



## Part IV. Other Accompanying Information

### ***Schedule of Spending (Unaudited)***

The Schedule of Spending (SOS) presents an overview of how and where VA is obligating and 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 and year to date total obligations incurred 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 Information to permit VA to explore the optimal means of implementation and reporting. VA is interested in public feedback from the users of the financial statements regarding the presentation and classification of the data in the schedule of spending to evaluate the usefulness of the information as presented and possible alternatives to the current presentation, if necessary, to meet VA users' needs.

The SOS is presented in three sections as required for CFO Act agencies in 2014. 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/Issued?" This section of the SOS presents services or items that were purchased and how obligations are incurred or the payment type 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 and payment types 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.

The third section is entitled "Who did the Money go to?" and reconciles to obligations incurred in the SBR. This section of the SOS presents obligations incurred as either



Federal or Non-Federal obligations within each VA Administration. VA does not have any special lines of business or special trading partners beyond the existing presentation that requires separate disclosure to accurately reflect its business activities.

VA is in the process of integrating the current financial reporting and management assurance frameworks with publicly reported prime award Federal spending on USAspending.gov. VA is comparing and validating the accuracy and completeness of prime award financial data reported to USAspending.gov with the SOS as integration proceeds. Discrepancies between USAspending.gov and the SOS and related internal controls required to meet the reporting requirements are being addressed by VA as the integration process continues.

USAspending.gov prime award financial data for VA contracts, grants and insurance is a subset of the obligations incurred and reported in the SBR and the SOS financial systems but is based on and reported when amounts are paid not when obligations are incurred which creates timing and reconciliation requirements between the two sets of data. Additionally, the current USAspending.gov data is not integrated with or maintained in the same financial management and reporting system as the SBR and the SOS and does not track or report data by an obligations incurred number as reported in the SBR and SOS financial management system. VA is currently working on a system solution to cost effectively address timing differences and reconcile the data in both systems to enable it to integrate the current financial reporting and management assurance frameworks, validate the accuracy and completeness of the prime award financial data and provide assurance that internal controls are operating effectively when these new reporting requirements become effective. This process is not meant to supplant existing VA processes currently established that reconcile USAspending.gov prime award data with the SBR or the SF-133.

The following table summarizes the Schedule of Spending for the year ended September 30, 2014. At the bottom of the second section entitled "How was the Money Spent/Issued?" and the third section entitled "Who did the Money go to?", a separate line entitled, "Reconciling Adjustment for Prior Year Recoveries" reflects VA's estimate of recoveries of prior year unpaid obligations for 2014 totaling \$2.5 billion. This adjustment was recorded as an increase in "Recoveries of Prior Year Unpaid Obligations" and an increase in "Obligations Incurred" in the Combined Statement of Budgetary Resources for the year ended September 30, 2014. The Schedule of Spending reports Obligations Incurred as reported in the Statement of Budgetary Resources in accordance with OMB guidelines. However, VA's systems require extensive modification to properly account for the prior year recoveries in the base level of fund account and U.S. Standard General Ledger (USSGL) detail to conform with OMB and Treasury guidelines.

During 2014, the coding was completed to implement the Design Document requirements. VA held meetings with representatives of all groups with prior year



recoveries to explain how the core accounting system would be enabled to properly identify prior year recoveries, systematically monitor reappropriated budget authority and track both for internal and external financial reporting. Extensive testing was performed by the software developer, the system quality assurance service, and representatives of the user community. VA followed a detailed project plan with final end to end testing that resulted in a decision to install the automated systems solution at the start of 2015. Throughout 2014, VA continued a manual review process to identify prior year recoveries and quantified an estimate to be recorded at the VA combined level, not at the detailed fund account level. Therefore, the adjustments have not been reflected in the BOCs by Administration, but set out separately to reconcile the information with obligations incurred.



# DEPARTMENT OF VETERANS AFFAIRS

## SCHEDULE OF SPENDING – UNAUDITED (dollars in millions)

FOR THE YEAR ENDED SEPTEMBER 30,

	2014		2013	
	Budgetary	Non-Budgetary Credit Program	Budgetary	Non-Budgetary Credit Program
<b>What Money is Available to Spend?</b>				
Total Resources	\$ 187,112	\$ 10,450	\$ 163,344	\$ 8,314
Less Amount Available but Not Agreed to be Spent	(7,305)	-	(6,984)	-
Less Amount Not Available to be Spent	(19,141)	(7,529)	(3,917)	(5,167)
<b>Total Amounts Agreed to be Spent</b>	<b>\$ 160,666</b>	<b>\$ 2,921</b>	<b>\$ 152,443</b>	<b>\$ 3,147</b>
<b>How was the Money Spent/Issued?</b>				
<i>Veterans Health Administration</i>				
Personnel Compensation and Benefits	\$ 30,502	\$ -	\$ 28,924	\$ -
Other Contractual Services	14,177	-	13,468	-
Supplies and Materials	9,447	-	8,686	-
Land and Structures	2,523	-	2,956	-
Equipment	1,825	-	2,426	-
Rent, Communications and Utilities	2,196	-	2,026	-
Grants, Subsidies and Contributions	1,658	-	1,626	-
Travel and Transportation of Persons	967	-	963	-
Other	67	-	129	-
<i>Veterans Benefits Administration (Including Veterans Benefits, Life Insurance, Housing Credit and Administration)</i>				
Insurance Claims and Indemnities*	72,221	937	67,371	1,120
Grants, Subsidies and Contributions**	15,880	75	14,767	227
Personnel Compensation and Benefits	2,009	-	1,905	-
Other Contractual Services	779	313	503	221
Rent, Communications and Utilities	155	-	136	-
Interest and Dividends	208	37	133	40
Land and Structures	3	1,529	3	1,513
Other	109	30	108	26
<i>National Cemetery Administration</i>				
Personnel Compensation and Benefits	136	-	133	-
Other Contractual Services	83	-	88	-
Grants, Subsidies and Contributions	51	-	35	-
Supplies and Materials	10	-	10	-
Rent, Communications and Utilities	11	-	9	-
Other	13	-	12	-
<i>Indirect Program Administration</i>				
Other Contractual Services	910	-	1,532	-
Personnel Compensation and Benefits	771	-	725	-
Equipment	902	-	500	-
Supplies and Materials	369	-	415	-
Rent, Communications and Utilities	143	-	111	-
Other	31	-	43	-
<i>Reconciling Adjustment for Prior Year Recoveries</i>	2,510	-	2,700	-
<b>Total Amounts Agreed to be Spent</b>	<b>\$ 160,666</b>	<b>2,921</b>	<b>\$ 152,443</b>	<b>\$ 3,147</b>



# DEPARTMENT OF VETERANS AFFAIRS

## SCHEDULE OF SPENDING – UNAUDITED (dollars in millions)

FOR THE YEAR ENDED SEPTEMBER 30,

	2014		2013	
	Budgetary	Non-Budgetary Credit Program	Budgetary	Non-Budgetary Credit Program
<b>Where did the Money go to?</b>				
<i>Veterans Health Administration</i>				
Federal	8,450	-	8,506	-
Non-Federal	54,912	-	52,698	-
<i>Veterans Benefits Administration (Including Veterans Benefits, Life Insurance, Housing Credit and Administration)</i>				
Federal	2,908	37	2,170	54
Non-Federal	88,454	2,884	82,756	3,093
<i>National Cemetery Administration</i>				
Federal	48	-	39	-
Non-Federal	258	-	248	-
<i>Indirect Program Administration</i>				
Federal	542	-	538	-
Non-Federal	2,584	-	2,788	-
<i>Reconciling Adjustment for Prior Year Recoveries</i>	2,510	-	2,700	-
<b>Total Amounts Agreed to be Spent</b>	<b>\$ 160,666</b>	<b>\$ 2,921</b>	<b>\$ 152,443</b>	<b>\$ 3,147</b>

\*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.



## ***Summary of Financial Statement Audit and Management Assurances***

The following tables provide a summary of audit-identified material weaknesses and non-compliance with the Federal Financial Management Improvement Act (FFMIA) and Federal financial management system requirements outlined in the 2014 Performance and Accountability Report. The title of the material weakness is consistent throughout this section and in the entire document.

During 2014, VA continued its remediation plans to correct the one material weakness identified for "Information Technology (IT) Security Controls." As of September 30, 2014, VA continues to report one material weakness related to "Information Technology (IT) Security Controls."

No new material weaknesses were found in the design or operation of internal controls during 2014 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 FFMIA sections 2 and 4. Under FFMIA Section 803(a) for 2014, VA reported non-compliance with Federal financial management system requirements related to the material weakness for "Information Technology (IT) Security Controls." VA also reported a lack of substantial compliance with Federal accounting standards related to the Debt Collection Improvement Act.



