identify and prevent duplicate payments before their submission to Treasury for disbursement. Duplicate payments identified through this process are cancelled before the payments are sent to the vendor. The FSC also performs several post-payment reviews to detect improper payments:

- Payment files for $2,500 and greater are reviewed quarterly. They are matched against disbursed payments over the previous two fiscal years to identify duplicate payments.
- Various performance measure reviews of payments are conducted using statistical sampling to verify their accuracy and timeliness. Most of these reviews include monthly or quarterly accuracy analyses using a cost-effective method of stratified random sampling that has a 95 percent Confidence Level Factor on FSC-issued certified, matched, and permanent change of station (PCS) travel payments. There are additional reviews performed on FSC-issued payments under $2,500 paid without a certifying officer certification, and high-dollar payments to individuals.
- Reviews are conducted on FSC-issued interest penalty payments over $50 to determine if interest was actually due to the vendor.
- Vendor statements are reviewed to recover any outstanding prior fiscal year vendor credits not previously collected.
- VA-wide employee performance/incentive award payments are reviewed to identify duplicate award payments.

The FSC continues to benefit from efficiencies and improved performance gained through centralization of VA's commercial vendor payments. By centralizing most VA vendor payment activities, the FSC has greater visibility over payment processing, which enhances payment recapture audits through improved access to source documents to validate improper/duplicate payments.

Debt Management Center

The VA Debt Management Center (DMC), a franchise fund, is the single point of contact for VA debt collection. The DMC offers accounts receivable products and services for VBA and VHA through highly automated systems.

This includes dunning notices offsetting Veterans benefits and Treasury tools of the Treasury Offset Program (TOP) and Private Collection Agencies for Veteran-based debt. The DMC is an advocate for the recovery of debts owed to VA, in the most efficient and cost-effective manner possible, while maintaining a high quality of customer service to our Nation's Veterans and their families.

Table 2
Payment Recapture Audit Reporting
($ in millions)

Program or Activity[1]	Type of Payment (contract, grant, benefit, loan or other)	Amount Subject to Review for 2012 Reporting	Actual Amount Reviewed and Reported (2012)	Amount Identified for Recovery (2012)	Amount Recovered (2012)	% of Amount Recovered out of Amount Identified (2012)	Amount Outstanding (2012)	% of Amount Outstanding out of Amount Identified (2012)	Amount Determined Not to be Collectable (2012)	% of Amount Determined Not to be Collectable out of Amount Identified (2012)	Amounts Identified for Recovery (2004-2011)	Amounts Recovered (2004-2011)	Cumulative Amounts Identified for Recovery (2004-2012)	Cumulative Amounts Recovered (2004-2012)	Cumulative Amounts Outstanding (2004-2012)	Cumulative Amounts Determined Not to be Collectable (2004-2012)
Beneficiary Travel	Benefit	$492	$459	$0.087	$0.065	75%	$0.022	25%	0	0%	n/a	n/a	$0.087	$0.065	$0.022	0
CHAMPVA[2]	Benefit	$993	$993	$9.8	$4.8	49%	$4.5	45%	$0.558	6%	$11.3	$9.7	$21.0	$14.5	$5.4	$1.3
Non-VA Care Fee	Benefit	$126.9	$126.9	$0.046	$0.46	100%	0	0%	0	0%	$56.3[3]	$44.7[3]	$56.3	$44.7	$11.6	0
State Home Per Diem Grants	Grant	$570.8	$570.8	$0.011	$0.011	100%	0	0%	0	0%	n/a	n/a	$0.011	$0.011	0	0
Supplies and Materials	Other	$586.7	$586.3	$0.075	$0.072	95%	$0.003	5%	$0.001	0%	n/a	n/a	$0.075	$0.072	$0.003	$0.001
All Other VHA Programs	Other	$5,255	$5,253	$1.0	$0.994	90%	$0.105	10%	0	0%	n/a	n/a	$1.1	$0.994	$0.105	0
FSC Other Activities[4]	Other	$2,548	$2,548	$0.472	$0.379	80%	$0.094	20%	0	0%	n/a	n/a	$0.472	$0.379	$0.094	0

Notes:

(1) 2012 is the first year the FSC is reporting recovery data as part of VHA's internal payment recapture efforts. FY 2012 data is as of May 31, 2012. All prior year recovery data (2004-2011) is reported in Table 6 of this report. Additionally, 2012 identified recovered amounts for Non-VA Care Fee and State Home Per Diem Grants is incomplete due to CBO's audit contingency contracts not in effect for 2012. Efforts are underway to improve tracking and monitoring of VHA's bills of collections to more accurately report future payment recapture efforts.

(2) CHAMPVA 2012 data are as of July 31, 2012. Prior year recovery data consist of 2011 only as recovery data is not available prior to 2011.

(3) Non-VA Care Fee prior year recovery data (2004-2011) are carried forward from VA's 2011 Performance and Accountability Report.

(4) FSC Other Activities identifies FSC recapture efforts in funds other than VHA or VHA recapture efforts that could not be tracked by specific programs.

Table 3
Payment Recapture Audit Targets

Program or Activity	Type of Payment	2012 Amount Identified	2012 Amount Recovered	2012 Recovery Rate (Amount Recovered/Amount Identified)	2013 Recovery Rate Target	2014 Recovery Rate Target	2015 Recovery Rate Target
Beneficiary Travel	Benefit	87,064	65,162	75%	85%	85%	85%
CHAMPVA(1)	Benefit	9,811,994	4,799,396	49%	85%	85%	85%
Non-VA Care Fee	Benefit	45,911	45,881	100%	85%	85%	85%
State Home Per Diem Grants	Grant	11,485	11,485	100%	85%	85%	85%
Supplies and Materials	Other	75,174	71,603	95%	85%	85%	85%
All Other VHA Programs	Other	1,099,218	994,109	90%	85%	85%	85%
FSC Other Activities	Other	472,505	378,565	80%	85%	85%	85%

Notes:

(1) All 2012 data are as of May 31, 2012, except for CHAMPVA 2012 data, which are as of July 31, 2012. Additionally, 2012 identified recovered amounts for Non-VA Care Fee and State Home Per Diem Grants is incomplete due to CBO's audit contingency contracts not in effect for 2012. Efforts are underway to improve tracking and monitoring of VHA's bills of collections to more accurately report future payment recapture efforts.

Table 4
Aging of Outstanding Overpayments

Program or Activity	Type of Payment (contract, grant, benefit, loan or other)	2012 Amount Outstanding (0-6 months)	2012 Amount Outstanding (6 months to 1 year)	2012 Amount Outstanding (over 1 year)
Beneficiary Travel	Benefit	21,536	359	0
CHAMPVA	Benefit	3,722,562	731,578	0
Non-VA Care Fee	Benefit	30	0	0
State Home Per Diem Grants	Grant	0	0	0
Supplies and Materials	Other	3,453	0	0
All Other VHA Programs	Other	103,330	1,779	0
FSC Other Activities	Other	93,841	98	0
NCA Operations Fund	Other	298	0	0

Table 5
Disposition of Recaptured Funds

Program or Activity	Type of Payment (contract, grant, benefit, loan or other)	Agency Expenses to Administer the Program	Payment Recapture Auditor Fees	Financial Management Improvement Activities	Original Purpose	Office of Inspector General	Returned to Treasury
Beneficiary Travel	Benefit	n/a	n/a	n/a	n/a	n/a	n/a
CHAMPVA	Benefit	n/a	n/a	n/a	n/a	n/a	n/a
Non-VA Care Fee	Benefit	n/a	n/a	n/a	n/a	n/a	n/a
State Home Per Diem Grants	Grant	n/a	n/a	n/a	n/a	n/a	n/a
Supplies and Materials	Other	n/a	n/a	n/a	n/a	n/a	n/a
All Other VHA Programs	Other	n/a	n/a	n/a	n/a	n/a	n/a

Notes:
(1) Title 38 of the U.S. Code allows VHA to retain and use the recovery funds as no-year funding. This significant benefit to VA assures that lengthy collection activities, typically required to conduct these recovery actions, do not negatively impact the ability to use these funds. In addition, this benefit guarantees strong participation by assuring full recovery for medical facilities.

Table 6
Overpayments Recaptured Outside of Payment Recapture Audits
($ in millions)

Source of Recovery	Amount Identified (2012)	Amount Recovered (2012)	Amount Identified (2004-2011)	Amount Recovered (2004-2011)	Cumulative Amount Identified (2004-2012)	Cumulative Amount Recovered (2004-2012)
Supply Fund (1)	$14.07	$6.46	$187.52	$172.24	$201.59	$178.70
CBO (2)	$5.99	$5.99	$8.37	$8.37	$14.36	$14.36
FSC (3)	$9.99	$9.15	$35.10	$31.20	$45.07	$40.35

Note:
(1) For the Supply Fund:
The VA Office of Acquisition and Logistics (OAL) works with the OIG Office of Contract Review (OCR) to recover funds owed VA due to (1) defective pricing – whether the prices for the items awarded were based on accurate, complete, and current disclosures by the contractor during contract negotiations;

and (2) price reduction violations – whether the contractor complied with the terms and conditions of the price reductions clause. As part of the OIG post-award contract reviews, staff also looks for and collects overcharges that were the result of the contractor charging more than the contract price. Other reviews conducted by OCR include health care resource proposals, claims, and special purpose reviews. In 2012, this audit recovery program recovered over $6 million.

- The Amount Subject to Review (column 2) represents contract sales of only those contracts reviewed, which resulted in a recovery by the OCR.
- The Amounts Identified for Recovery 2012 data (column 4) were the results of reports issued during the period of July 1, 2011, through June 30, 2012.
- The Amounts Recovered 2012 data (column 5) were collected during the period of July 1, 2011, through June 30, 2012. Some collections applied to prior years Amounts Identified for Recovery.
- The reported recoveries did not result from the direct operations or activities of the following VA programs: (1) Compensation; (2) Dependency and Indemnity Compensation; (3) Pension; and (4) Insurance.

(2) CBO overpayments captured outside of payment recapture audits consists of unsolicited funds received.

(3) FSC prior year recovery data (2004-2011) are carried forward from VA's 2011 Performance and Accountability Report.

Section VI. This section describes the steps VA is taking to hold managers and leadership accountable for reducing and recovering improper payments.

VHA

The elimination of improper payments and improvement of IPERA reporting is a top priority for VA. It is the Department's number one financial management initiative for 2012. A task force has been created and VA's Office of Management is managing this VA-wide Elimination of Improper Payments Initiative. In support of this initiative and the Department's commitment to compliance with IPERA, the following activities are currently in progress or are under development.

