

**Department of
Veterans Affairs**

Memorandum

Date: **FEB - 3 2015**
From: Secretary (00)
Subj: Fiscal Year 2014 Fourth Quarter Report on High-Dollar Overpayments (VAIQ # 7432912)
To: Inspector General (50)

1. In accordance with the Office of Management and Budget Circular A-123, Appendix C, issued October 20, 2014, agencies with programs susceptible to significant improper payments under the Improper Payments Information Act are required to report high-dollar overpayments that occurred within those specific programs to the Agency's Inspector General and the Council of Inspectors General on Integrity and Efficiency and to make this report available to the public. In VA's Fiscal Year 2014 Performance and Accountability Report, the following programs were reported as susceptible to significant improper payments or high-risk.

- Beneficiary Travel
- Civilian Health and Medical Program of the Department of Veterans Affairs
- Non-VA Medical Care
- Veterans Health Administration (VHA) - Purchased Long-Term Services and Support
- State Home Per Diem Grants
- VHA - Supplies and Materials
- Compensation
- Pension
- Vocational Rehabilitation and Employment
- Veterans Benefits Administration - Education (Chapter 33, Chapter 1606, and Chapter 1607)
- Disaster Relief Act – Hurricane Sandy (DRA – HS)
- Payments to Federal Employees (PFE – Payroll)

2. During the fourth quarter, VA's high-risk programs made \$2.8 million in high-dollar overpayments. The attached report provides the total amount of high-dollar overpayments made from those high-risk programs, the actions taken or planned to recover the overpayments, and the actions taken or planned to prevent re-occurrence.

3. If you have any questions, please have a member of your staff contact Ms. Laurie Park, Deputy Assistant Secretary for Finance, at (202) 461-6180.



Robert A. McDonald

Attachment

Executive Order 13520 – Reducing Improper Payments
Department of Veterans Affairs
Fiscal Year (FY) 2014 Fourth Quarter High-Dollar Overpayments Report

Total Payments Made in Quarter for the Programs Reported: \$18,594,905,396

Total High-Dollar Overpayments Made in Quarter: \$2,848,999

Actions/Plans to Recover Overpayments:

1. VA will provide a Notice of Indebtedness to the debtor informing them of VA's intent to recover the debt, remedies, and the consequences of failure to cooperate with collection efforts. VA will aggressively pursue the collection of delinquent debts through all means necessary, including but not limited to internal offset from current or future benefit payments, installment agreements, or the use of the Treasury Offset Program.

Overall Actions/Plans to Prevent Re-occurrence of Improper Payments:

2. VA is working to prevent re-occurrence of improper payments in its high-risk programs by implementing corrective action plans (CAP) published in the FY2014 Performance and Accountability Report (PAR). Key overall actions to prevent future overpayments, as well as milestones from the published CAPs are:
 - Veterans Health Administration (VHA), Chief Business Office (CBO) will increase awareness of eligibility and claims issues identified by internal audits by tracking and correcting claims, and providing training to staff where and when errors are identified.
 - VA's Financial Services Center will implement the Invoice Payment Processing System, which includes enhanced duplicate payment detection capabilities along with the ability to import electronic invoices in one standard format. These technological advances are designed to reduce all types of payment errors, including duplicate payments.
 - VHA's Field Assistance Program will further develop the national non-VA Care training program, which includes guidance and training through The Bulletin (a publication for the non-VA Medical Care community), monthly calls, as well as developing curriculum on claims processing, and focused trainings targeting identified areas of concern such as determining correct payment authority and correct payment amount.
 - VHA's Fee Basis Claims System Patch 39 reduces improper payments by identifying potential duplicate claims, addressing emergency claim timely filing requirements under Title 38 United States Code 1725, and reviewing high-dollar claims over \$25,000.
 - VHA's Geriatrics and Extended Care Office will release a tool-kit and checklist for completing the authorization template that will include accurate rate information, which will reduce payment errors made in the incorrect

amount, prevent the wrong schedule being used, and improve the claim approval process. It will also prompt the review of contracts to ensure they are current.

- Veterans Benefits Administration (VBA) will identify ways to streamline processing for drill pay, timely process dependency claims, and provide standards to increase the number of dependency claims completed through Rules Based Processing System.
- VBA continues to implement improvements to increase the skill certification pass rate which will reduce error rates associated with both rating and non-rating claims processing and increase overall quality results to align with agency goal of 98 percent quality goal by 2015.
- VBA continues to analyze errors discovered during Systematic Technical Accuracy Reviews for trends that may contribute to verification errors. Quality Assurance staff will review and disseminate findings to the Pension Management Centers, enabling claim-specific error training to remedy errors.
- VBA will adjudicate Do Not Pay Death Master File matches and implement the automatic suspension of benefit payments to Veterans and beneficiaries upon notice of death through data received from Social Security Administration.
- VBA will update procedures to include documentation imaging requirements and review existing policy guidance to determine if new guidance/procedure is required for Medicaid Nursing Home adjustments and automation of benefit adjustments when beneficiary enters a Medicaid Approved Nursing Home.