**Table 1 - Summary of Financial Statement Audit**

Audit Opinion	<b>Unmodified</b>				
Restatement	<b>Yes</b>				
	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Material Weaknesses					
IT Security Controls	✓				✓
<i>Total Material Weaknesses</i>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

**Table 2 - Summary of Management Assurances**

<b>Effectiveness of Internal Control over Financial Reporting (FMFIA – § 2)</b>						
Statement of Assurance	<b>Unqualified</b>					
	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Material Weaknesses						
<i>Total Material Weaknesses</i>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Effectiveness of Internal Control over Operations (FMFIA – § 2)</b>						
Statement of Assurance	<b>Unqualified</b>					
	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Material Weaknesses						
<i>Total Material Weaknesses</i>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Conformance with Financial Management System Requirements (FMFIA – § 4)</b>						
Statement of Assurance	<b>Conform except for the non-conformance findings below</b>					
	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Material Non-Conformances						
IT Security Controls *	✓					✓
<i>Total Non-Conformances</i>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Compliance with Federal Financial Management Improvement Act (FFMIA)</b>						
	<b>Agency</b>			<b>Auditor</b>		
1. System Requirements	<b>Lack of substantial compliance noted</b>			<b>Lack of substantial compliance noted</b>		
2. Accounting Standards**	<b>No Lack of substantial compliance noted</b>			<b>No Lack of substantial compliance noted</b>		
3. USSGL at Transaction Level	<b>No lack of substantial compliance noted</b>			<b>No lack of substantial compliance noted</b>		

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

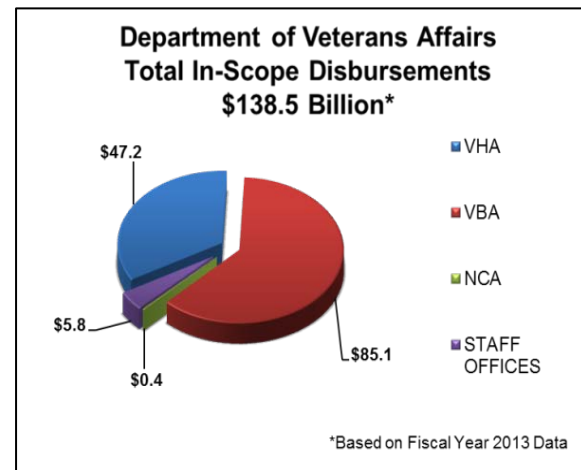
\*\*Note: There is a Secretarial decision not to charge Veterans interest and administrative costs on benefit related debts.



# Improper Payments Elimination and Recovery Act of 2010 (IPERA) Report

## Overview

The reduction of improper payments is a top financial management priority for VA. As such, VA has been working to understand and to correct the root causes of improper payments in addition to maintaining and enhancing the many programs and activities already in place to prevent, detect and reduce improper payments (e.g., prepayment and analytical reviews). VHA's Program Integrity Tool won the Excellence.Gov Award for Excellence in Innovation Pilots and Start-up Projects in 2014 and the Non-VA Care Quality Inspector Tool was a finalist for the Nextgov Bold Award in 2013.



In 2013, VA issued \$150.4 billion in diverse payments, of which \$138.5 billion were subject to IPERA processes for improper payments. The amount of disbursements subject to review increased by more than \$30 billion from 2012 to 2013, a 34 percent increase due primarily to VA's success in reducing the claims backlog during 2013, the inclusion of Payments to Federal Employees – Payroll (PFE – Payroll), and payments from Disaster Relief Act – Hurricane Sandy (DRA – HS).

VA is comprised of three Administrations and a central office function. A brief description of the four VA components follows:

### VHA

VHA manages 21 Veterans Integrated Service Networks (VISNs) with 150 VA Medical Centers (VAMCs) nationwide to provide efficient, accessible health care to Veterans in their areas.

### VBA

VBA manages four area offices and 57 Regional Offices across the country to ensure necessary benefits and services are administered to Servicemembers, Veterans, and their families. At the beginning of 2014, the Pension program implemented upfront verification of income agreements between VBA and the Internal Revenue Service and the Social Security Administration (SSA), which include timely verification of income received from all sources by a claimant prior to eligibility for VA benefits being determined. VBA also began automatically suspending benefit payments to Veterans and beneficiaries upon notice of death through data received from SSA daily. Program enhancements are intended to have a positive impact on the reduction of improper payments in the coming years.





## **NCA**

NCA manages 5 Memorial Service Networks (MSNs) and 131 National Cemeteries in 40 states and Puerto Rico, as well as 33 soldiers' lots and monuments. NCA provides Veterans and their families with final resting places in national shrines and with lasting tributes that commemorate their service and sacrifice to our Nation.

## **Staff Offices**

The VA Central Office is comprised of eight entities that serve as the managerial, policy, and administrative hub for Departmental activities.

## **Section I. This section describes the risk assessments performed for VA programs.**

Annually, VA systematically reviews all programs and outlays to identify those that may be highly susceptible to significant improper payments. Risk assessment activities for the Administrations and Staff Offices are described below:

## **VHA**

VHA has 30 IPERA programs; 5 were determined to be high risk. VHA's 2014 high risk programs are: Beneficiary Travel; Civilian Health and Medical Program of the VA (CHAMPVA); Non-VA Medical Care<sup>1</sup>; Purchased Long Term Services and Supports, and State Home Per Diem Grants. The Supplies and Materials program was identified as low risk but was included for testing as the program has not reported two consecutive years of improper payment amounts below reporting thresholds.

## **VBA**

VBA has 24 IPERA programs; 3 were deemed high risk: Disability Compensation, Pension, and the Post-9/11 GI Bill (Chapter 33) education program. The Vocational Rehabilitation and Employment Beneficiary Payments (VR&E) and two education programs, Montgomery GI Bill – Selected Reserve (Chapter 1606) and Reserve Educational Assistance Program (Chapter 1607), were identified as low risk but were included for testing based on program management decision.

## **NCA**

NCA has one IPERA program which was assessed as low risk in 2013. NCA continued to enforce strong internal controls in 2014.

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<sup>1</sup> In prior years, VHA reported the Non-VA Care Fee program as one program. Beginning in 2014, the Non-VA Care Fee program has been separated into two separate programs, Non-VA Medical Care and Purchased Long Term Services and Supports, for increased visibility and accountability. Both programs are high risk for 2014.



### **Staff Offices**

Staff Offices have ten IPERA programs; two were considered high risk. The Staff Offices' high risk programs are Disaster Relief Act – Hurricane Sandy and Payments to Federal Employees – Payroll.

## **Section II. This section describes the statistical sampling process performed for VA programs.**

Consistent with the prior year's statistical sampling approach, VA used a stratified sample design to separate the payment data into homogeneous strata by sub-program(s), sub-organization, or by type and dollar amount. The payments were ordered by amount within each stratum and a systematic random sample was selected to ensure a consistent representation of the payment universe. The sample size for each stratum was calculated using a proportional allocation method. By this technique, strata representing 50 percent of the payments for a program had 50 percent of samples, and strata representing 20 percent of the payments had 20 percent of the samples. Sample sizes varied by program and were determined using historical error rates and power estimates that would meet precision requirements. Payments selected for testing were then reviewed against program specific criteria to determine if the payment was proper. In 2015, VA will refine testing criteria for several of its programs in order to provide more precise improper payment data.

## **Section III. This section describes corrective actions planned and error types for VA programs.**

In 2014, 9 of the 12 tested programs had estimated improper payments greater than \$10 million. Corrective action plans for each of those programs follow.

### **1. Beneficiary Travel**

The Beneficiary Travel program is organizationally aligned under the VHA Chief Business Office (CBO). The program consists of mileage reimbursement and special mode transportation (ambulance, wheelchair van, etc.) to eligible Veterans and other beneficiaries. Improper payments totaled \$41.6 million with administrative and documentation errors accounting for 77 percent of the improper payments and verification errors accounting for 23 percent of the improper payments. Improper payments identified through testing totaled \$223,997. Identified overpayments will be recaptured through normal collection activities available to VA.

### **Corrective Action Plan**

CBO will implement, or has implemented, the following corrective actions to ensure greater compliance. With the implementation of the below actions, VA expects to reduce improper payments by 0.09 percentage points in 2015.



## **Program Compliance**

- April 2014, compliance certifications were required nationwide to confirm facility implementation of the Beneficiary Travel Eligibility Review, data mining analytical tools, and the supplemental tool to the Veterans Health Information Systems and Technology Architecture VistA beneficiary travel application, that when implemented increases automation and decreases manual errors in the field..
- June 2014, full staffing for the Beneficiary Travel CBO Program Review Team was established to ensure corrective action plans are successfully executed and root causes of errors are addressed.
- Fourth quarter 2014, the SharePoint Scheduling and Reporting System (SPSRS), to improve payment tracking, is currently in phase one testing. With built-in scheduling and document storage capabilities, SPSRS offers new reporting metrics and allows the VISN and Program Office access to real-time payment information.

## **Training Process Improvements**

- December 2013, CBO released an online Beneficiary Travel national training certification to increase standardization of processes in the field. Additionally, recurring national training sessions are conducted for Beneficiary Travel staff on relevant issues such as covered benefits, increasing field compliance with established policies, and improving consistencies in payment methodologies.
- January 2014, CBO released, on VA Forms Database, a new beneficiary travel claims form to use when the Veteran is not requesting beneficiary travel benefits in person. In July 2014, the form was implemented nationally. The new form will reduce the number of lack of documentation errors resulting from lack of beneficiary signature.
- Fourth quarter 2014, began SPSRS training for Mobility Managers and Business Implementation Officers. Implementation is scheduled to continue through fourth quarter 2015.

## **System Changes**

- December 2013, data mining analytic tools based on potentially problematic beneficiary behaviors were refined for improved efficiencies, reducing errors in duplicate payments, administrative eligibility, regulatory compliance, and payments made in the incorrect amount.
- March 2014, the Veterans Financial Application (VFA) Means Test Expiration Elimination was released as a Beneficiary Travel patch to improve reporting of claimant administrative eligibilities. Priority updates to complement the documentation of administrative eligibility using the Beneficiary Travel Calculator are in development and anticipated for a June 2015 release.
- May 2014, the CBO Review Team began meeting with facilities to verify proper configuration of the supplemental tool to the VistA beneficiary travel application. The tool streamlined and improved the processing of claims by using a standardized web-based mileage mechanism to ensure accurate mileage computation.
- December 2014, VA's Financial Services Center (FSC) 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.