- An internal work group, governed by the senior accountable officials and program managers, focuses on IPERA compliance, determines root causes of improper payments, and establishes corrective action plans, where appropriate.
- Contractual support is being obtained to assist the Department's efforts to resolve non-compliant IPERA issues, to include working with a statistician to improve estimation and sampling methodologies.
- Programs are being reviewed to identify actions that are needed to achieve previously unmet reduction targets.

The Executive-in-Charge, Office of Management, and Chief Financial Officer has been designated as the senior agency official who will be accountable for VA's progress on this plan and achievement of compliance with IPERA.

1. Beneficiary Travel

The previously described audit program, improved policy guidance, and training will require increased program understanding and oversight at all levels of the organization including front-line program managers, auditors, facility and VISN Directors, and

appropriate VA Central Office organizations to ensure requirements are met. Each level of management establishes internal control requirements and expectations with regular review from the next higher level when developing, or presented with, audit and report data. Increased use of the Beneficiary Travel benefit has made payments highly visible to leadership at all levels in VA. Significant information technology resources have been committed to reduce inappropriate payments, and training solutions have been initiated. VISN and VAMC leadership will ensure appropriate training has been completed by employees with the Beneficiary Travel claims processing menu.

2. Purchased Care Programs: CHAMPVA, Non-VA Care Fee, and State Home Per Diem Grants

In June 2011, the Deputy Chief Business Officer for Purchased Care realigned all business lines into a single operating entity, merging administration of legacy Health Administration Center programs with the National Non-VA Care Fee Program Office and other Purchased Care programs. The reorganization included the creation of the Directorate of Program Oversight and Informatics whose key function centers around the reduction of improper payments. This directorate enhances audit and reporting capabilities and quality improvements based on a comprehensive risk and internal controls program, audit programs, and program integrity using automated analytical tools.

The State Home Per Diem Grants program managers are optimistic that recently established initiatives will help to significantly reduce improper payments over the next year by conducting ongoing audits and monitors to track improvements and communicate audit findings through the Audit Review Committee to State Home managers, coordinators, and payment processors. Recommended corrective action items will be pursued with responsible field staff. VAMCs will issue bills of collection to recover overpayments and Purchased Care staff will track the recoupment of funds.

3. Supplies and Materials

Annually, VHA publishes a Director Executive Career Field performance plan to communicate to senior executives the expectations of VA. The plan includes the goal of financial stewardship, which is to support the overall Departmental goal of best practices in financial and business processes. Each VISN (network) will ensure continual monitoring of facility performances on key financial and business compliance indicators and will be required to assign individualized requirements to appropriate business units where specific actions or improvements are needed.

VBA

The Under Secretary for Benefits' continued emphasis on accountability and integrity at every level underscores the commitment to achieving the goals set forth in IPERA. VBA continues to report progress through Monthly Performance Reviews with the Deputy Secretary. In addition to the monthly reviews, annual information is shared in the Performance and Accountability Report detailing VBA-wide effort and commitment to reduce the occurrence of improper payments.

VBA is committed to ensure that its managers are held accountable for reducing and recovering improper payments. This is accomplished in a number of ways.

1. Compensation and Pension Services

Regional Office Directors, Veterans Service Center Managers, and all management personnel share the same performance standards with respect to the management of delivery for compensation and pension benefits. Non-supervisory field employees have performance standards that measure them against quality and timeliness standards.

Within both Compensation and Pension Services, management and staff are responsible for measuring quality, development of counter measures and training, and development of legislative and technological changes where possible to avoid, reduce, and recover overpayments.

2. Education Service

Performance accountability measures, including payment accuracy, are set at the Administration level for directors of the offices that process education claims. Directors are then charged with the responsibility of setting measures for their subordinates. The Education Service has developed nationwide performance standards including payment accuracy for personnel who process claims.

3. Vocational Rehabilitation and Employment Service (VRE)

Performance accountability measures, including payment accuracy, are set at the Administration level for directors of all ROs. Directors are then charged with the responsibility of setting measures for their subordinates. VRE has developed standardized nationwide performance standards including payment accuracy.

4. Insurance Service

Insurance service managers are held accountable for reducing and recovering improper payments, as evidenced by the Insurance Program's low improper payment rate of 0.01 percent. There are several operational measures as part of the Insurance Service Director's performance plan, one of which is the accuracy of insurance disbursements. Accuracy of insurance disbursements is also a part of the Insurance Operations Managers' performance plan and is included in the performance of the Insurance employees who are responsible for initiating payments. In addition, a critical element of all Insurance managers' performance is the management and accountability of internal controls.

Section VII. A. This section describes the information systems and other infrastructure that VA is using to reduce improper payments.

<u>VHA</u>

1. Beneficiary Travel

As noted in the program's corrective action plan, VHA has numerous projects underway that will further standardize Beneficiary Travel processes and procedures and provide for increased internal control and oversight at various levels of the organization, thereby reducing risk for improper payments.

Beneficiary Travel Audit Tool: In June 2011, a Beneficiary Travel Audit Tool with associated training was released to all VHA field stations. This tool provides field stations the ability to review and audit any information contained in the VistA Beneficiary Travel fields, such as the total and average cost per patient or ZIP Code, review patient and clinic usage trends, patient outliers, and travel clerk processing information.

VistA Beneficiary Travel Application Program Enhancements: Enhancements to the electronic travel claims processing system will address identified system limitations and provide improved processing capabilities. These enhancements will improve and automate eligibility determinations and provide

a solution to identify and appropriately apply or waive deductibles. A series of reporting enhancements will enable end users to develop an authorization and tracking method for Special Mode Transportation authorization and Special Mode Transportation vendor billing, capture information about denied claims, and improve local and national-level reporting capabilities.

Beneficiary Travel Dashboard: A newly created dashboard will help the VHA Travel Office process travel claims more efficiently and accurately. It is a Web-based application that displays a configurable list of the closest VHA facilities, as well as the clinical specialties offered at each facility. When configured, the clinical specialties can be viewed by highlighting the facility name. The dashboard integrates with VistA travel claim functionality to provide information to facilitate processing of travel claims.

Data Mining Tools: Tools and protocols address six identified potential claimant behaviors that impact provision of beneficiary travel mileage reimbursement. The behaviors in question occur when claimants:

- "Unbundle" appointments by scheduling them on multiple days even though they could be scheduled on the same day, and drop-in for medical services without a scheduled appointment.
- Provide incorrect income information, which may render them eligible for Beneficiary Travel benefits irrespective of their service-connected rating; have a service-connected disability rating of less than 30 percent or have a non-service-connected disability; or have an annual income higher than the VA pension level.
- Frequently change their addresses in order to increase their Beneficiary Travel payments.
- Choose a VA facility for care that is further than the closest VA facility providing the same care, or receive care at multiple facilities concurrently or sequentially. Some of these Veterans may have been denied Beneficiary Travel benefits at some of the facilities; moreover, the care sought may be similar at each facility.
- Travel together (in the same vehicle) but file Beneficiary Travel claims separately.
- File for Beneficiary Travel benefits for multiple visits occurring on the same day. Improper Beneficiary Travel payments may occur when the time needed to travel roundtrip is longer than the time between the appointments.

The tools extract data from a variety of VHA sources. The extracted data elements are correlated and subjected to a statistical analysis to identify Veterans who demonstrate behaviors that have the potential for creating inappropriate payments. The lists of identified Veterans will be shared with VISNs and field facilities on a monthly basis for review, action, and reporting back to the Program Office for tracking, trending and national level reporting.

Vet Traveler: This application will implement a solution that replaces the existing Beneficiary Travel application while adding and providing Veteran self-service, workflow, and business rules for claims processing and approval; enhances electronic funds transfer payment processes; and supports the ability for the Veteran to receive advance authorization for trips.

2. CHAMPVA

CHAMPVA's Claims Processing and Eligibility (CP&E) system continues to undergo improvements to ensure proper payments are made to include a new Eligibility and Enrollment System Improvement project as part of the Veterans Relationship Management Transformational Initiative.

PC at HAC is partnering with the FSC to develop a new claims processing system that will reduce improper payments through automation and improved standardization of business processes. Because CHAMPVA claims processing will not be integrated into this new

system for several years, VHA continued to require Information technology funding for CP&E enhancements to remain current with industry standards in both quality and timeliness. PC at HAC has greatly increased the volume of electronic claims receipts, which reduces manual input and potential errors. PC at HAC is currently funded and working on adding front- end business rules to further enhance the CP&E system which will automate staff decisions for consistency with policy and procedures and ensure proper payments. CHAMPVA is the secondary/tertiary payer for approximately 50 percent of claims adjudicated. A new initiative to mitigate erroneous claims adjudication in these cases is in the planning stages and projected to be implemented in 2013. Through specialization, PC at HAC will establish highly trained teams for claims adjudication when CHAMPVA is the secondary/tertiary payer. The anticipated outcome is a reduction in improper payments related to manual miscalculations and inexperience with coordination of benefit claims. Finally, the new Eligibility and Enrollment System when fully funded will provide automated interfaces with VBA, the Department of Defense and the Centers for Medicare and Medicaid Services systems. These are all authoritative sources for data required to appropriately adjudicate CHAMPVA eligibility. The Eligibility and Enrollment System Improvement project requires additional funding for information technology to automate business rules, and to improve accuracy of eligibility and enrollment determinations by reducing manual tasks and implementing automated interfaces.

3. Non-VA Care Fee

PC at HAC is partnering with the FSC to develop a new claims processing system that will reduce improper payments through automation and improved standardization of business processes. PC at HAC has developed a full set of business requirements for this emergent claims processing system under the Health Care Efficiency transformational initiative. This initiative will address more timely claims processing, elimination of duplicate payments, and reduction of manual entry and data entry errors.

PC at HAC information systems are continuously evaluated for improvements in system processes and capabilities to minimize output errors. PC at HAC is conducting a business case analysis in conjunction with the pending results of several contracts that might indicate the need for a modernized information system and infrastructure that could provide centralized claims processes.

FBCS Enhancements and VA Transformation:

The full implementation of Fee Basis Claims System (FBCS) enhancements in 2011 for Non-VA Care Fee claims processing has resulted in significant savings, improved processing and reporting, greatly reduced documentation errors, avoidance of duplicate claims, automated justification and authorization, significant improvements in inventory management, and automated claims editing.

These initiatives resulted in a savings of $155 million. Enhancements included:

- Updates from the OIG Exclusionary List incorporated into the system more frequently.
- Alert to warn clerks that they have entered a payment amount greater than billed charges.
- Alert when attempting to pay zero dollars on a contract claim.
- Automated Centers for Medicare and Medicaid Services pricing in FBCS: National release in June 2012.

