Goal: Getting Payments Right

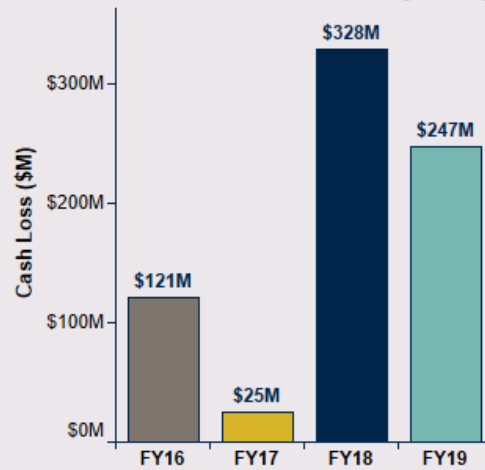| Program or Activity	Reporting Period
Pension	Q4 2020

Change from Previous FY ($M) — **-$81M** ⬇

VA
Pension

Brief Program Description:
The Pension program helps Veterans and their families cope with financial challenges by providing supplemental income through Veterans Pension and Survivors Pension benefit program.

Key Milestones

	Key Milestones	Status	ECD
1	Develop mitigation strategies to get the payment right the first time	Completed	Nov-18
2	Evaluate the ROI of the mitigation strategy	On-Track	Dec-21
3	Determine which strategies have the best ROI to prevent cash loss	On-Track	Dec-21
4	Implement new mitigation strategies to prevent cash loss	Completed	Jan-20
5	Analyze results of implementing new strategies	On-Track	Dec-21

Cash Loss by FY ($M)

Bar chart — Cash Loss ($M): FY16 $121M, FY17 $25M, FY18 $328M, FY19 $247M

Quarterly Progress Goals

		Quarterly Progress Goals	Status	Notes	ECD
1	Q4 2020	Implement current Cost of Living Adjustment (COLA) and ensure defects have been addressed.	On-Track	Testing completed October 29-23, 2020.	Nov-20
2	Q4 2020	With the Automation of Special Monthly Pension there will be a reduction in improper payments related to income changes not reported timely by beneficiaries.	On-Track	Project plan to deploy functionality for income and medical expense adjustments to running or existing awards.	Dec-20

Recent Accomplishments

		Date
1	P&F Service and the Office of Business Process Integration (OBPI) developed requirements and deployed functionality via automation for Non-service-connected burial claims.	Jun-20
2	P&F Service and the OBPI developed requirements and deployed functionality via automation of Dependency and Indemnity Compensation claims utilizing end to end process resulting in award decision and release of notification letter to claimants.	Aug-20
3	P&F Service and the OBPI developed requirements and deployed functionality to process Veteran and Survivor claims based on basic eligibility factors (service and dependency) with ability to evaluate presumptive conditions.	Oct-20

Amt($)	Root Cause	Root Cause Description	Mitigation Strategy	Anticipated Impact of Mitigation
$173M	Failure to verify: financial data	Income changes not reported timely by beneficiaries.	Extend Federal Tax Information (FTI) functionality to claims for special monthly pension, dependency, and medical adjustments within automation. Perform Social Security Administration (SSA) Income Match for new beneficiaries from age 62 to 66.	By automating functionality there will be a reduction in improper payments related to income changes not reported timely by beneficiaries.
$16M	Program design or structural issues	Cost of Living Adjustments not automatically updated during batch processing.	Pension and Fiduciary Service (P&F) conducts detailed Cost of Living Adjustment (COLA) testing and review of automation before the COLA is applied to all award payments to ensure the update goes through properly.	End products are automatically created when errors in the COLA process are found to be individually remedied, leading to a reduction of improper payments.
$6M	Administrative or process errors made by: federal agency	Ensure claim processors make accurate decision using applicable laws, policies and procedures	Conduct Special Focus Reviews (SFRs) to prevent ongoing improper payments and provide timely training and procedural updates. Review running awards to determine if recipient received newly unreported income.	By conducting these reviews there will be an increase in the quality and accuracy of claims processed, resulting in a reduction of improper payments.

Cash Loss - Cash loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.