- September 2015, patches to enhance the accuracy of Beneficiary Travel claims processing to address deductible issues, missing claim date information and expanded special mode account selection options are in development and scheduled to be released.

## **2. CHAMPVA**

CHAMPVA is a comprehensive health care program in which VA shares the cost of covered health care service and supplies with eligible beneficiaries. Improper payments totaled \$49.3 million with administrative and documentation errors accounting for 100 percent of improper payments. Improper payments identified through testing totaled \$148,836. Identified overpayments will be recaptured through normal collection activities available to VA.

### **Corrective Action Plan**

CBO will implement, or has implemented, the following corrective actions to ensure greater compliance. With the implementation of these actions, VA expects to reduce improper payments by 0.03 percentage points in 2015.

### **Program Compliance**

- July 2014, CBO began conducting manual reviews to validate the National Plan and Provider Enumeration System Medicare number and facility type designations on a quarterly basis and updating the system as necessary improving payment accuracy based on vendor selection.
- September 2014, CBO updated desk procedures on vendor file and proper payment processing that will decrease vendor file selection errors.
- September 2015, CBO will increase awareness of eligibility and claims issues identified by internal audits by tracking and correcting claims, and providing training where and when errors are identified.

### **Training Process Improvements**

- October 2014, CBO developed refresher training for the vendor management team handling the vendor file to decrease selection errors and data entry errors.
- September 2015, CBO will reinstate the "Think Tank" to engage front line employees in identifying and developing potential solutions to eliminate errors.

## **3. Non-VA Medical Care**

The Non-VA Medical Care program is used to provide timely and specialized care to eligible Veterans. The program allows VA to authorize Veteran care at a non-VA health care facility when the needed services are not available through VA, or when the Veteran is unable to travel to a VA facility. Improper payments totaled \$311.5 million with administrative and documentation errors accounting for 100 percent of the improper payments. Improper payments identified through testing totaled \$1 million.



Identified overpayments will be recaptured through normal collection activities available to VA.

### **Corrective Action Plan**

CBO will implement, or has implemented, the following corrective actions to ensure greater compliance. With the implementation of these actions, VA expects to reduce improper payments by 0.04 percentage points in 2015.

### **Program Compliance**

- December 2013, CBO implemented the Program Integrity Tool to reduce fraud, waste, and abuse and improve payment accuracy of claims in a pre-payment status. Through the application of business rules, the Program Integrity Tool scores claims based on their risk of being improper. The tool won the Excellence.Gov Award for Excellence in Innovation Pilots and Start-up Projects in 2014.
- December 2013, CBO deployed the Non-VA Care Quality Inspector Tool, which provides push-button inspection of all outpatient claims processed through the Fee Basis Claims System (FBCS) to ensure proper payment in a pre-payment status. Following field validation, cost avoidance is tracked and reported as operational efficiencies. The Quality Inspector Tool was a finalist for the Nextgov Bold Award in 2013.
- May 2014, the National Non-VA Care Program Office (NNPO) updated the Internal Controls Procedures Guide to strengthen internal controls related to payment processing.
- December 2014, the NNPO will develop desk procedures to replace the current procedure guides. The desk procedures will be a tool that contains information on topics currently found in multiple guides, making it easier to locate information in support of improved payment processing.
- September 2015, as part of the Veterans Access, Choice, and Accountability Act of 2014 implementation, and in coordination with the proposed Non-VA Care consolidated organizational model, NNPO will provide direct support, training and oversight of the Non-VA Care program.
- September 2015, CBO will make continuous strides in working towards the elimination of authorization and/or claims inventory backlogs.

### **Training Process Improvements**

- December 2014, NNPO will provide training forums on proper application of payment methodologies to increase payment accuracy.
- January 2015, 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), NNPO monthly calls, as well as developing curriculum on claims processing, and focused trainings targeting identified areas of concern such as determining correct payment authority.



#### **4. Purchased Long Term Services and Supports**

The Purchased Long Term Services and Supports program is organizationally aligned under the VHA Geriatrics and Extended Care (GEC) office that strives to advance quality care for aging and chronically ill Veterans by providing policy direction for the development, coordination, and integration of geriatrics and long term care clinical programs. Improper payments totaled \$122.9 million with administrative and documentation errors accounting for 100 percent of the improper payments. Improper payments identified through testing totaled \$167,012. Identified overpayments will be recaptured through normal collection activities available to VA.

#### **Corrective Action Plan**

GEC will implement, or has implemented, the following corrective actions to ensure greater compliance. With the implementation of these actions, VA expects to reduce improper payments by 0.05 percentage points in 2015.

#### **Program Compliance**

- June 2014, VHA developed a detailed documentation guidebook and checklist to better assist facilities in obtaining and providing proper supporting documentation to help reduce documentation errors.
- July 2014, VHA notified the field to use the Non-VA Care Coordination (NVCC)/GEC authorization template and FBCS for all Purchased Home and Community Based authorizations. The template will display the Veteran's need for service to determine proper clinical eligibility and provide documentation to adequately support the payment in a pre-payment status.
- November 2014, GEC will submit a change request to CBO for priority consideration to embed the Case-Mix and Budget Tool in the NVCC/GEC authorization template to verify a Veteran's need for service and the amount of service needed, which will reduce lack of documentation errors in the authorization.
- November 2014, GEC will release a tool-kit and checklist for completing the NVCC/GEC authorization template that will include accurate rate information, which will significantly 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.

#### **Training Process Improvements**

- December 2014, multiple training sessions will be conducted to educate the field on updated policies surrounding authorization and proper payment methodologies. Training will be held with national Purchased Long Term Services and Supports groups to include GEC VISN Leads and program staff at the VAMCs, and will focus on mandated use of the NVCC/GEC template, tool kit, and check list. This action will improve standardization of processes and compliance with established policies and procedures.
- December 2014, GEC will conduct separate training sessions with VHA contracting staff in the field to reiterate the importance of timely contract renewal processes, to ensure accurate authorizations are established.





## **5. State Home Per Diem Grants**

Under the State Home Per Diem Grants program, states may provide care for eligible Veterans in need of care in three different types of programs: Nursing Home, Domiciliary, and Adult Day Health Care. Improper payments totaled \$28.8 million with administrative and documentation errors accounting for 100 percent of the improper payments. Improper payments identified through testing totaled \$6.8 million. Identified overpayments will be recaptured through normal collection activities available to VA.

### **Corrective Action Plan**

CBO will implement, or has implemented, the following corrective actions to ensure greater compliance. With the implementation of these actions, VA expects to reduce improper payments by 0.02 percentage points in 2015.

### **Program Compliance**

- October 2013, a Bill of Collection procedure guide was developed and distributed to the field. It establishes guidelines for creating a bill of collection, instead of adjusting future payments, when improper payments are made to better track overpayments for collection and reporting purposes.
- August 2014, quick guides were completed to provide VAMC staff with step-by-step procedures for completing the admission application (10-10SH) and invoice certification.
- October 2014, CBO, in partnership with VISN 19, began a 12-month pilot for organizational change. CBO will use the results of this pilot to create an Executive Decision Memorandum to evaluate the options for system-wide programmatic changes with an estimated completion of September 2015.
- January 2015, the State Home Per Diem Handbook and procedure guides will be revised to facilitate standardization of program requirements and improve administrative inconsistencies.

### **Training Process Improvements**

- June 2014, the State Home Per Diem program provided training focused on duplicate payments to ensure VAMCs do not pay invoices from the state Veteran homes directly, and instead certify invoices for payment through VA's online certification system subjecting the payment to system generated internal controls.
- June 2014, the State Home Per Diem Program began providing ongoing quarterly training to VAMC staff on error findings identified in the IPERA audit to reduce improper payments at the field level.

### **System Changes**

- March 2014, CBO submitted an automated 10-10SH application form to OMB for approval. This advancement will ensure completion of required fields, enhancement of transmission, and electronic availability of the form, which reduces administrative errors in the field.
- September 2015, the State Home Per Diem program has been awarded funds under the Automated Grants Management program. With these funds, CBO will pursue



options to bring the program into compliance with the Digital Accountability and Transparency Act of 2014, increasing payment accuracy.

## **6. Supplies and Materials**

The majority of the Supplies and Materials program includes commodities, which are ordinarily consumed or expended within one year after being put into use. Improper payments totaled less than \$1 million with administrative and documentation errors accounting for 100 percent of the improper payments. Because the Supplies and Materials program has estimated improper payments of less than \$10 million, detailed corrective action plans and recoverable improper payments are not reported.

## **7. Compensation**

VA provides compensation to Veterans who are at least 10 percent disabled because of injuries or diseases that occurred or were aggravated during active military service. Improper payments totaled \$713 million with administrative and documentation errors accounting for 100 percent of the improper payments.

### **Corrective Action Plan**

VBA will implement, or has implemented, the following corrective actions to ensure greater compliance. With the implementation of these actions, VA expects to reduce improper payments by 0.09 percentage points in 2016.

### **Program Compliance**

VBA continues to improve training programs to reduce administrative and documentation errors by updating centralized training material. Additionally, VBA implemented the following controls to strengthen efficiency at Regional Office (ROs):

- 2013, VBA identified a working group to identify ways to streamline processing for drill pay, including a long-term goal of automation. Compensation Service continues to collaborate with applicable staffs to implement suggestions that include:
  - Use of Rules Based Processing System (RBPS) to automatically adjust certified drill pay waivers.
  - Development and revision of applicable forms to allow Veterans to waive drill pay.
  - Updating 38 Code of Federal Regulations (rulemaking) to simplify drill pay adjustments.
  - Utilizing an electronic feed from DoD to automate drill pay adjustments.
- 2013, VBA implemented the Skills Certification program (validation of knowledge of compensation claims processing) to improve organizational performance and professionalism of claims personnel. Through training, managers continue to implement improvements to increase the skill certification test pass rate. This reduces the error rates associated with both rating and non-rating claims processing. Compensation Service is in the process of identifying reasons for fail rates, which includes conducting training and reviewing test results. Compensation Service is also modifying the test to align with the organizational model and Public Law 110-189 based on the assessment of results. Compensation Service will then retest and reassess pass rates.