FBCS Improper Payment Enhancements in Development include:

- Automated calculation of Millennium Bill pricing amounts.
- Automated inpatient episode of care payment calculation (e.g., DRG vs. per diem).
- Enhanced contract claim management functionality as part of the Fee Data/Project Hero enhancement – currently in field testing. System restrictions on marking Millennium Bill and unauthorized claims as contract claims.
- Interface with VistA IFCAP that enhances obligation management.
- Interface with the Computerized Patient Record System that pulls referral requests into the authorization system.
- Program Integrity Tool enhancement for fraud, waste, and abuse detection.
- Enhanced logic for identifying potential duplicate claims.
- Automated denial for untimely filed Millennium Bill and unauthorized claims.
- A feature that prevents selection of authorization when the claim date(s) of service do not fall within the authorization's validity period.

4. State Home Per Diem Grants

PC at HAC is partnering with the FSC to develop a new claims processing system that will reduce improper payments through automation and improved standardization of business processes.

5. Supplies and Materials

VA has information systems and infrastructure in place to reduce improper payments.

During July 2011, VA completed installation of a set of information technology patches that will enhance segregation of duties when obligations are made using VA Form 1358 as an obligation tool. No segregation of duties errors were identified in the 2012 IPERA review.

VBA

1. Compensation and Pension Services

VBA has information systems and infrastructure to reduce improper payments. VETSNET is the suite of applications that facilitates the entire Compensation and Pension claims process. These applications are used for new claimants as well as for those beneficiaries who have corporate records, including converted corporate records. Within the suite, the end user can establish and develop claims, process the rating decision, authorize the award, document notification letters, and transmit payment information to Treasury, accomplishing the necessary accounting. Through these activities, data is stored and shared between applications to support start-to-end claims processing, customer service, and notification.

The corporate database is the current and future data repository for VBA business transactions, and is central to Compensation and Pension operations.

2. Education Service

Due to legislation that mandated the full implementation of the Post-9/11 GI Bill by August 1, 2009, and the lack of a payment system to process the benefit, VA implemented a manual payment process that relied heavily on job aids and manual calculations. This resulted in an increase of improper payments in 2009 and 2010 due to calculation errors and duplicate payments. The manual payment process was an interim solution pending the development and release of a permanent benefit processing and payment system (Long Term Solution (LTS)). Beginning on March 31, 2010, LTS began implementation in stages, with each stage providing more functionality and automation.

The first release on March 31, 2010, was deployed on a limited basis and processed benefit claims that had not previously been paid, Post-9/11 GI Bill benefits. The second release on June 30, 2010 began converting all Post-9/11 GI Bill claims into the LTS system

providing automated eligibility, entitlement, and payment calculations. By the end of summer 2010, the old system of manual calculations and job aids was discontinued. However, the actual payments were still processed manually and did not eliminate the possibility of human error.

The third release on November 1, 2010, provided increased functionality by automatically feeding enrollment information into the LTS system from the VA On Line Certification of Enrollment (VA-OnCE) system. This release eliminated errors caused by manual input of enrollment information into LTS. The fourth release on December 17, 2010, automated the processing of payments by feeding the payment information directly into the Benefits Delivery Network system (BDN) and eliminated human intervention. This reduced the possibility of improper payments. Education Service developed and implemented a rules-based automated claims processing system for Chapter 30 benefits. The goal of this system is to automatically process up to 40 percent of all enrollments and changes in enrollment for Chapter 30 benefits. While the principal effect of implementation is to reduce processing times, it also reduces erroneous payments associated with Chapter 30 benefits claims. A similar automated claims processing capability in LTS for Post-9/11 benefit claims was released on September 2012, which is expected to further reduce improper payments.

Section VIII. This section describes the statutory and regulatory barriers that limit VA's corrective actions in reducing improper payments and the actions taken to remove those barriers' effects.

VBA

1. Pension Service

Although program design is not one of the three error categories for reporting improper payments in Appendix C to OMB Circular A-123, it is a major cause of overpayments in VA's pension program. Based on current program design, VA pays pension benefits based on a beneficiary's projected income and medical expenses as determined at the beginning of the reporting period. At the end of the reporting period, VA adjusts retroactively pension benefits based on any changes in the beneficiary's income and medical expenses. Because the program adjusts benefits dollar-for-dollar based on changes in a beneficiary's annual income which are unforeseen at the beginning of the reporting period, it routinely creates temporary underpayments and overpayments.

By law, 38 U.S.C. §1521, pension benefits are reduced dollar-for-dollar based on a beneficiary's annual income. Under current law, adjustments to payments are effective the first of the month following the month of the change in income or net worth. Additionally, benefits are paid forward based on the beneficiary's past income and estimate of anticipated income. As a result, an award adjustment due to changes in income is always necessary after the fact. While this process does create overpayments, we believe it should not be changed since the program is designed to timely provide supplemental income based on current need. Likewise, the Constitutional requirement to provide due process to claimants where adjustment or termination of their award is required codified at 38 C.F.R. §3.103(b), results in continued payment at improper rates for a minimum of 60 days following discovery. However, when the award is processed, adjustment is effective on the first of the month subsequent to the month in which the change of circumstance occurred. Because the principles of due process are mandated by the Constitution, continued payments during the due process notification period are a necessary cost of administering the program.

2. Compensation, Education, Insurance, Vocational Rehabilitation and Employment Services, Beneficiary Travel, CHAMPVA, Non-VA Care Fee, State Home Per Diem Grants, and Supplies and Materials.

There are no known statutory or regulatory barriers limiting VA's ability to implement corrective actions in reducing improper payments associated with these programs.

Section IX. This section describes additional comments, if any, on overall agency efforts, specific programs' best practices, or common challenges identified, as a result of IPERA implementation.

Many of VHA improper payments did not result in a recoverable amount that could be established as a receivable and collected back from the vendor through VA's debt collection procedures. The table below takes the percentage of improper payments that could be

recoverable and multiplies it by the outlays to show the projection of recoverable improper payments.

Non-VA Care: Less than 1 percent of errors occurred as a result of insufficient or missing clinical documentation. This error category demonstrated noteworthy improvement over the 2011 findings, reducing the error rate from 22 percent to less than 1 percent.

Table 7
Recoverable Improper Payments for 2012 (Based on 2011 data)
($ in millions)

Program	Outlays $	Recoverable IP %[2]	Recoverable IP $[1]
Beneficiary Travel	828	0.41	3.40
CHAMPVA	849	0.35	2.97
Non-VA Care Fee	4,290	5.76	247.1
State Home Per Diem Grants	787	0.40	3.15
Supplies and Materials	2,052	0.22	4.51

Notes to Recoverable Improper Payment Table:

[1] A recoverable improper payment is an improper payment that can be established as a receivable and collected back from the recipient through the VA's debt collection procedures. VA defines a debt as a claim for money owed to the government arising out of the VA activities. VA uses a number of debt collection tools, including:

- Internal Offset
- Treasury Offset Program
- Treasury Cross Servicing

[2] Recoverable percentages are based on results as reported in Table 1multiplied by the total projected estimated error rate.

Definitions

Definitions of Supporting Measures

Please note: Key Measures are defined in the Key Measures Data Table (see page II-108). The below measures are Supporting Measures.

Accuracy Rate of Decisions (Services)
This measure represents the percent of cases completed accurately for Veterans who receive Chapter 31 (disabled Veterans receiving vocational rehabilitation) services and/or educational/vocational counseling benefits under several other benefit chapters. Accuracy of service delivery is expressed as a percent of the highest possible score (100) on cases reviewed. (VRE)

Accuracy rate of Vocational Rehabilitation Program Completion Decisions
This measure is designed to monitor the accuracy of decisions made to declare a Veteran rehabilitated or discontinued from a program of services. (VRE)

Alternative Dispute Resolution (ADR) participation rate in the informal stage of the Equal Employment Opportunity (EEO) complaint process
This measure represents the percentage of EEO complaints in which both the agency and the employee agreed to use ADR in an effort to reach a mutually satisfactory outcome to the complaint. (Departmental Management)

Amount billed for health care services provided to DoD beneficiaries at VA facilities ($ millions)
This measure is the total fiscal year amount billed to DoD facilities for VA facilities providing care to DoD beneficiaries.

Appeals decided per Veteran Law Judge
This measure represents the total number of decisions, remands, dismissals, and vacaturs issued by the Board of Veterans' Appeals, divided by the total number of Veteran Law Judges. (BVA)

Appeals resolution time (From NOD to Final Decision) (Average Number of Days)
This measure represents the average length of time it takes the Department to process an appeal from the date a claimant files a Notice of Disagreement (NOD) until a case is finally resolved, including resolution at a regional office or by a final decision by the Board. (BVA/Compensation and Pension)

Average processing time for VA regulations requiring advance notice and public comment (2-stage) (number of months)
This performance measure records the average time it takes VA program offices to publish their regulations. The time starts when the Office of Regulation Policy and Management in the Office of General Counsel issues a public Regulation Identification Number (RIN) and ends when a final rule is published in the *Federal Register*. It does not include time spent in planning or research prior to issuance of a RIN.

The Administrative Procedure Act (APA) requires Federal agencies to provide advance notice of their intended regulations by publishing proposed rules in the *Federal Register* and affording members of the public an opportunity to provide written comments on the agency's proposals. Agencies must then consider the public's comments and respond to them in a second publication, which constitutes the final rule that will become the agency's regulation. This 2-stage process also includes two 90-day reviews by OMB pursuant to Executive Order 12866, Regulatory Planning and Review. (Departmental Management)

Average processing time for VA regulations without advance notice and public comment (1-stage) (number of months)
This performance measure records the average time it takes VA program offices to publish their regulations. The time starts when the Office of Regulation Policy and Management in the Office of General Counsel issues a public RIN and ends when a final rule is published in the *Federal Register*. It does not include time spent in planning or research prior to issuance of a RIN. The APA exempts certain kinds of Federal regulations from the requirements to provide advance notice and an opportunity for the public to comment. These regulations can be

published in the *Federal Register* as final rules and become effective without being preceded by proposed rules. This 1-stage process includes only one 90-day review by OMB and can be accomplished more quickly than the 2-stage process. Accordingly, the average processing times for these kinds of regulations are measured separately. (Departmental Management)

Burial claims processed – average days to complete
This measure represents the average length of time (in days) it takes to process burial allowance claims from the date the claim is received by VA to the date the claim is completed. (End Product 160)(VBA/Burial)

BVA Cycle Time (Average Number of Days)
BVA cycle time measures the time a case spends at the Board, other than the time the case file is in the possession of a Veterans Service Organization. (BVA)

Compensation and Pension National accuracy rate – fiduciary work
This measure represents a percentage of field examinations and account audits completed nationally and determined to be technically accurate. The accuracy rate for the nation is a compilation of the Pension and Fiduciary Service's review of a sampling of field examinations and account audits completed by the six fiduciary hubs and the Manila fiduciary activity. Accuracy rate is determined by dividing the total number of cases with no errors by the number of cases reviewed. (Compensation and Pension)

Compensation entitlement claims – average days to complete
The average length of time (in days) it takes to complete claims for entitlement to compensation that require a disability or death rating determination. It is measured from the date the claim is received by VA to the date the decision is completed. The measure is calculated by dividing the total number of days recorded from receipt to completion by the total number of cases completed. (Compensation)

Compensation maintenance claims – average days to complete
The average length of time (in days) it takes to complete claims for compensation that do not require a rating determination. It is measured from the date the claim is received by VA to the date the decision is completed. The measure is calculated by dividing the total number of days recorded from receipt to completion by the total number of cases completed. (Compensation)

Conversion rate of disabled SGLI members to VGLI
This measure represents the rate at which recently separated Servicemembers covered under the Servicemembers' Group Life Insurance (SGLI) program who have service-connected disabilities that may prevent them from obtaining life insurance coverage from the private industry convert to the Veterans' Group Life Insurance (VGLI) program after their separation from military service. (Insurance)

Cumulative percent decrease in greenhouse gas emissions (GHG)
Executive Order 13514 requires Federal agencies to inventory, track and report on GHG emissions, and to set GHG emissions reduction targets. VA's target, approved by OMB and the White House Council on Environmental Quality in 2010, is a 30 percent reduction in emissions between 2010 and 2020 for Scopes 1 and 2 combined. Emissions are measured in tons of carbon dioxide equivalent (tons CO_2E). (Departmental Management)

Customer satisfaction survey scores
Customer satisfaction scores (measured on a scale of 1 through 5, with 5 being the highest possible score) are based on surveys returned to OIG by the principals impacted by investigations, audits and evaluations, health care inspections, and contract reviews. In instances where customer surveys are returned with lower than anticipated ratings, management may follow up with survey participants to identify any issues that caused low ratings and possible solutions. (OIG)

Default Resolution Efficiency Ratio
The default resolution efficiency ratio measures the efficiency of joint servicing efforts by VA and VA-guaranteed loan servicers in helping borrowers with defaulted VA-guaranteed loans. The default resolution efficiency ratio compares the amount of dollars saved in potential claim payments as a result

of the joint servicing efforts to the amount of dollars spent providing the joint servicing efforts. (Loan Guaranty)

Dollar value of 1st and 3rd party collections
Medical care received within VHA has a co-payment attached in some cases. This co-payment is referred to as 1st party collections. In addition, for Veterans who have other insurance, as appropriate, those insurance companies are billed for services. Those collections are referred to as 3rd party collections. (Medical Care)

Education Call Center – Abandoned Call rate
The ratio of calls which are terminated by the caller before reaching a live agent to the total number of calls received at the destination. (Education)

Education Claims Completed Per FTE
This measure represents the number of original and supplemental education claims completed divided by the number of direct FTE in the Presidential Budget. (Education)

Employment Rehabilitation Rate
The employment rehabilitation rate is calculated as follows: (1) the number of disabled Veterans who successfully complete VA's vocational rehabilitation program and acquire and maintain suitable employment divided by (2) the total number leaving the program from the following two case statuses 5: rehab to employability or 6: employment services—both those rehabilitated plus discontinued cases with a plan developed in one of two case statuses (Rehabilitation to Employability, or Employment Services) minus those individuals who benefited from but left the program under one of two conditions: (a) the veteran accepted an employment position incompatible with disability limitations, (b) the veteran is employable but has informed VA that he/she is not interested in seeking employment, or is not employed and not employable for medical or psychological reasons. (VR&E)

Gross Days Revenue Outstanding (GDRO) for third party collections
GDRO compares cash flow and level of receivables. For VHA, it represents the number of days to collect from Third Party payors measured from the Bill Authorization Date to Payment Date. GDRO is widely used in the health care industry as it specifically defines the age of outstanding receivables and the number of accounts receivable liquidation days. (Medical Care)

Independent Living Rehabilitation Rate
The independent living rehabilitation rate is calculated as follows: (1) the number of disabled Veterans who successfully complete VA's vocational rehabilitation program with disabilities for whom employment is infeasible but who obtain independence in their daily living with assistance from the program divided by (2) the total number leaving the program from case status 4 (independent living)—both those rehabilitated plus discontinued cases with a plan developed in independent living. (VR&E)

Lender Satisfaction with VA Loan Guaranty Program
This measure represents the percent of VA participating lenders who indicate via survey that they are "very satisfied" or "somewhat satisfied" with the VA Loan Guaranty Program.
(Loan Guaranty)

Monetary benefits (dollars in millions) from audits, investigations, contract reviews, inspections, and other evaluations
Monetary benefits represent the actual and potential monetary benefits identified during the conduct of OIG investigations, audits, inspections, contract reviews, and other evaluations. (OIG)

Montgomery GI Bill (MGIB) usage rate for Veterans who have passed their 10-year eligibility period
The MGIB usage rate is derived by dividing the number of Veterans who have received benefits and are beyond their 10-year delimiting date by the number of all Veterans who have participated in the MGIB program and whose 10-year period in which to use the benefit has expired. (Education)

National Accuracy Rate – burial claims processed
This measure represents the percentage of burial claims (EP 160) completed and determined to be technically accurate. Accuracy rate is determined by dividing the total number of cases with no errors by the number of cases reviewed. (VBA/Burial)

National accuracy rate (Compensation maintenance claims)
This measure represents claims processing accuracy for compensation claims that do not require a rating decision. Review criteria include: addressing all issues, VCAA-compliant development, correct decision, correct effective date, and correct payment date if applicable. Accuracy rate is determined by dividing the total number of cases with no errors in any of these categories by the number of cases reviewed. (Compensation)

National accuracy rate - pension entitlement claims
This measure represents claims processing accuracy for pension claims that normally require a disability or death rating determination. Review criteria include: addressing all issues, VCAA-compliant development, correct decision, correct effective date, and correct payment date if applicable. Accuracy rate is determined by dividing the total number of cases with no errors in any of these categories by the number of cases reviewed. (Pension)

National Call Center Customer Satisfaction Overall Score
This measure represents the overall customer's expe rience and enables VA to assess key attributes such as courtesy of the representative; knowledge of the representative; overall concern of the customer's needs; usefulness of the information provided to address the problem, question, or request; timeliness of resolving the problem, question, or request; and promptness in speaking with customers. These key attributes will help to identify process improvements throughout the National Call Centers. In addition, this measure represents the overall customer's experience with VBA's Veterans Relationship Management technology transformation efforts (e.g., Virtual Hold, Customer Relationship Management/Unified Desktop, etc.) and will further enable VA to identify processes and industry best practices for implementation. (Compensation)

Number of arrests, indictments, convictions, criminal complaints, pretrial diversions, and administrative sanctions
This number represents the output resulting from the conduct of an OIG investigation into allegations of criminal activities related to programs and operations of VA or into allegations against senior VA officials and other high profile matters of interest to Congress and the Department. (OIG)

Number of disbursements (death claims, loans, and cash surrenders) per FTE
This measure is calculated by dividing the number of disbursements -- which includes death claims, loans, and cash surrenders -- by the total number of FTE who process those disbursements. (Insurance)

Number of Health Care Associated Complications
This measure cannot be calculated reliably. The Office of Analytics and Business Intelligence is committed to developing, testing, and validating a composite HAC rate in keeping with the goals of the Partnership for Patients.

Number of Homeless Veterans on any given night
Homelessness is very difficult to quantify given the inherent transient nature of this problem. The "number of Homeless on any given night" is an estimate of the number of actual homeless based on a survey that currently combines findings from the Department of Housing and Urban Development estimates and the CHALENG survey which is comprised of two components; a Participant Survey completed by VA staff and community providers, officials, and volunteers targeting feedback from providers of homeless services and a Consumer Survey completed by the Homeless Veteran focused on the Veteran's perceived needs and feedback on available services. (Medical Care and Departmental Management)

Number of material weaknesses
Audits are performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States and the requirements of the OMB Bulletin No. 07-04, *"Audit Requirements for Federal Financial Statements,"* as amended. This measure reports how many material weaknesses are identified each year in VA's consolidated financial statements. (Departmental Management)

Number of reports (audit, inspection, evaluation, contract review, and Combined Assessment Program (CAP) reports) issued that identify opportunities for improvement and provide recommendations for corrective action
This measure shows the number of reports issued by the OIG in which substantive corrective actions, in the form of audit, inspection, evaluation, contract review and CAP report recommendations are documented and which require remedial action by the Department. (OIG)

Obligations per unique patient user
This measure represents the average cost of total obligations for medical care divided by unique patients served. (Medical Care)

Overall satisfaction rate (Compensation)
This measure represents the percentage of respondents to the Compensation and Pension customer satisfaction survey who were "very satisfied" or "somewhat satisfied" with the way VA handled/is handling their compensation claim. (Compensation)

Overall satisfaction rate (Pension)
This measure represents the percentage of respondents to the Compensation and Pension customer satisfaction survey who were "very satisfied" or "somewhat satisfied" with the way VA handled/is handling their pension claim. (Pension)

Payment accuracy rate
This measure assesses how well decisions reflect payment at the proper rate for the correct period of time. (Education)

Percentage of beneficiaries that believe their VA educational assistance has been either very helpful or helpful in the attainment of their educational or vocational goal
This measure will determine the proportion of beneficiaries who report their VA educational benefits helped them accomplish their educational or vocational goal. (Education)

Percentage of beneficiaries very satisfied or somewhat satisfied with the way VA handled their education claim
This measure represents the national percentage of respondents to the education customer satisfaction survey who were "very satisfied" or "somewhat satisfied" with the way VA handled their education benefits claim. (Education)

Percentage of prosecutions successfully completed
This measure represents those cases referred for prosecution for which a conviction, pretrial diversion, or a deferred prosecution was obtained. (OIG)

Percentage of recommendations implemented within 1 year to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural changes in VA
This measure represents the percentage of recommendations made in OIG reports that are implemented by the Department within 1 year in order to improve operations. (OIG)

Percentage of recommended recoveries achieved from post-award contract reviews
This measure represents the percentage of recommended recoveries from post-award contract reviews that are actually billed and collected by the Department. (OIG)

Percentage of responses to pre- and post-hearing questions that are submitted to Congress within the required timeframe
Before or after a VA witness testifies at a Congressional hearing, a member of Congress may have questions that need to be answered in writing known as questions for the record. OCLA monitors the timeliness of VA's responses to pre-and post-hearing questions. (Departmental Management)

Percentage of testimony submitted to Congress within the required timeframe
OCLA monitors the timeliness of VA's submission of subject matter expert testimony for Congressional committee hearings. (Departmental Management)

Percentage of title 38 reports that are submitted to Congress within the required timeframe
OCLA monitors the timeliness of VA's submission of title 38 congressionally mandated reports to Congress. Congressionally mandated reports are reports or studies that Congress directs VA to submit, either through statutory language or language contained in reports that accompany a statute. Reports may be one-time or recurring with deadlines established by Congress. (Departmental Management)

Percentage of VA employees who are Veterans
This is the percentage of employees who are entitled to statutory types of preference in the Federal service based on certain active military service. (Departmental Management)

Percent Condition Index (owned buildings)
This measure is calculated by comparing the cost of repair needs to plant replacement value as defined by the Federal Real Property Council guidance. Facilities with low repair costs compared to their overall value are considered in better operating condition and would have a higher condition index. (Departmental Management)

Percent increase in number of enrolled Veterans participating in telehealth
This measure represents the change in percentage of the number of Veterans receiving identified telehealth services in the year being reported in relation to the baseline year (percent increase or decrease).