- 2014, VBA identified additional rules to increase the number of dependency claims completed through RBPS. The rate of completed claims through RPBS has increased from 37 percent to over 50 percent and continues to improve. Claims that are not processed (rejected) are reviewed to prevent a potential improper payment. VBA continues to make adjustments and improvements to the system to allow for more complete dependency claims.
- September 2015, VBA plans to improve the quality of results to align with VA's goal of 98 percent accuracy. To accomplish this, Compensation Service increased data analysis and disseminated feedback on error trends to Quality Review Teams and ROs, as well as posted results to SharePoint which increases transparency and reduces redundancy. Compensation Service also added quarterly local and national consistency studies through automation and provided error-trending input for the National Training Curriculum.

## **8. Pension**

VA helps Veterans and their families cope with financial challenges by providing supplemental income through Veterans Pension and Survivors Pension benefit programs. Improper payments totaled \$258.9 million with documentation and administrative errors accounting for 40 percent, verification errors accounting for 41 percent, and authentication and medical necessity accounting for 19 percent of the improper payments. Improper payments identified through testing will be recaptured through normal collection activities available to VA.

### **Corrective Action Plan**

VBA has implemented corrective actions that will help to alleviate non-receipt of information from the claimant or beneficiary on a timely basis. This is the greatest cause of administrative and documentation errors, as well as verification errors. VA expects to reduce improper payments by 0.39 percentage points in 2016.

### **Program Compliance**

- October 2013, VBA continued to analyze errors discovered during Systematic Technical Accuracy Reviews for trends that may contribute to verification errors. The quality assurance staff reviewed and disseminated findings to the Pension Management Centers, enabling claim-specific error training to remedy errors.
- March 2014, VBA completed implementation of upfront scanning, a process to scan all newly submitted claims to an electronic file, making them available for recall and testing. Through the implementation of this corrective action, Pension and Fiduciary Service will monitor the progression and projects a 20 percent reduction to documentation and administrative errors by the end of 2016.

## **9. Vocational Rehabilitation and Employment (VR&E)**

The VR&E program provides benefits and services to assist Veterans with service-connected disabilities that contribute to an employment handicap in preparing for, finding, and maintaining suitable employment. Improper payments totaled \$15.9 million with administrative and documentation errors accounting for 100 percent of the improper payments. These errors resulted in a 1.7 percent error rate of payments made by the VR&E program.



### **Corrective Action Plan**

VBA will implement, or has implemented, the following corrective actions to ensure greater compliance. With the implementation of these actions, VA expects to reduce improper payments by 0.31 percentage points in 2016.

### **Program Compliance**

- December 2015, nationwide deployment of an advanced training program on fiscal issues which will be aimed at training Vocational Rehabilitation Counselors (VRCs) on key control weaknesses previously identified during quality review testing.
- 2018, VRE&E plans to complete the implementation of the Subsistence Allowance Module (SAM). The national implementation of SAM will reduce human errors caused by manual calculations, therefore dramatically reducing improper payments. SAM is currently being tested at pilot sites.

### **10. Education – Chapter 33, Chapter 1606, and Chapter 1607**

For the third consecutive year, Education program related improper payments remained extremely low. Education's Chapter 33, Chapter 1606, and Chapter 1607 programs combined had improper payments of \$1.4 million with administrative and documentation errors accounting for 99 percent of the improper payments, and verification errors accounting for less than 1 percent. Because the Education programs had estimated improper payments of less than \$10 million, detailed corrective action plans and recoverable improper payments are not reported.

### **11. Disaster Relief Act – Hurricane Sandy (DRA – HS)**

Improper payments identified through testing totaled \$1,385 with administrative and documentation errors accounting for 100 percent of the improper payments. Because the DRA – HS program had estimated improper payments of less than \$10 million, detailed corrective action plans and recoverable improper payments are not reported.

### **12. Payments to Federal Employees (PFE – Payroll)**

This was the first year testing and estimating an error amount for PFE – Payroll. Improper payments were estimated to total \$32.6 million or 0.13 percent with verification errors accounting for 100 percent of the improper payments. The estimate was based on a sample of \$3.7 million in payments which resulted in a total, absolute value error amount of \$4,709 (0.13 percent).

### **Corrective Action Plan**

VA will implement, or has implemented, the following corrective actions to ensure greater compliance. VA expects to reduce improper payments by 0.02 percentage points over the next two years.

### **Program Compliance**

- May 2015, VA will review its policies on departing employees to determine the need to retain certain documentation in order to verify the accuracy of payments in post payment reviews.



- June 2015, VA will review its processes and improve controls for establishing and entering employee compensation rates in a timely manner.
- July 2015, VA will review position descriptions to validate that occupational codes are accurately classified according to the Fair Labor Standards Act (FSLA).

### **Training Process Improvements**

VHA released a tool for timekeepers in June of 2014 to assist them in navigating the complex rules for employees paid under U.S.C. Title 38, and those paid under both Title 38 and Title 5. The tool provides a two page summary of the rules relating to the most complex types of pay. It can be used as an easy reference for timekeepers to verify that time has been entered correctly. VA continues to refine its training through the use of these types of tools and through traditional training methods.

### **System Changes**

VA continues to implement its new time and attendance system. This system, called VA Time and Attendance System (VATAS) is being designed to mitigate errors on employee timesheets.



## Section IV. The table below lists VA's reportable programs.

**Table 1**  
**Improper Payment (IP) Reduction Outlook 2013–2017 (Based on 2013 – 2017 data)**  
(\$ in millions)

Program	2013 (based on 2012 actual data)			2014 (based on 2013 actual data)			2015 (based on 2014 estimated data)			2016 (based on 2015 estimated data)			2017 (based on 2016 estimated data)		
	OUTLAYS (\$)	IP %	IP \$	OUTLAYS (\$)	IP %	IP \$	OUTLAYS (\$)	IP % <sup>(1)</sup>	IP \$	OUTLAYS (\$)	IP %	IP \$	OUTLAYS (\$)	IP %	IP \$
Beneficiary Travel	749	9.04	67.67	817	5.09	41.55	842	5.00	42.10	867	4.90	42.48	893	4.80	42.86
		0.28	2.07		0.00	0.02		0.00	0.00		0.00	0.00		0.00	0.00
Gross Amount		9.32	69.74		5.09	41.57		5.00	42.10		4.90	42.48		4.80	42.86
CHAMPVA	924	1.82	16.84	1,021	2.00	20.42	1,052	2.00	21.04	1,084	2.00	21.68	1,117	2.00	22.34
		0.44	4.08		2.83	28.84		2.80	29.46		2.70	29.27		2.60	29.04
Gross Amount		2.26	20.92		4.83	49.26		4.80	50.50		4.70	50.95		4.60	51.38
Non-VA Medical Care <sup>(2)</sup>	4,447	7.26	323.07	3,371	6.76	227.96	3,472	6.70	232.62	3,576	6.70	239.59	3,684	6.70	246.83
		2.38	106.00		2.48	83.50		2.50	86.80		2.40	85.82		2.30	84.73
Gross Amount		9.64	429.07		9.24	311.46		9.20	319.42		9.10	325.41		9.00	331.56
Purchased Long Term Services and Supports <sup>(2)</sup>	0	0.00	0.00	1,373	8.32	114.20	1,640	7.90	129.56	1,706	7.80	133.07	1,792	7.70	137.98
		0.00	0.00		0.63	8.67		1.00	16.40		1.00	17.06		1.00	17.92
Gross Amount		0.00	0.00		8.95	122.87		8.90	145.96		8.80	150.13		8.70	155.90
State Home Per Diem Grants	848	15.76	133.68	955	2.85	27.16	984	3.00	29.52	1,014	2.90	29.41	1,044	2.80	29.23
		0.18	1.55		0.17	1.65		0.00	0.00		0.00	0.00		0.00	0.00
Gross Amount		15.94	135.23		3.02	28.81		3.00	29.52		2.90	29.41		2.80	29.23
Supplies and Materials	2,230	0.11	2.51	2,362	0.00	0.00	2,433	1.00	24.33	2,506	1.00	25.06	2,581	1.00	25.81
		0.00	0.02		0.00	0.06		0.49	11.92		0.49	12.28		0.49	12.65
Gross Amount		0.11	2.53		0.00	0.06		1.49	36.25		1.49	37.34		1.49	38.46
Compensation	48,181	0.64	307.99	53,913	0.60	322.61	65,433	0.60	392.60	72,589	0.54	391.98	77,233	0.50	386.17
		0.03	13.11		0.72	390.55		0.72	471.12		0.69	500.87		0.61	471.12
Gross Amount		0.67	321.10		1.32	713.16		1.32	863.72		1.23	892.85		1.11	857.29
Pension	5,268	1.66	87.70	5,584	4.04	225.57	5,575	4.04	225.23	5,845	3.91	228.38	6,241	3.58	223.14
		0.09	4.73		0.60	33.28		0.60	33.45		0.34	20.11		0.32	19.97
Gross Amount		1.75	92.43		4.64	258.85		4.64	258.68		4.25	248.49		3.90	243.11
VR&E	786	0.26	2.04	925	1.19	11.05	1,018	1.19	12.11	1,117	1.00	11.18	1,261	0.82	10.34
		0.01	0.11		0.53	4.93		0.53	5.40		0.41	4.57		0.34	4.23
Gross Amount		0.27	2.15		1.72	15.98		1.72	17.51		1.41	15.75		1.16	14.57
Education - Chapter 33	8,769	0.00	0.00	10,723	0.00	0.00	10,890	0.75	81.68	12,397	0.75	93.00	13,293	0.75	100.00
		0.00	0.00		0.00	0.00		0.74	80.59		0.74	92.00		0.74	98.00
Gross Amount		0.00	0.00		0.00	0.00		1.49	162.27		1.49	185.00		1.49	198.00
Education – Chapter 1606	146	0.33	0.48	151	0.60	0.84	155	0.60	0.93	127	0.60	0.76	130	0.60	0.78
		0.00	0.00		0.10	0.16		0.10	0.16		0.10	0.13		0.10	0.13
Gross Amount		0.33	0.48		0.70	1.00		0.70	1.09		0.70	0.89		0.70	0.91
Education – Chapter 1607	88	0.44	0.39	83	0.40	0.34	40	0.40	0.16	31	0.40	0.13	32	0.40	0.13
		0.00	0.00		0.10	0.05		0.10	0.04		0.10	0.03		0.10	0.03
Gross Amount		0.44	0.39		0.50	0.39		0.50	0.20		0.50	0.16		0.50	0.16



Program	2013 (based on 2012 actual data)			2014 (based on 2013 actual data)			2015 (based on 2014 estimated data)			2016 (based on 2015 estimated data)			2017 (based on 2016 estimated data)		
	OUTLAYS (\$)	IP %	IP \$	OUTLAYS (\$)	IP %	IP \$	OUTLAYS (\$)	IP % <sup>(1)</sup>	IP \$	OUTLAYS (\$)	IP %	IP \$	OUTLAYS (\$)	IP %	IP \$
DRA — HS	0	0.00	0.00	18.5	2.04	0.40	41.9	2.00	0.84	125.8	1.50	1.89	48.8	0.90	0.44
		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00
Gross Amount		0.00	0.00		2.04	0.40		2.00	0.84		1.50	1.89		0.90	0.44
PFE — Payroll <sup>(3)</sup>	0	0.00	0.00	24,360	0.10	25.30	25,682	0.12	30.82	26,966	0.09	24.27	28,315	0.09	25.48
		0.00	0.00		0.03	7.32		0.03	7.70		0.02	5.39		0.02	5.66
Gross Amount		0.00	0.00		0.13	32.62		0.15	38.52		0.11	29.66		0.11	31.14

Overpayments are reported in the upper portion of the non-shaded cells adjacent to the program name, while underpayments are reported in the lower portion. Gross amounts are noted in the shaded cells immediately below each program name.

#### Notes to Table 1:

- (1) Reduction targets should take into account the margin of error found in 2014 testing when determining if the reduction target was achieved for 2015. Reduction targets, when considering the margin of error, should not exceed 9.9 percent.
- (2) In 2014, VHA separated the Non-VA Care Fee program into two separate programs, Non-VA Medical Care and Purchased Long Term Services and Supports, for increased visibility and accountability.
- (3) With the passing of the Improper Payments Elimination and Recovery Improvement Act of 2012, agencies were required to include payments to employees in their risk assessments, and if necessary, improper payment estimation. As such, 2013 data which is reported in 2014 is the first year these payments were reviewed for improper payments; however, for comparative purposes we have included the total payroll outlays that would have been reported in 2013 (based on 2012 data).

#### Section V. This section describes VA's Improper Payment Recapture and Recovery Audit efforts.

VA performed recapture audits for all programs with outlays of \$1 million or more.

#### VHA

VHA utilized both internal and external payment recapture activities to prevent, detect, and recover improper payments.

#### CBO Internal Audit and Recovery Efforts

- Program Integrity Tool – a comprehensive set of Program Integrity Tools to reduce fraud, waste, and abuse and improve payment accuracy in a pre-payment status.
- SnapWeb Duplicate Payment Program - Designed to identify potential duplicate payments in a pre-payment state.
- Quality Inspector Tool – Provides push-button inspection of all outpatient claims processed through FBCS to ensure proper payment in a pre-payment status.
- Claim Check/Claim Scrubber Tool – Performs a validation check prior to releasing payments.



- Veteran Family Member Benefit Audit Team – Identifies overpayments in the CHAMPVA program through a biannual eligibility determination audit; an annual possible duplicate payment audit; and special audits identified from other audit findings or requested by management.
- Virtual Audit Team – Structured to perform the IPERA audit and quarterly proper payment audits for the Non-VA Care program and State Home Per Diem Grants program.
- Special Audit Team – Focuses on special audit requests from internal and external stakeholders such as Compliance and Business Integrity, OIG, etc.

### **CBO External Audit and Recovery Efforts**

- CBO has retained outpatient recovery contracts for Non-VA Medical Care, CHAMPVA, and Spina Bifida through August 2013. Currently, CBO is working with the contracting office to establish a new recovery contract.

### **Root Cause of Improper Payments**

VHA identified that a majority of payment errors were due to the following: 1) paper-based manual processing systems; 2) decentralized processing; and 3) the absence of supporting documentation.

### **Collection Process**

Overpayments are collected through VA's debt management process.

### **VBA**

VBA used a combination of full-case quality reviews and payment reviews for possible duplicates and overpayments.

The majority of VBA programs perform quality reviews on randomly selected cases. VBA tracks, monitors, and recovers overpayments eligible for recovery through combined efforts of the Debt Management Center (DMC), the Administrative and Loan Accounting Center, and ROs.

### **Root Cause of Improper Payments**

VBA identified that a majority of payment errors were due to the following: 1) absence of supporting documentation; 2) incorrect input classification or processing of payments; 3) incorrect payment rates or effective dates; and 4) inability to verify recipient information, to include income, assets, and/or work status. In 2012, VBA began implementation of its comprehensive Transformation Plan, a series of tightly integrated people, process, and technology initiatives designed to eliminate the backlog and achieve the goal of processing all claims within 125 days and with 98 percent accuracy in 2015. The sweeping multi-faceted changes will inherently improve internal process controls and significantly reduce improper payments as a result of improved accuracy.



## **Collection Process**

The DMC, a franchise fund (fee for service) organization, is responsible for collecting debts resulting from an individual's participation in VA's Disability Compensation, Pension, or Education programs. Once a debt has been established, it is referred to the DMC, which aggressively pursues the collection of all debts through lump-sum offset from current or future benefit payments, or by installment payments agreed upon by the debtor. If the DMC cannot collect the debt, the delinquent debt is referred to the Treasury Offset Program (TOP) for collection.

VBA local offices are responsible for collecting debts resulting from automobile grants, loan sales, property management, loan portfolio, loan production, loan administration, Special Adaptive Housing (SAH), reporting fees, state approving agencies, VR&E contract counseling, and general operating expense payments. Improper payment error rates in these areas are low, as VBA processes have systemic controls or pre-payment audits in place to prevent improper or duplicate payments. For duplicate or improper payments identified, VBA determines collectability, and if needed, establishes a debt in the core Financial Management System (FMS).

In accordance with 38 U.S.C. 5302, VBA may waive benefit debts arising as a result of participation in a benefit program when collection would be against equity and good conscience and no evidence exists of fraud, misrepresentation, or bad faith. VBA will notify the debtor of his or her rights and remedies and the consequences of failure to cooperate with collection efforts. The debtor has the right to dispute the existence or amount of the debt or to request a waiver from collection of the debt. VBA may waive benefit debts when the facts and circumstances of the particular case indicate a need for reasonableness and moderation in the exercise of the Government's rights and if the waiver request was made within the specified timeframes.

## **NCA and Staff Offices**

NCA and the Staff Offices rely upon the FSC to perform recapture recovery activities for their payments.

## **FSC**

Most VA vendor payment activities are centralized at the FSC, a franchise fund (fee for service) organization, which services VHA, VBA, NCA, and the Staff Offices. The FSC performs both pre- and post-payment recapture and recovery audit activities for the payments it disburses.

## **Pre-Payment Review**

Three times a day, the FSC matches scheduled commercial vendor payments against other payments and against the previous 90 days of disbursed payments to identify and prevent duplicate payments before their submission to the Department of the Treasury for disbursement. Duplicate payments identified through this process are cancelled before the payments are made.





## **Post-Payment Review**

The FSC also performs several post-payment reviews to detect improper payments:

- Payment files in excess of \$2,500 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.
- 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 year vendor credits not previously collected.
- VA-wide employee performance/incentive award payments are reviewed to identify duplicate award payments.

In addition, the FSC periodically reviews audit reports prepared by VA's OIG and the Government Accountability Office (GAO) to identify additional potential areas of interest.

## **Root Cause of Improper Payments**

The FSC has identified several root causes for improper payments including erroneous input of invoice numbers, dates, or vendor identification numbers, and vendor invoicing inconsistencies such as resubmitted invoices using different invoice numbers, dates, or purchase order numbers. The FSC has implemented corrective actions to include increased use of electronic invoicing and optical character recognition technology to minimize improper payments. This process extracts key payment data from paper invoices to reduce input errors along with a business rules engine, ensuring consistency in payment processing and streamlined procedures.

## **Collection Process**

For improper payments detected in post-payment reviews, the following recovery actions are used by the FSC, as appropriate, to recover the funds from the vendor/employee.