Percent of annual major construction operating plan executed
This measure represents planned major construction awards compared to actual awards for the given fiscal year.

Percent of annual milestones achieved towards deployment and implementation of an automated GI bill benefits delivery system
This percentage represents the number of Post 9/11 GI Bill milestones delivered during the fiscal year divided by the number of Post 9/11 GI Bill milestones planned to be delivered during the fiscal year. (Departmental Management)

Percent of available Veteran electronic records which can be accessed through Virtual Lifetime Electronic Record (VLER) capabilities through "Blue Button" functionality
Results will be calculated using 100 percent of available Veteran electronic records. The numerator is the number of available Veteran electronic records that can be accessed through VLER. The denominator is the total number of available virtual Veteran electronic records (Departmental Management)

Percent of claims processed through the automated claims processing system (Education)
This percentage represents the number of Post-9/11 GI Bill claims processed through the Long-Term Solution divided by the number of education claims received. (Education)

Percent of claims where a portion of the required forms were filed electronically
This measure represents the percentage of claims from Servicemembers, Veterans and their beneficiaries, and other designated individuals submitted using the Internet. (Compensation and Pension)

Percent of clinic "no shows" and "after appointment cancellations" for OEF/OIF Veterans
Missed Opportunities and No Shows are clinic appointments scheduled for a patient visit, but the patient did not complete the appointment and did not call to cancel the appointment in advance (No Show). Because the appointment was not cancelled timely there was no opportunity to schedule a different patient into that appointment opening resulting in a "missed opportunity" to provide health care and other services. (Medical Care)

Percent of concurrence actions completed on time
OCLA monitors the percent of its on-time approvals for correspondence to Congress. (Departmental Management)

Percent of current year electricity consumption generated with renewable energy sources
This measure is calculated by summing all qualifying renewable electricity consumption, dividing by the

sum of all electricity consumption, and expressing the result as a percentage. (Departmental Management)

Percent of eligible OEF/OIF PTSD patients evaluated at required intervals for level of symptoms
The percentage of OEF/OIF combat Veterans being treated in VA for PTSD who have their level of PTSD symptoms evaluated and recorded at required intervals. (Medical Care)

Percent of Eligible Patient Evaluations Documented within 14 days of New MH Patient Index Encounter
This measure represents the percent of Veterans not seen in a Mental Health clinic at the administrative parent facility in the prior 24 months (new) presenting with a request for mental health services or those who are referred for specialty mental health services and are then seen by an MH professional qualified to provide a full MH evaluation and specialty MH care within 15 days of their referral.* (*The immediate safety and health care needs of the Veteran are addressed at the time of the initial visit.) (Medical Care)

Percent of eligible patients screened at required intervals for alcohol misuse
The percentage of Veterans seeking care in VA who were screened annually for signs and or symptoms of alcohol misuse utilizing the AUDIT C evidence-based screening instrument. (Medical Care)

Percent of eligible patients screened at required intervals for depression
The percentage of Veterans seeking care in VA screened annually for signs and or symptoms of depression utilizing the PHQ2 or PHQ9 evidence based screening instrument. (Medical Care)

Percent of eligible patients screened at required intervals for PTSD
The percentage of Veterans seeking care in VA who were screened for PTSD utilizing the PC-PTSD evidence based screening instrument. The Veteran must be screened annually for the first 5 years after most recent date of service separation and then every 5 years after the first 5 years. (Medical Care)

Percent of employees in mission critical and key occupations who participated in a competency based training program within the last 12 months
Mission Critical/Key Occupations are those occupations that have been identified from the workforce that are critical to support the mission and the accomplishment of VA's agency goals, objectives, and initiatives.

Competency Based Training Program is a program that contains competencies pertaining to the knowledge, skills, and abilities needed to build a highly competent organization capable of meeting current and future challenges. (Departmental Management)

Percent of federally recognized Native American tribes contacted by VA for outreach purposes
The percent represents the number of Federally Recognized Native American tribes that were contacted. The total number of Federally Recognized tribes is 564. (Departmental Management)

Percent of funeral directors who respond that national cemeteries confirm the scheduling of the committal service within 2 hours
This measure represents the percent of funeral directors who respond that the amount of time it typically takes to confirm the scheduling of an interment is less than 2 hours. (Burial)

Percent of gravesites that have grades that are level and blend with adjacent grade levels
This percentage represents the number of gravesites that are level and blend with adjacent grade levels divided by the number of gravesites assessed. (Burial)

Percent of headstone and marker applications from private cemeteries and funeral homes received electronically
This percentage represents the number of applications for headstones and markers to be placed in private cemeteries that are received electronically (Internet or toll-free fax) divided by the total number of applications received. (Burial)

Percent of headstones and markers that are delivered undamaged and correctly inscribed
This percentage represents the number of headstones and markers that are undamaged and correctly inscribed when received, divided by the number of headstones and markers ordered. (Burial)

Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment
This percentage represents the number of headstones and markers in national cemeteries that are at the proper height and alignment divided by the total number assessed. (Burial)

Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations
This percentage represents the number of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations divided by the total number assessed. (Burial)

Percent of IDES participants who will be awarded benefits within 30 days of discharge
This measure represents participants in the Integrated Disability Evaluation System program awarded VA compensation benefits within 30 days after their date of discharge.

Percent of milestones achieved in deploying and implementing the Client Relations Management System (CRMS)
This percentage represents the number of CRMS milestones delivered during the fiscal year divided by the number of CRMS milestones planned to be delivered during the fiscal year. (Departmental Management)

Percent of milestones achieved in deploying and implementing the Virtual Lifetime Electronic Record (VLER)
This percentage represents the number of VLER milestones delivered during the fiscal year divided by the number of VLER milestones planned to be delivered during the fiscal year. (Departmental Management)

Percent of milestones achieved towards deployment and implementation of a paperless disability claims processing system
This percentage represents the number of Veteran Benefits Management System (VBMS) milestones delivered during the fiscal year divided by the number of VBMS milestones planned to be delivered during the fiscal year. (Departmental Management)

Percent of milestones completed towards development of one new objective method to diagnose mild Traumatic Brain Injury (TBI)
This percentage represents the number of milestones completed to date divided by the total number of milestones to be achieved (Medical Care).

Percent of Montgomery GI Bill or Post 9/11 GI Bill participants who successfully completed an education or training program
This measure represents the percentage of service members and Veterans who received Post-9/11 GI Bill or Montgomery GI Bill education benefits and obtained a degree or certificate.

Percent of national cemetery buildings and structures that are assessed as "acceptable" according to annual Facility Condition Assessments
The percentage represents the number of facilities (buildings and structures) at national cemeteries that are assessed as acceptable divided by the total number of facilities assessed.

An NCA facility (building or structure) is "acceptable" if the overall grade from the Facility Condition Assessment, Building, and Structure Score Sheet is a "C" or better and there are no critical areas scored "D" or "F". (Burial)

Percent of NonVA claims paid in 30 days
The percentage of Non-VA claims which were processed within 30 days, this percentage includes the processing time for paid claims (Medical Care).

Percent of OEF/OIF Veterans with a primary diagnosis of PTSD who receive a minimum of 8 psychotherapy sessions within a 14-week period
This measure represents the percent of OEF/OIF Veterans seeking care in VA with a primary diagnosis of PTSD who have received at least 8 individual

evidence based psychotherapy sessions over the span of a 14 week period. (Medical Care)

Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities
This measure represents the percent of patients who report in the Survey of Health Care Experiences of Patients (SHEP) that they were seen by the provider within 20 minutes or less of their scheduled appointment time. (Medical Care)

Percent of Presidential Memorial Certificate applications that are processed within 20 days of receipt
This percentage represents the number of applications for Presidential Memorial Certificates (PMC) processed within 20 days of receipt of the application divided by the total number of applications for PMCs received. (Burial)

Percent of respondents who agree or strongly agree that the quality of the headstone or marker received from VA was excellent
This measure represents the number of survey respondents who agree or strongly agree that the quality of the headstone or marker received from VA is excellent divided by the total number of survey respondents, expressed as a percentage. (Burial)

Percent of respondents who agree or strongly agree that the quality of the Presidential Memorial Certificate received from VA was excellent
This measure represents the number of survey respondents who agree or strongly agree that the quality of the PMC received from VA is excellent divided by the total number of survey respondents, expressed as a percentage. (Burial)

Percent of respondents who would recommend the national cemetery to Veteran families during their time of need
This measure represents the percent of survey respondents who agree or strongly agree that they would recommend the national cemetery to Veteran families during their time of need. (Burial)

Percent of separating Servicemembers that are provided with VA and DoD benefit information within 6 months of the expiration of their term of service (ETS) through the eBenefits portal
This is a joint VA/DoD effort that measures the percentage of Servicemembers provided benefit and service information within 6 months of the expiration of their term of service through eBenefits Portal. The VA/DoD Identity Repository system and eBenefits portal are the mechanisms used to track and provide targeted benefit and service information messages to Servicemembers. (Benefits Assistance Service)[3]

Percent of space utilization as compared to overall space (owned and direct-leased)
This measure is calculated by comparing owned and direct-leased square feet not needed to the owned and direct-leased square feet available. (Departmental Management)

Percent of Total Hearings that are Conducted via Video Conference
This measure is calculated by dividing the number of hearings conducted by video conference by the total number of hearings held. Hearings are held either by video conference, in person in the field, or in person at BVA's Washington, DC office. (BVA)

Percent of total procurement dollars awarded to service-disabled Veteran-owned small businesses
This number represents the percentage of total dollars spent with service-disabled Veteran-owned small businesses based on total small business eligible dollars reported. Data are obtained from the Federal Procurement Data System-Next Generation (FPDS-NG), provided by the Federal Procurement Data Center at https://www.fpds.gov. Final data are based on the Small Business Administration (SBA) Goaling Report. "Service-disabled Veteran-owned small business concern means a small business concern"—(1) Means a small business concern (i) Not less than 51 percent of which is owned by one or more service-disabled Veterans or, in the case of

[3] This is a new VBA business line that manages the delivery of benefits information related to Compensation/Pension, Insurance, Education, Loan Guaranty, and Vocational Rehabilitation & Employment benefits.

any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled Veterans; and (ii) The management and daily business operations of which are controlled by one or more service-disabled Veterans or, in the case of a service-disabled Veteran with permanent and severe disability, the spouse or permanent caregiver of such Veteran. In addition, some businesses may be owned and operated by an eligible surviving spouse. (2) Service-disabled Veteran means a Veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16). In addition, service-disabled Veteran-owned small businesses participating in set-asides or subcontracts authorized by VAAR 819.7001 must be listed on the VetBiz.gov Vendor Information Pages (VIP) Database. (Departmental Management)

Percent of total procurement dollars awarded to Veteran-owned small businesses
This number represents the percentage of total dollars spent with Veteran-owned small businesses based on total small business eligible dollars reported. Data are obtained from the FPDS-NG, provided by the Federal Procurement Data Center at https://www.fpds.gov. Final data are based on the SBA Goaling Report. "Veteran-owned small business concern means a small business concern—(1) Not less than 51 percent of which is owned by one or more Veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more Veterans; and (2) The management and daily business operations of which are controlled by one or more Veterans. In addition, Veteran-owned small businesses participating in set-asides or subcontracts authorized by VAAR 819.7001 must be listed on the VIP Database. (Departmental Management)

Percent of VA Hospitals whose unplanned readmissions rates are less than or equal to other hospitals in their community
The Readmission Rate measure is a weighted composite of the 30-day unplanned Readmission Rates for Acute Myocardial Infarction, Heart Failure, and Pneumonia calculated using the methodology adopted by the Centers for Medicare and Medicaid Services (CMS) and reported on their Hospital Compare website in July, 2012. CMS methodology includes adjustment for factors that determine risk of admission, and is based on a rolling 3-year average of rates. Hospitals with fewer than 25 eligible cases are not reported due to the poor reliability of estimates of performance (Medical Care).

Percent of VA IT systems that automatically reuse all redundant client information in other systems
This percentage represents the number of IT systems using a common identity management solution divided by the number of IT systems that are planned to use a common identity management solution. (Departmental Management)

Percent of Veterans who report "yes" to the Shared Decision-making questions in the Inpatient SHEP survey
This measure looks at Veterans who indicated whether their doctors or other health providers discussed with them the pros and cons of each choice for their treatment or health care and which choice was best for them. (Medical Care)

Percent of Veterans who successfully obtain resident status as a result of vouchers distributed through the U.S. Department of Housing and Urban Development and Veterans Affairs Supportive Housing (HUD-VASH) program
This measure represents the percent of homeless Veterans who use Housing Choice Voucher (HCV) rental assistance through HUD with case management and clinical services provided by VA. (Medical Care)

Percent of VHA clinical health care professionals who have had VA training prior to employment
This performance measure represents the response received from VA's All-Employee Survey for current VA employees who took part in a training or educational program based partly or entirely in VA before becoming a VA employee (programs include paid and unpaid **internships, residencies, fellowships, or clinical or administrative rotations).** (Medical Care)

Program Review Accuracy Rate (Housing)
This measure represents the overall accuracy rate of Loan Guaranty operations across Loan Production,

Construction & Valuation, Loan Administration, and Specially Adapted Housing. For the number of oversight items reviewed across these areas, it represents the percentage of which were found to have no errors. (Loan Guaranty)

Progress toward researching, developing, and implementing innovations in clinical practice that ensure improved access to health care for Veterans, especially in rural areas
This percentage represents the number of milestones completed to date divided by the total number of milestones to be achieved (Medical Care).

Rate of homeownership for Veterans compared to that of the general population
This measure represents the percentage of Veterans who own their homes compared to the percentage of the general non-Veteran population who own their homes. (Loan Guaranty)

Ratio of non-mission dependent assets to total assets
This measure is calculated by comparing the number of non-mission dependent assets to total assets. (Departmental Management)

Ratio of operating costs per gross square foot
This measure is calculated by dividing operating costs by owned and direct-leased square feet. Operating and maintenance costs are actual costs based on roads and grounds maintenance, utility plant operations, rent, energy, cleaning and janitorial services, and recurring maintenance and repairs. (Departmental Management)

Rehabilitation Rate
The rehabilitation rate calculation is as follows: (a) the number of disabled Veterans who successfully complete VA's vocational rehabilitation program and acquire and maintain suitable employment and Veterans with disabilities for which employment is infeasible but who obtain independence in their daily living with assistance from the program divided by (b) the total number of Veterans leaving the program—both those rehabilitated plus discontinued cases with a plan developed in one of three case statuses (Independent Living, Rehabilitation to Employability, or Employment Services) minus those individuals who benefited from but left the program and have been classified under one of two "maximum rehabilitation gain" categories: (1) the Veteran accepted an employment position incompatible with disability limitations, (2) the Veteran is employable but has informed VA that he/she is not interested in seeking employment, or is not employed and not employable for medical or psychological reasons (VR&E)

Return on investment (monetary benefits divided by cost of operations in dollars)
This measure represents the monetary benefits derived from inspections, reports, investigations, evaluations and other oversight performed by OIG divided by the cost of doing those activities. (OIG)

Serious Employment Handicap (SEH) Rehabilitation Rate
The serious employment handicap rehabilitation rate calculation is as follows: (1) the number of disabled Veterans with a serious employment handicap who successfully complete VA's vocational rehabilitation program and acquire and maintain suitable employment and Veterans with disabilities for whom employment is infeasible but who obtain independence in their daily living with assistance from the program divided by (2) the total number of disabled Veterans with a serious employment handicap leaving the program—both those rehabilitated plus discontinued cases with a plan developed in one of three case statuses (Independent Living, Rehabilitation to Employability, or Employment Services) minus those individuals with a serious employment handicap who benefited from but left the program under one of three conditions: the Veteran (a) reached "maximum rehabilitation gain" due to choosing to be employed in a job that is not suitable, (b) reached "maximum rehabilitation gain" due to being unemployed but employable and not seeking employment, or not employable for medical or psychological reasons, or (c) elected to discontinue his or her VR&E plan to pursue educational goals utilizing Post 9/11 GI Bill Benefits (Chapter 33). (VRE)

Speed of Entitlement Decisions in average days
This measure represents the average number of days from the time the application is received until the

Veteran is notified of the entitlement decision. (VR&E)

Success Rate of Automated Certificate of Eligibility (ACE) System
This measure represents the percent of successful Certificate of Eligibility determinations processed via the ACE system. (Loan Guaranty)

Total amount expended for health care services rendered to VA beneficiaries at a DoD facility ($ millions)
This measure is the total fiscal year amount of care VA facilities purchased for VA beneficiaries from DoD facilities (Medical Care).

Veterans' Satisfaction Level with the VA Loan Guaranty Program
This measure represents the percentage of Veterans answering the Loan Guaranty customer satisfaction survey who were "very satisfied" or "somewhat satisfied" with the process of obtaining a VA home loan. (Loan Guaranty)

Veterans' Satisfaction with the Vocational Rehabilitation and Employment Program
This measure represents the percent of Veterans who answered "very satisfied" or "somewhat satisfied" overall with the VRE program (of those who completed or withdrew from the program). (VRE)

Workers' Compensation Lost Time Case Rate (LTCR)
The Lost Time Case Rate (LTCR) represents the number of OWCP lost time injury and illness cases per 100 employees. The rates are calculated separately by dividing the number of lost time cases by the number of employees. The resulting number is then multiplied by 100, for a rate per 100 employees. OPM provided OSHA with the data on the average number of employees for each department and independent agency for each fiscal year. The Lost Time case numbers are derived from claims submitted to Office of Workers' Compensation Programs (OWCP) involving lost production days and with "case create" dates from each fiscal year (less denied cases).

Definitions of Financial and Other Terms

Accounts payable
This term is defined as the money VA owes to vendors and other Federal entities for products and services purchased. This is treated as a liability on the balance sheet. (Financial)

Accounts receivable
This term is defined as the amount of money that is owed to VA by a customer (including other Federal entities) for products and services provided on credit. This is treated as a current asset on the balance sheet and includes such items as amounts due from third-party insurers for Veterans' health care and from individuals for compensation, pension, and readjustment benefit overpayments. (Financial)

Acquired loans
This term is defined as VA-guaranteed loans in default that VA purchases from the private sector mortgage lender and services the loan with the Veteran directly after VA determines the Veteran can service the debt service payments. This type of loan is part of the VA loan guaranty program. (Financial)

Allowance
This term is defined as the amounts included in the President's budget request or projections to cover possible additional proposals, such as statutory pay increases and contingencies for relatively uncontrollable programs and other requirements. As used by Congress in the concurrent resolutions on the budget, allowances represent a special functional classification designed to include amounts to cover possible requirements, such as civilian pay raises and contingencies. Allowances remain undistributed until they occur or become firm, then they are distributed to the appropriate functional classification(s). (Financial)

Apportionment
This term is defined as a distribution made by OMB of amounts available for obligation in an appropriation or fund account. Apportionments divide amounts available for obligation by specific time periods (usually quarters), activities, projects, objects, or a combination thereof. The amounts so apportioned limit the amount of obligations that may be incurred. (Financial)

Appropriated funds
This term is defined as general fund expenditure accounts established to record amounts appropriated by law for the general support of Federal Government activities and the subsequent expenditure of these funds. It includes spending from both annual and permanent appropriations. (Financial)

Appropriation
This term is defined as the specific amount of money authorized by Congress for approved work, programs, or individual projects. (Financial)

Appropriation Authority
This term is defined as the authority granted by Congress for the agency to spend Government funds. (Financial)

Average daily census
The number is the average number of patients enrolled in the specified programs over the course of the year. Specified programs include Home and Community-Based Care programs (e.g., Home-Based Primary Care, Purchased Skilled Home Health Care, Spinal Cord Injury Home Health Care, Adult Day Health Care (VA and Contract), Home Hospice, Outpatient Respite, Community Residential Care, and Homemaker/Home Health Aide Services). (Medical Care)

Balance sheet
This term is defined as a summary of all the assets the agency owns and the liabilities owed against those assets as of a point in time (the end of the fiscal year for VA is September 30). This statement always shows two consecutive fiscal year snapshots so the reader can compare the information. There is no "owners' equity" in a Federal agency as there is in a non-government company. However, we instead report our "net position," which is the amount of unexpended appropriation authority. (Financial)

Baseline (Performance)
The process of establishing through statistical analysis, research, or other empirical evidence, the basis for a performance target. The baselining process most often occurs when a new measure is being developed.