- On payments paid via electronic funds transfer (EFT), where the improper payment amount was the full amount of the EFT payment, the FSC processes a Letter of Reversal/Letter of Indemnity in an attempt to recover the funds by having the bank reverse the erroneous transaction back to Department of Treasury as a returned EFT.
- In cases where the improper payment is paid via check, or where the improper amount was less than the full amount of the EFT, the FSC/VA facilities process a bill of collection requesting the vendor return the funds for the improper amount.
- After a minimum of 45 days, if the bill of collection has not been repaid and no correspondence has been received from the vendor disputing the bill or requesting additional information, the FSC sets up an internal offset to collect the funds from the next FSC-issued payment(s) to the vendor until the bill is satisfied.
- If all attempts to collect the debt are unsuccessful, the FSC sends the debt to TOP to collect the funds from the next government-issued payment(s) to the vendor or employee until the bill is satisfied.





**Table 2**  
**Payment Recapture Audit Reporting <sup>(1)</sup>**  
**(\$ in millions)**

Program or Activity	Type of Payment (contract, grant, benefit, loan or other)	Amount Subject to Review for 2013 Reporting	Actual Amount Reviewed and Reported (2013)	Amount Identified for Recovery (2013)	Amount Recovered (2013)	% of Amount Recovered out of Amount Identified (2013)	Amount Outstanding (2013)	% of Amount Outstanding out of Amount Identified (2013)	Amount Determined Not to be Collectable (2013)	% of Amount Determined Not to be Collectable out of Amount Identified (2013)	Amounts Identified for Recovery (2004-2012) <sup>(2)</sup>	Amounts Recovered (2004-2012) <sup>(2)</sup>	Cumulative Amounts Identified for Recovery (2004-2013)	Cumulative Amounts Recovered (2004-2013)	Cumulative Amounts Outstanding (2004-2013)	Cumulative Amounts Determined Not to be Collectable (2004-2013)
Beneficiary Travel	Benefit	\$739	\$620	\$0.913	\$0.814	89%	\$0.099	11%	\$0	0%	\$0.139	\$0.129	\$1.052	\$0.943	\$0.109	\$0
CHAMPVA <sup>(3)</sup>	Benefit	\$2.7	\$2.7	\$12.045	\$7.277	60%	\$4.346	36%	\$0.422	4%	\$90.679	\$224.449	\$102.724	\$231.726	\$11.346	\$0.749
Non-VA Medical Care <sup>(4)</sup>	Benefit	\$200	\$200	\$2.260	\$1.174	52%	\$1.086	48%	\$0	0%	\$56.751	\$51.534	\$59.011	\$52.708	\$6.303	\$0
Purchased Long Term Services and Supports	Benefit	\$5.5	\$5.5	\$0.003	\$0.003	100%	\$0	0%	\$0	0%	\$0	\$0	\$0.003	\$0.003	\$0	\$0
State Home Per Diem Grants	Grant	\$950	\$950	\$1.617	\$1.617	100%	\$0	0%	\$0	0%	\$0.012	\$0.012	\$1.629	\$1.629	\$0	\$0
Supplies and Materials	Other	\$933	\$932	\$0.549	\$0.548	100%	\$0.001	0%	\$0	0%	\$0.160	\$0.146	\$0.709	\$0.694	\$0.015	\$0
Other VHA Programs 1 <sup>(5)</sup>	Other	\$7,736	\$7,735	\$6.130	\$5.947	97%	\$0.183	3%	\$0	0%	\$1.629	\$1.578	\$7.759	\$7.525	\$0.234	\$0
Other VHA Programs 2 <sup>(6)</sup>	Other	\$319	\$318	\$1.176	\$1.176	100%	\$0	0%	\$0	0%	\$0.115	\$0.114	\$1.291	\$1.290	\$0.001	\$0
Compensation	Benefit	\$53,645	\$18.3	\$0.380	\$0.229	60%	\$0.151	40%	\$0	0%	\$0.202	\$0.152	\$0.582	\$0.381	\$0.201	\$0
Pension	Benefit	\$5,186	\$1.4	\$0	\$0	0%	\$0	0%	\$0	0%	\$0.005	\$0.005	\$0.005	\$0.005	\$0	\$0
VR&E	Benefit	\$925	\$1.0	\$0.019	\$0.013	65%	\$0.005	27%	\$0.001	8%	\$0.106	\$0.101	\$0.125	\$0.114	\$0.005	\$0.006
Education	Benefit	\$12,145	\$5.0	\$0.011	\$0.008	73%	\$0.003	27%	\$0	0%	\$0.014	\$0.013	\$0.025	\$0.021	\$0.003	\$0.001
Insurance	Benefit	\$2,447	\$18.0	\$0	\$0	0%	\$0	0%	\$0	0%	\$0.054	\$0.050	\$0.054	\$0.050	\$0.004	\$0
Loan Guaranty	Benefit	\$3,104	\$1,440.3	\$2.768	\$1.940	70%	\$0.462	17%	\$0.366	13%	\$5.196	\$5.144	\$7.964	\$7.084	\$0.465	\$0.415
Other Direct Benefits	Benefit	\$5,992	\$3.5	\$0.047	\$0.021	44%	\$0.026	56%	\$0	0%	\$0.182	\$0.181	\$0.229	\$0.202	\$0.026	\$0.001
VBA – GOE Fund	Other	\$2,508	\$27.2	\$0.001	\$0	20%	\$0.001	80%	\$0	0%	\$0.006	\$0.006	\$0.007	\$0.006	\$0.001	\$0
FSC – VBA Other	Other	\$304.9	\$304.9	\$0.140	\$0.140	100%	\$0	0%	\$0	0%	\$0.295	\$0.294	\$0.435	\$0.434	\$0.001	\$0
NCA Burial Programs	Other	\$163	\$162.9	\$0.416	\$0.415	100%	\$0.001	0%	\$0	0%	\$0.019	\$0.019	\$0.435	\$0.434	\$0.001	\$0
PFE – Payroll	Other	\$3.7	\$3.7	\$0.005	\$0	0%	\$0.005	100%	\$0	0%	\$0	\$0	\$0.005	\$0	\$0.005	\$0
FSC – Staff Offices	Contract	\$4,407	\$4,371	\$2.869	\$2.811	98%	\$0.058	2%	\$0	0%	\$0.617	\$0.615	\$3.486	\$3.426	\$0.060	\$0

**Notes to Table 2:**

- (1) VA is reporting improper payments identified, recovered, and outstanding for the period of October 1, 2012, to September 30, 2013.
- (2) Cumulative amounts for historical computations are carried forward from prior year reporting unless more recent data is available.
- (3) CHAMPVA data is combined with CBO programs: Foreign Medical, Spina Bifida, and Caregiver Stipend. Amounts recovered for 2004-2011 includes unsolicited funds collected back from CBO.



- (4) Identified recovered amounts for Non-VA Medical Care for 2012 and 2013 is incomplete due to CBO's audit contingency contracts not in effect for 2012 and 2013.
- (5) Other VHA programs 1, using Medical Care Funds, includes the following programs for reporting purposes: Activities with Other Federal Agencies; Communications, Utilities, and Other Rent; Compensated Work Therapy/Incentive Therapy; VHA - Equipment; Homeless Per Diem Program Grants; Insurance Claims and Interest Expense; Land and Structures; Other Services; Consolidated Mail Outpatient Pharmacy; Pharmacy Medical Facilities; Printing and Reproduction; Prosthetics; Transportation (not including beneficiary travel and employee travel); and Other VHA Activities. Payroll and Employee Travel are reported separately.
- (6) Other VHA programs 2, using Non-Medical Funds includes the following programs for reporting purposes: Canteen Service; DoD-VA Health Care Sharing Incentive Funds; DoD-VA Medical Facility Demonstration Fund; General Post Fund; Medical and Prosthetic Research; and Medical Facilities Recovery Act.



**Table 3**  
**Payment Recapture Audit Targets <sup>(1)</sup>**  
**(\$ in millions)**

Program or Activity	Type of Payment	2013 Amount Identified	2013 Amount Recovered	2013 Recovery Rate	2014 Recovery Rate Target	2015 Recovery Rate Target	2016 Recovery Rate Target
Beneficiary Travel	Benefit	\$0.913	\$0.814	89%	85%	87%	90%
CHAMPVA	Benefit	\$12.045	\$7.277	60%	65%	70%	75%
Non-VA Medical Care	Benefit	\$2.260	\$1.174	52%	55%	60%	65%
Purchased Long Term Services and Supports	Benefit	\$0.003	\$0.003	100%	85%	90%	95%
State Home Per Diem Grants	Grant	\$1.617	\$1.617	100%	90%	95%	95%
Supplies and Materials	Other	\$0.549	\$0.548	100%	95%	95%	95%
Other VHA Programs 1	Other	\$6.130	\$5.947	97%	95%	95%	95%
Other VHA Programs	Other	\$1.176	\$1.176	100%	95%	95%	95%
Compensation	Benefit	\$0.380	\$0.229	60%	62%	62%	62%
Pension	Benefit	\$0	\$0	100%	25%	25%	25%
VR&E	Benefit	\$0.019	\$0.013	65%	85%	85%	85%
Education	Benefit	\$0.011	\$0.008	73%	62%	62%	62%
Insurance	Benefit	\$0	\$0	0%	59%	59%	59%
Loan Guaranty	Benefit	\$2.768	\$1.940	70%	42%	42%	42%
Other Direct Benefits	Benefit	\$0.047	\$0.021	44%	69%	69%	69%
VBA – GOE Fund	Other	\$0.001	\$0	20%	85%	85%	85%
FSC – VBA Other	Other	\$0.140	\$0.140	100%	85%	85%	85%
NCA Burial Programs	Other	\$0.416	\$0.415	100%	85%	85%	85%
PFE – Payroll	Other	\$0.005	\$0	0%	85%	85%	85%
FSC – Staff Offices	Contract	\$2.869	\$2.811	98%	85%	85%	85%

**Notes to Table 3:**

(1) VA is reporting improper payments identified, recovered, and outstanding for the period of October 1, 2012, to September 30, 2013.



**Table 4**  
**Aging of Outstanding Overpayments <sup>(1)</sup>**  
**(\$ in millions)**

Program or Activity	Type of Payment (contract, grant, benefit, loan or other)	2013 Amount Outstanding (0 – 18 months)	2013 Amount Outstanding (18 months – 2 years)	2013 Amount Outstanding (over 2 years)
Beneficiary Travel	Benefit	\$0.065	\$0.032	\$0.002
CHAMPVA	Benefit	\$4.346	\$0	\$0
Non-VA Medical Care	Benefit	\$1.086	\$0	\$0
Purchased Long Term Services and Supports	Benefit	\$0	\$0	\$0
State Home Per Diem Grants	Grant	\$0	\$0	\$0
Supplies and Materials	Other	\$0.001	\$0	\$0
Other VHA Programs 1	Other	\$0.133	\$0.050	\$0
Other VHA Programs 2	Other	\$0	\$0	\$0
Compensation	Benefit	\$0.137	\$0.014	\$0
Pension	Benefit	\$0	\$0	\$0
VR&E	Benefit	\$0.005	\$0	\$0
Education	Benefit	\$0.003	\$0	\$0
Insurance	Benefit	\$0	\$0	\$0
Loan Guaranty	Benefit	\$0.462	\$0	\$0
Other Direct Benefits	Benefit	\$0.022	\$0.004	\$0
VBA – GOE Fund	Other	\$0.001	\$0	\$0
FSC – VBA Other	Other	\$0	\$0	\$0
NCA Burial Programs	Other	\$0.001	\$0	\$0
PFE – Payroll	Other	\$0.005	\$0	\$0
FSC – Staff Offices	Contract	\$0.041	\$0.017	\$0

**Notes to Table 4:**

(1) VA is reporting improper payments identified, recovered, and outstanding for the period of October 1, 2012, to September 30, 2013.



**Table 5**  
**Disposition of Recaptured Funds**  
**(\$ in millions)**

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
All VHA Programs <sup>(1)</sup>	All	\$0	\$0	\$0	\$18.556 <sup>(2)</sup>	\$0	\$0
Compensation <sup>(2)</sup>	Benefit	\$0	\$0	\$0	\$0.229	\$0	\$0
Pension <sup>(2)</sup>	Benefit	\$0	\$0	\$0	\$0	\$0	\$0
VR&E <sup>(2)</sup>	Benefit	\$0	\$0	\$0	\$0.013	\$0	\$0
Education <sup>(2)</sup>	Benefit	\$0	\$0	\$0	\$0.008	\$0	\$0
Insurance <sup>(2)</sup>	Benefit	\$0	\$0	\$0	\$0	\$0	\$0
Loan Guaranty <sup>(3)</sup>	Benefit	\$0	\$0	\$0	\$1.940	\$0	\$0
Other Direct Benefits <sup>(2)</sup>	Benefit	\$0	\$0	\$0	\$0.021	\$0	\$0
VBA – GOE Fund <sup>(3)</sup>	Other	\$0	\$0	\$0	\$0	\$0	\$0
FSC – VBA Other <sup>(3)</sup>	Other	\$0	\$0	\$0	\$0.140	\$0	\$0
NCA Burial Programs <sup>(3)</sup>	Other	\$0	\$0	\$0	\$0.415	\$0	\$0
PFE – Payroll <sup>(2)</sup>	Other	\$0	\$0	\$0	\$0	\$0	\$0
FSC – Staff Offices <sup>(3)</sup>	Contract	\$0	\$0	\$0	\$2.811	\$0	\$0

**Notes to Table 5:**

- (1) Title 38 U.S.C. 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.
- (2) All funds recovered within the fiscal year of appropriation are returned to the fund for its original purpose. Funds recovered after the fiscal year ends, and up to five years after the appropriation has expired, are used for adjustment purposes only.
- (3) Improper payments identified and recovered were from programs where the funds had not expired. All recoveries were returned to the fund for original purpose.



**Table 6**  
**Overpayments Recaptured Outside of Payment Recapture Audits <sup>(1)</sup>**  
**(\$ in millions)**

Source of Recovery	Amount Identified (2013)	Amount Recovered (2013)	Amount Identified (2004 - 2012)	Amount Recovered (2004 - 2012)	Cumulative Amount Identified (2004 - 2013)	Cumulative Amount Recovered (2004 - 2013)
CHAMPVA <sup>(2)</sup>	\$0	\$15.902	\$0	\$11.497	\$0	\$27.399
VBA IPIA High – Risk Program Testing	\$0.057	\$0.011	\$0.048	\$0.008	\$0.105	\$0.019
Supply Fund <sup>(3)</sup>	\$17.450	\$17.260	\$215.750	\$182.720	\$233.210	\$199.980
FSC	\$21.346	\$20.158	\$51.613	\$47.162	\$72.959	\$67.320

**Notes to Table 6:**

- (1) VA is reporting improper payments identified, recovered, and outstanding for the period of October 1, 2012, to September 30, 2013.
- (2) CHAMPVA data is combined with CBO programs: Foreign Medical, Spina Bifida, and Caregiver Stipend. Overpayments recaptured outside of payment recapture audits for 2013 consists of unsolicited funds received. Unsolicited funds received for 2011 and prior are reported under Table 2. Historical computations are carried forward from prior year reporting.
- (3) OALC works with the OIG Office of Contract Review (OCR) to recover funds owed VA due to defective pricing and price reduction violations. 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.

**Section VI. This section describes how VA's leadership is held accountable for reducing and recovering improper payments.**

The Department's Improper Payments Governance Board, led by VA's Chief Financial Officer and other key senior accountable officials and program managers within the Administrations, is focused on achieving IPERA compliance, identifying root causes of improper payments, establishing reduction goals and implementing corrective actions to reduce/prevent improper payments.

**VHA**

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 ensures continual monitoring of facility performances on key financial and business compliance indicators. In 2014, reduction targets were incorporated, where applicable, into VISN Directors' Performance Plans for high-risk programs.



## **VBA**

The Under Secretary for Benefits (USB) continues to emphasize accountability and integrity at every level within the Administration. Underscoring the commitment to achieving the goals set forth in IPERA, the USB appointed the Chief Financial Officer and Deputy Chief Financial Officer as senior accountable officials for achieving IPERA compliance. Furthermore, VBA created a committee of program managers, program officials and key accountable officers from all business lines, specifically for the purpose of establishing and implementing guidelines and policies to meet improper payment reporting requirements.

Additionally, VBA is currently in the implementation phase of launching the VBA Transformation Plan. VBA's leadership has developed goals and initiatives to transform VBA into a streamlined, high-technology 21st century organization, which will enable VBA to process Compensation, Pension and DIC claims within 125 days of receipt with a 98 percent accuracy rate by 2015. With Veterans and their families always at the forefront of all VBA strategic goals, the Transformation Plan is designed to transform three major areas: people, processes, and technology. The sweeping multi-faceted changes will improve internal process controls and significantly reduce improper payments as a result of increased automation and improved accuracy.

Regional Office Directors, Veterans Service Center Managers, Pension Management Center Managers, and all management personnel under the VBA umbrella, share the same performance standards with respect to delivering high-quality products and benefits to Veterans. Non-supervisory employees are also responsible for maintaining standards set forth by management, to include testing quality, developing controls, continued training, and staying abreast of legislative and technological changes in order to reduce or avoid improper payments.

### **Section VII. This section describes VA's information systems and infrastructure to reduce improper payments.**

VA has implemented internal controls, acquired human resources, and developed information systems and other infrastructure to reduce improper payments, as detailed in Section III of this report. While VA has the necessary information infrastructure to meet current improper payment levels, system enhancements as described in Section III of this report and additional information technology funds would allow further reduction in improper payments.



## **Section VIII. This section describes VA's statutory and regulatory barriers.**

For certain benefits, Veterans and/or their beneficiaries are entitled to notice of any decision made by VA affecting the payment of benefits (per 38 CFR 3.103). This results in continued payment at improper rates for a minimum of 60 days following discovery. Since the principles of due process are mandated by the Constitution, continued payments during the notification of indebtedness period are a necessary cost of administering VBA programs.

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 improper payments. Veterans and/or beneficiaries are responsible for notifying VBA of any event that may affect benefit payments, such as death or dependency change. Late notifications of these events will subsequently cause improper payments until adequate notification is received. Though there are currently data matching systems in place, these systems rely on outside parties for notification, which again, results in improper payments until proper notice is provided.

## **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.**

The Department strives to ensure that Veterans and their families receive needed benefits in the right amount and at the right time while making progress towards reducing and preventing improper payments.

In 2014, OIG issued reports highlighting issues and areas of concern for certain high risk programs; consideration will be given to these reports in evaluating future opportunities to strengthen internal controls and increase payment accuracy.

## **Section X. This section describes VA's reduction of improper payments with the Do Not Pay Initiative (DNP)**

In June 2013, Treasury began the process of monthly matching all VA payment files with the public Death Master File (DMF) and the System for Award Management (SAM) (also known as the public Excluded Parties List System (EPLS)) databases in DNP. VA began matching more than one million vendor records against all available databases contained in the DNP portal. During 2015, VA will continue to look for opportunities where other control measures may be leveraged to comply with IPERIA.

As a result of VA's existing activities and programs designed to prevent improper payments, only a minimal number of payment errors have been detected through the DNP matching process. More information is provided below on other activities and programs VA utilizes to prevent improper payments.