Budget Authority
This term is defined as the authority provided by law to enter into obligations that will result in immediate or future outlays involving Federal Government funds, except that budget authority does not include authority to insure or guarantee the repayment of indebtedness incurred by another person or government. The basic forms of budget authority are appropriations, authority to borrow, and contract authority. Budget authority may be classified by the period of availability (1-year, multiple-year, no-year), by the timing of congressional action (current or permanent), or by the manner of determining the amount available (definite or indefinite). (Financial)

Budgetary resources
Budgetary resources are forms of authority given to an agency allowing it to incur obligations. Budgetary resources include new budget authority, unobligated balances, direct spending authority, and obligation limitations. (Financial)

CARES – Capital Asset Realignment for Enhanced Services
CARES is the VA program designed to assess Veteran health care needs in VHA Networks, identify service delivery options to meet those needs in the future, and guide the realignment and allocation of capital assets to support the delivery of health care services. (Medical Care)

Chief Financial Officers Act of 1990
This legislation was enacted to improve the financial management practices of the Federal Government and to ensure the production of reliable and timely financial information for use in the management and evaluation of Federal programs. (Financial)

Earmarked funds
This term is defined as funds where VA has program management responsibility and that are financed by specifically identified revenues, often supplemented by other financing sources, and are required by statute to be used for designated activities or purposes. They are accounted for separately from the Government's general revenues. VA's earmarked funds consist of trusts, special, and revolving funds and remain available over time. The U.S. Treasury does not set aside assets to pay future expenditures associated with earmarked funds. (Financial)

Exchange Revenue
Exchange revenues arise when a Federal entity provides goods and services to the public or to another government entity for a price. (Financial)

Federal Credit Reform Act of 1990
This legislation was enacted to improve the accounting for costs of Federal credit programs. (Financial)

Federal Financial Management Improvement Act (FFMIA)
The FFMIA requires agencies to produce timely and reliable financial statements that demonstrate their compliance with Federal financial management systems requirements, Federal accounting standards, and the U.S. Government standard general ledger. If an agency believes its systems are not FFMIA-compliant, it must develop a remediation plan to achieve compliance within 3 years. (Financial)

Federal Information Security Management Act of 2002 (FISMA)
The purposes of this act are to:

- Provide a comprehensive framework for ensuring the effectiveness of information security controls over information resources that support Federal operations and assets.
- Recognize the highly networked nature of the current Federal computing environment and provide effective Governmentwide management and oversight of the related information security risks, including coordination of information security efforts throughout the civilian, national security, and law enforcement communities.

- Provide for development and maintenance of minimum controls required to protect Federal information and information systems.
- Provide a mechanism for improved oversight of Federal agency information security programs.
- Acknowledge that commercially developed information security products offer advanced, dynamic, robust, and effective information security solutions, reflecting market solutions for the protection of critical information infrastructures important to the national defense and economic security of the nation that are designed, built, and operated by the private sector.
- Recognize that the selection of specific technical hardware and software information security solutions should be left to individual agencies from among commercially developed products. (Information Security)

Federal Information Systems Control Audit Manual (FISCAM)
This manual describes the computer-related controls that auditors should consider when assessing the integrity, confidentiality, and availability of computerized data. It is a guide applied by GAO primarily in support of financial statement audits and is available for use by other government auditors. It is not an audit standard. (Information Security)

Federal Managers' Financial Integrity Act (FMFIA) of 1982
This legislation requires Federal agencies to establish processes for the evaluation and improvement of financial and internal control systems in order to ensure that management control objectives are being met. (Financial)

Franchise Fund
VA's fund is comprised of six enterprise centers that competitively sell common administrative services and products throughout the Federal Government. The funds are deposited into the Franchise Fund. The Centers' operations are funded solely on a fee-for-service basis. Full cost recovery ensures they are self-sustaining. (Departmental Management)

Fund Balance with the Treasury
This term is defined as the aggregate amount of funds in VA's accounts with the Department of the Treasury for which it is authorized to make expenditures and pay liabilities. This account includes clearing account balances and the dollar equivalent of foreign currency account balances. (Financial)

Government Management Reform Act of 1994
This legislation was enacted to provide more effective and efficient executive branch performance in reporting financial information to Congress and committees of Congress. (Financial)

Heritage Assets
Heritage Assets are unique and are generally expected to be preserved indefinitely. Heritage assets may have historical or natural significance; be of cultural, educational, or artistic importance; or have significant architectural characteristics. (Financial)

Integrated Electronic Health Record (iEHR)
The integrated Electronic Health Record (iEHR) program is a collaborative partnership between the Department of Veterans Affairs and Department of Defense to modernize health care information systems and achieve significant improvement in the capturing, storing and sharing of electronic health information. The iEHR will provide unprecedented value to patients, clinicians, and the Agencies involved. iEHR will reduce the burden felt by Service members and Veterans to track and maintain their health information and records.

Interagency Program Office (IPO)
IPO serves as the single point of accountability in the development and implementation of the integrated Electronic Health Record (iEHR) and Virtual Lifetime Electronic Health Record (VLER) Health systems, capabilities, and initiatives. This includes all current and future joint health IT implementations such as the James A. Lovell Federal Health Care Center in North Chicago, IL with the objective of achieving full interoperability between DoD and VA.

Intragovernmental assets
These assets arise from transactions among Federal entities. These assets are claims of the reporting entity against other Federal entities. (Financial)

Intragovernmental liabilities
These liabilities are claims against the reporting entity by other Federal entities. (Financial)

Inventory
An inventory is a tangible personal property that is (1) held for sale, including raw materials and work in process, (2) in the process of production for sale, or (3) to be consumed in the production of goods for sale or in the provision of services for a fee. (Financial)

Management (or internal) controls
This term is defined as safeguards (organization, policies, and procedures) used by agencies to reasonably ensure that (1) programs achieve their intended results; (2) resources are used consistent with agency mission; (3) programs and resources are protected from waste, fraud, and mismanagement; (4) laws and regulations are followed; and (5) reliable and timely information is obtained, maintained, reported, and used for decision making. (Financial)

Material weakness
This term is defined as a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements, or other significant financial reports, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. (Financial)

Memorial Service Network
NCA's field structure is geographically organized into five Memorial Service Networks (MSN). The national cemeteries in each MSN are supervised by the MSN Director and staff. The MSN offices are located in Philadelphia, Pennsylvania; Atlanta, Georgia; Indianapolis, Indiana; Denver, Colorado; and Oakland, California. The MSN Directors and staff provide direction, operational oversight, and engineering assistance to the cemeteries located in their geographic areas. (Burial)

National Institute of Standards and Technology (NIST) and its Computer Security Division
NIST is a non-regulatory Federal agency within the U.S. Commerce Department's Technology Administration. NIST's mission is to promote U.S. innovation and industrial competitiveness by advancing measurement science, standards, and technology in ways that enhance economic security and improve our quality of life. The Computer Security Division is one of eight divisions within NIST's Information Technology Laboratory. The mission of the Computer Security Division is to improve information systems security. (Information Security)

Native American loans
This term is defined as direct loans that are special financing enabling Native Americans to purchase a home on Federally recognized trust land. This type of loan is part of the VA loan guaranty program. (Financial)

Net cost of operations
Net cost of operations is the gross cost incurred by VA less any exchange revenue earned from its activities. The gross cost of a program consists of the full cost of the outputs produced by that program plus any non-production costs that can be assigned to the program. (Financial)

Net position
Net position comprises the portion of VA's appropriations represented by undelivered orders and unobligated balances (unexpended appropriations) and the net results of the reporting entity's operations since inception, plus the cumulative amount of prior period adjustments (cumulative results of operations). (Financial)

Net program cost
Net program cost is the difference between a program's gross cost and its related exchange revenues. If a program does not earn any exchange revenue, there is no netting and the term used might be total program cost. (Financial)

Notes to the Consolidated Financial Statements
The notes provide additional disclosures that are necessary to make the financial statements more informative and not misleading. The notes are an integral part of the financial statements. (Financial)

Obligations
Obligations represent the amount of orders placed, contracts awarded, services received, and other transactions occurring during a given period that would require payments during the same or future period. (Financial)

Offsetting collections
Offsetting collections include reimbursements, transfers between Federal and trust fund accounts, offsetting governmental collections, and refunds. For accounting purposes, earned reimbursements are also known as revenues. These offsetting collections are netted against gross outlays in determining net outlays from such appropriations. (Financial)

Offsetting receipts
Offsetting receipts are collections that are offset against gross outlays but are not authorized to be credited to expenditure accounts. Offsetting receipts are deposited in receipt accounts. Like offsetting collections, they result from (1) businesslike transactions or market-oriented activities with the public, (2) intragovernmental transfers, and (3) collections from the public that are governmental in nature but required by law to be classified as offsetting receipts. Offsetting receipts are offsets to gross budget authority and outlays, usually at the Department or Administration level, but some are unavailable for expenditure. Unlike offsetting collections, offsetting receipts cannot be used without being appropriated. (Financial)

OMB Circular No. A-123
OMB issued Circular No. A-123 to provide guidance to Federal managers on improving the accountability and effectiveness of Federal programs and operations by establishing, assessing, correcting, and reporting on management controls. (Financial)

OMB Circular No. A-127
OMB issued Circular No. A-127 to prescribe policies and standards for executive departments and agencies to follow in developing, operating, evaluating, and reporting on financial management systems. (Financial)

OMB Circular No. A-130, Appendix III
OMB issued Circular No. A-130, Appendix III to establish a minimum set of controls to be included in Federal automated information security programs; assign Federal agency responsibilities for the security of automated information; and link agency automated information security programs and agency management control systems established in accordance with OMB Circular No. A-123. (Information Security)

Outlay
Outlay is the amount of checks, disbursement of cash, or electronic transfer of funds made to liquidate a Federal obligation. Outlays also occur when interest on the Treasury debt held by the public accrues and when the Government issues bonds, notes, debentures, monetary credits, or other cash-equivalent instruments in order to liquidate obligations. (Financial)

Program evaluation
This term is defined as an assessment, through objective measurement and systematic analysis, of the manner and extent to which Federal programs achieve intended outcomes. (Departmental Management)

Prompt Payment Act
The Prompt Payment Final Rule (formerly OMB Circular No. A-125, "Prompt Payment") requires executive departments and agencies to pay commercial obligations within certain time periods and to pay interest penalties when payments are late. (Financial)

Property, Plant, and Equipment
Property, plant, and equipment consist of tangible assets, including land, that have estimated useful lives of 2 years or more, not intended for sale in the ordinary course of operations, and have been acquired or constructed with the intention of being used, or being available for use, by the reporting entity. (Financial)

PTSD – Post-Traumatic Stress Disorder
PTSD is an anxiety disorder that can occur following the experience or witnessing of life-threatening events, such as military combat, natural disasters, terrorist incidents, serious accidents, or violent personal assaults such as rape. People who suffer from PTSD often relive the experience through nightmares and flashbacks, have difficulty sleeping, and feel detached or estranged. These symptoms can be severe enough and last long enough to significantly impair the person's daily life. Common PTSD stressors in Veterans include war zone stress (e.g., combat and exposure to mass casualty situations), the crash of a military aircraft, or sexual assault. VA is committed to providing an integrated, comprehensive, and cost-effective continuum of care for Veterans with PTSD. (Medical Care)

Research and Development
Research and development investments are expenses included in the calculation of net costs to support the search for new or refined knowledge and ideas and for the application or use of such knowledge and ideas for the development of new and improved products and processes, with the expectation of maintaining or increasing national economic productivity capacity or yielding other future benefits. (Financial)

Revolving funds
This term is defined as a fund used to finance a cycle of business-like operations through collections of amounts received from the sale of products or services. The collections are used to finance its spending, usually on a self-sustaining basis. Revolving funds record the collections and the outlays of revolving funds in the same Treasury account. A revolving fund is a form of permanent appropriation receiving authority to spend the collections; the fund does not generally receive appropriations. (Financial)

Significant Deficiency
A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements, that is more than inconsequential, will not be prevented or detected by the entity's internal control. (Financial)

Special funds
This term is defined as an appropriation account established to record appropriations, obligations, and outlays financed by the proceeds of special fund receipts, which are dedicated collections by law for a specific purpose or program. Medical Care Collections Fund and Lease of Land and Building (NCA Facilities Operation Fund) are special funds. (Financial)

State and Tribal Organization Veterans Cemeteries
State and Tribal Organization Veterans Cemeteries, which complement VA's system of national cemeteries, provide burial options for eligible Veterans and their family members. These cemeteries may be established by States or Tribal Organizations with the assistance of VA's Veterans Cemetery Grants Program (VCGP). The VCGP provides grants to states and tribal organizations of up to 100 percent of the cost of establishing, expanding, or improving State and Tribal Organization Veterans Cemeteries. (Burial)

Statement of Budgetary Resources
This term is defined as a financial statement that provides assurance that the amounts obligated or spent did not exceed the available budget authority, obligations and outlays were for the purposes intended in the appropriations and authorizing legislation, other legal requirements pertaining to the account have been met, and the amounts are properly classified and accurately reported. (Financial)

Statement of Changes in Net Position
This term is defined as a financial statement that provides the manner in which VA's net costs were financed and the resulting effect on the Department's net position. (Financial)

Statement of Net Costs
This term is defined as a financial statement that provides information to help the reader understand the net costs of providing specific programs and activities, and the composition of and changes in these costs. (Financial)

Statement of Written Assurance
A statement of written assurance is required by the FMFIA. Each year, the head of each executive agency must prepare a statement that the agency's systems of internal accounting and administrative control fully comply with the requirements of the law, or that they do not comply. In the latter case, the head of the agency must provide a report that identifies (1) the material weaknesses in the agency's system of internal accounting and administrative controls and (2) the plans and schedules for correcting any such weaknesses. (Financial)

Status of Budgetary Resources
This term is defined as the obligations incurred, the unobligated balances at the end of the period that remain available, and unobligated balances at the end of the period that are unavailable except to adjust or liquidate prior year obligations. (Financial)

Stewardship Property, Plant, and Equipment (PP&E)
This term is defined as assets whose physical properties resemble those of general PP&E that are traditionally capitalized in financial statements. However, due to the nature of these assets, (1) valuation would be difficult and (2) matching costs with specific periods would not be meaningful. Stewardship PP&E consists of heritage assets, national defense PP&E, and Stewardship Land. (Financial)

Telehealth
This term is defined as the use of electronic communications and information technology to provide and support health care when distance separates the participants. It includes health care practitioners interacting with patients, and patients interacting with other patients. (Medical Care)

Telemedicine
This term is defined as the provision of care by a licensed independent health care provider who directs, diagnoses, or provides clinical treatment via electronic communications and information technology when distance separates the provider and the patient. (Medical Care)

Traumatic Brain Injury
A structural and/or physiological disruption of brain function resulting from an external force.

Unobligated Balances
This term is defined as balances of budgetary resources that have not yet been obligated. (Financial)

VA Domiciliary
A VA domiciliary provides comprehensive health and social services in a VA facility for eligible Veterans who are ambulatory and do not require the level of care provided in nursing homes. (Medical Care)

VA Hospital
A VA hospital is an institution that is owned, staffed, and operated by VA and whose primary function is to provide inpatient services. Note: Each division of an integrated medical center is counted as a separate hospital. (Medical Care)

VA National Cemetery
A VA national cemetery provides gravesites for the interment of deceased Veterans and their eligible family members. VA's 131 national cemeteries are national shrines that are important sites for patriotic and commemorative events. (Burial)

VA Regional Office
A VA regional office is located in each state plus Puerto Rico and the Philippines. The regional offices receive and process claims for VA benefits. (VBA)

Vendee loans
This term is defined as direct loans issued by VA to a third-party borrower for the acquisition price of foreclosed real estate sold by VA after the transfer of the property to VA by a private sector mortgage lender upon default of a loan subject to the VA Loan Guaranty Program. (Financial)

Veterans Integrated Service Network (VISN)
VA's 21 VISNs are integrated networks of health care facilities that provide coordinated services to Veterans to facilitate continuity through all phases of health care and to maximize the use of resources. (Medical Care)

Virtual Lifetime Electronic Record (VLER)
VLER is a multi-faceted business and technology initiative that includes a portfolio of health, benefits, personnel, and administrative information sharing capabilities. It provides Veterans, Service members, their families, care-givers, and service providers with a single source of information for health and benefits in a way that is secure and is authorized by the Veteran or Service member. (VBA)

Abbreviations and Acronyms

ACSI
American Customer Satisfaction Index

AFGE
American Federation of Government Employees

ALS
Amyotrophic Lateral Sclerosis

AMC
Appeals Management Center

ARRA
American Recovery and Reinvestment Act of 2009

BDD
Benefits Delivery at Discharge

BDN
Benefits Delivery Network

BHIE
Bi-Directional Health Information Exchange

BOSS
Burial Operations Support System

BPA
Blanket Purchase Agreement

BVA
Board of Veterans' Appeals

C&A
Certification and Accreditation

C&P
Compensation and Pension

CAMS
Capital Asset Management System

CAP
Combined Assessment Program

CARES
Capital Asset Realignment for Enhanced Services

CBOC
Community-based Outpatient Clinic

CFS
Consolidated Financial Statements

CHAMPVA
Civilian Health and Medical Program of the Department of Veterans Affairs

CIO
Chief Information Officer

CMOP
Consolidated Mail Outpatient Pharmacy

COOP
Continuity of Operations Plan

COTS
Commercial Off-the-Shelf

COVERS
Control of Veterans Records System

CPGI
Clinical Practice Guideline Index

CPEP
Compensation and Pension Examination Program

CSRS
Civil Service Retirement System

DMDC
Defense Manpower Data Center

DIC
Dependency and Indemnity Compensation

DOOR
Distribution of Operational Resources

EA
Enterprise Architecture

E-GOV
Electronic Government

EVM
Earned Value Management

EVR
Eligibility Verification Reports

EWL
Electronic Wait List

F&FE
Fiduciary and Field Examination

FASAB
Federal Accounting Standards Advisory Board

FASB
Financial Accounting Standards Board

FDC
Fully Developed Claims

FECA
Federal Employees' Compensation Act

FERS
Federal Employees Retirement System

FFMIA
Federal Financial Management Improvement Act

FHIE
Federal Health Information Exchange

FISMA
Federal Information Security Management Act

FMS
Financial Management System

FRPC
Federal Real Property Council

FSC
Financial Services Center

FTE
Full-time Equivalent

GAO
Government Accountability Office

GPRA
Government Performance and Results Act

HAC
Health Administration Center

HIPAA
Health Information Portability and Accountability Act

HRPP
Human Research Protection Program

IDES
Integrated Disability Evaluation System

IHS
Indian Health Service

IPERA
Improper Payments Elimination and Recovery Act

IVM
Income Verification Match

JFMIP
Joint Financial Management Improvement Program

LGY

Loan Guaranty

LTC
Long-Term Care

MCCF
Medical Care Collections Fund

MSN
Memorial Service Network

MTF
Military Treatment Facility

NAC
National Acquisition Center

NAGE
National Association of Government Employees

NCA
National Cemetery Administration

NDMS
National Disaster Medical System

NRP
National Response Plan

OAI
Organizational Assessment and Improvement

OBO
Office of Business Oversight

OEF/OIF/OND
Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn

OGC
Office of General Counsel

OIG
Office of Inspector General

OLCS
On Line Certification System

OWCP
Office of Workers' Compensation Program

PAID
Personnel and Accounting Integrated Data

PAR
Performance and Accountability Report

PMAS
Project Management Accountability System

PMC
Pension Maintenance Center

PMP
Project Management Plan

PP&E
Property, Plant & Equipment

PPA
Prompt Payment Act

PTSD
Post-Traumatic Stress Disorder

QA
Quality Assurance

RPO
Regional Processing Office

RVSR
Rating Veterans Service Representative

SAH
Specially Adapted Housing

SAM
Strategic Asset Management

SCI
Spinal Cord Injury

SCIP
Strategic Capital Investment Plan

SFFAS
Statement of Federal Financial Accounting Standards

SGLI
Servicemembers' Group Life Insurance

SMC
Strategic Management Council

SPAWAR
Space and Naval Warfare Systems Center

SSA
Social Security Administration

STAR
Systematic Technical Accuracy Review

TBI
Traumatic Brain Injury

TOP
Treasury Offset Program

VAMC
VA Medical Center

VARO
VA Regional Office

VBA
Veterans Benefits Administration

VBMS
Veterans Benefits Management System

VCAA
Veterans Claims Assistance Act

VETSNET
Veterans Services Network

VGLI
Veteran's Group Life Insurance

VLER
Virtual Lifetime Electronic Record

VHA
Veterans Health Administration

VistA
Veterans Information System and
Technology Architecture

VRM
Veterans Relationship Management

VR&E
Vocational Rehabilitation and Employment

VSSC
VHA Support Service Center

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