## **GRANTS**

VA's Grant Program Offices (GPOs) utilize the DNP portal to determine the eligibility status of an applicant prior to award. Through the use of the portal, program offices are able to quickly confirm a potential awardee's eligibility status and to make thorough decisions regarding the award of federal funds.

## **VHA**

For this reporting period, over 11 million payments were matched with the DNP databases. Pre-award checks are performed against EPLS and SAM for all contracts greater than \$3,000 as part of the procurement process. Internal control procedures for purchase cardholders require cardholders to check the SAM database for excluded parties prior to each new order; for regular and recurring purchases to the same vendor, cardholders are required to document matching against the SAM database on a quarterly basis. CBO's Program Integrity Tool was updated to include the LEIE to check all Non-VA Medical Care claims processed in FBCS in a pre-payment state.

## **VBA**

For this reporting period, over 39 million payments were matched with the DNP databases. In addition VBA has agreements with other federal agencies such as SSA, Internal Revenue Service, and the Bureau of Prisons, to share information on a recurring basis to determine the eligibility of VA beneficiaries. Information derived from the matches may be used to adjust VA benefit payments.

## **NCA**

For this reporting period, over 18 thousand payments were matched with the DNP databases; no improper payments were identified.

## **FSC**

The FSC processed over 376 thousand vendor payments for goods and services on behalf of VA central office, VHA, NCA, and VBA. The FSC implemented a DNP continuous monitoring process to reduce erroneous vendor payments in accordance with IPERIA. The continuous monitoring process includes a pre-payment match of vendors that compares the existing VA FMS vendor file with Treasury's DNP solution.

Treasury provides matches based upon two criteria: 1) Taxpayer Identification Number, and 2) Name. The matches are then forwarded to VHA, VBA, and NCA for investigation and adjudication. If warranted, a payment hold is placed on the vendor record in FMS which prevents processing of future payments associated with the ineligible payee.



**Table 7**  
**Results of Do Not Pay Initiative <sup>(1)</sup>**

	Number (#) of payments reviewed for improper payments	Dollars (\$) of payments reviewed for improper payments	Number (#) of improper payments stopped	Dollars (\$) of improper payments stopped	Actual Number (#) of improper payments matched and not stopped	Actual Dollars (\$) of improper payments matched and not stopped
Reviews with the DMF Only <sup>(2)</sup>	52 Million	\$62 Billion	0	\$0	13 Payments	\$1,214

**Notes to Table 7:**

- (1) VA is reporting results of the DNP initiative for payments made in 2013. March 2013 was the first month VA received DMF matches from Treasury, so 2013 includes only payments made March 2013 through September 2013.
- (2) VBA currently has effective internal control mechanisms in place to identify and stop improper payments through a pre-existing data matching agreement program with SSA's private DMF database. Until legislative changes are enacted, VBA will continue to stop payments through the private DMF.



## Freeze the Footprint (FTF)

### Baseline Comparison

	<b>FY 2012 Baseline</b>	<b>FY 2013 Reported (CY-1)</b>	<b>Change (FY 2012 Baseline – FY 2013 Reported)</b>
<b>Square Footage (SF in millions)</b>	28.87	29.53	0.66

### Reporting of O&M Costs – Owned and Direct Lease Buildings

	<b>FY 2012 Reported Cost</b>	<b>FY 2013 Reported Cost (CY-1)</b>	<b>Change (FY 2012 Baseline – FY 2013 Reported)</b>
<b>Operation and Maintenance Costs (\$ in millions)</b>	\$99.57	\$104.98	\$5.41

VA's total square footage (SF) subject to FTF for 2013 was 29,527,082 SF, which represents a two percent increase over the 2012 baseline of 28,868,210 SF.

VA anticipated footprint growth in 2013 – 2015, due to large projects previously approved in years prior to FTF and were already under construction or lease acquisition. These projects began to enter the portfolio in 2013, driving VA above its 2012 baseline. These projects are expected to add approximately 500,000 square feet (SF) in office or warehouse space by the end 2015.

VA has taken a number of steps to help offset these increases. A new administrative office space standard was issued to shrink the overall space requirements. The new standard is to be used in new projects, as well as lease renewals. The standard will not have an immediate impact on space, but as leases are replaced and the new standard utilized, overall office space will start to be reduced positioning VA well for the future. In addition, additional focus is being put on disposing of vacant or underutilized assets (both office and warehouse) to help provide additional reduction in the portfolio.

In terms of cost, total operation and maintenance costs as reported in the Federal Real Property Profile (FRPP) rose five percent from \$99,568,114 in 2012 to \$104,982,287 in 2013. This increase is in line with expectations. Each year, operation and maintenance costs increase by a few percentage points due to inflation, which escalates lease rental rates, utility rates, and other costs. In addition, VA did see growth in its FTF square footage, which also contributed to an increase in operational costs. This combination of factors resulted in an increase in total operations and maintenance costs as reported in the FRPP.



## 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 a VA-guaranteed loan in default that VA purchases from the private sector mortgage lender after the foreclosure sale. This type of loan is part of the VA loan guaranty program. (Financial)

### **Allowance**

This term is defined as the amount 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 obligated then they are distributed to the appropriate functional classification(s). (Financial)

### **Apportionment**

This term is defined as a disbursement made by OMB of funds 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**

This term is defined as the process of establishing through statistical analysis, research, or other empirical evidence, the basis for a performance target. The process of establishing a baseline 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)

### **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)



### **Clinical Video Telehealth (CVT)**

This is the use of real-time interactive video conferencing, sometimes with supportive peripheral technologies, to assess, treat and provide care to a patient remotely. Typically, CVT links the patient(s) at a clinic to the provider(s) at another location. CVT can also provide video connectivity between a provider and a patient at home. CVT encompasses a wide variety of clinical applications such as specialty and primary care. (Medical Care)

### **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 Government-wide 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. FISCAM 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)





### **Home Telehealth (HT)**

This is a program into which Veterans are enrolled that applies care and case management principles to coordinate care using health informatics, disease management and HT technologies to facilitate access to care and to improve the health of Veterans with the specific intent of providing the right care in the right place at the right time. The goal of HT is to improve clinical outcomes and access to care while reducing complications, hospitalizations, and clinic or emergency room visits for Veterans in post-acute care settings and high-risk patients with chronic disease. (Medical Care)

### **Integrated Electronic Health Record (iEHR)**

The iEHR program is a collaborative partnership between VA and DoD to modernize health care information systems and achieve significant improvement in the capturing, storing and sharing of electronic health information. iEHR will provide unprecedented value to patients, clinicians, and the agencies involved and reduce the burden felt by Service members and Veterans to track and maintain their health information and records. (Medical Care)

### **Interagency Program Office (IPO)**

IPO serves as the single point of accountability in the development and implementation of the iEHR 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, Illinois, with the objective of achieving full interoperability between DoD and VA. (Medical Care)

### **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 (e.g., organization, policies, and procedures) used by agencies to reasonably ensure that: (1) programs achieve their intended results; (2) resources are used consistently and in accordance 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 in a timely fashion 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 Executive 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, engineering, human resources, and budget assistance to the cemeteries located in their geographic areas. (Burial)

**National Institute of Standards and Technology (NIST) and its Computer Security Division (CSD)**

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 CSD is one of eight divisions within NIST's Information Technology Laboratory. The mission of the CSD is to improve information systems security. (Information Security)

**Native American loans**

This term is defined as direct loans with special financing that enable eligible Native American Veterans 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 minus 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, more clear and easy to understand. 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, with an estimated useful life of two 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)

### **Posttraumatic Stress Disorder (PTSD)**

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. VA is committed to providing an integrated, comprehensive, and cost-effective continuum of care for Veterans with PTSD. (Medical Care)

### **Research and Development (R&D)**

R&D 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 (GAAP) 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)

### **Store and Forward Telehealth (SFT)**

This term refers to the use of technologies to acquire and store clinical information (e.g. data, image, sound and video) that is then forwarded to or retrieved by a provider at another location for clinical evaluation. SFT in VA uses a clinical consult pathway and VistA Imaging in conjunction with TeleReader to provide screening, diagnostic and treatment services where time and/or distance separate the patient and provider. (Medical Care)

### **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 (TBI)**

A structural and/or physiological disruption of brain function resulting from an external force. (Medical Care)

**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**

See VA Medical Center

**VA Medical Center (VAMC)**

A VA Medical Center is a hospital facility that provides a diverse range of health care services to Veterans.

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 (RO)**

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. (Benefits)

**Vendee loans**

This term is defined as a direct loan made 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)



## Abbreviations and Acronyms

**ACSI**

American Customer Satisfaction Index

**ADUSH**

Assistant Deputy Under Secretary for Health

**AMC**

Appeals Management Center

**BDD**

Benefits Delivery at Discharge

**BHIE**

Bi-Directional Health Information Exchange

**CAP**

Combined Assessment Program

**CBOC**

Community-Based Outpatient Clinic

**CDM**

Continuous Diagnostics and Mitigation

**COTS**

Commercial Off-the-Shelf

**CRISP**

Continuous Readiness in Information Security Program

**CVT**

Clinical Video Telehealth

**DHS**

Department of Homeland Security

**DIC**

Dependency and Indemnity Compensation

**DoD**

Department of Defense

**DSS**

Decision Support System

**E-GOV**

Electronic Government

**EHR**

Electronic Health Record

**EWL**

Electronic Wait List

**FDC**

Fully Developed Claims

**FFMIA**

Federal Financial Management Improvement Act

**FISCAM**

Federal Information Systems Control Audit Manual

**FISMA**

Federal Information Security Management Act

**FMFIA**

Federal Managers' Financial Integrity Act

**FMS**

Financial Management System

**FSC**

Financial Services Center

**FTE**

Full-time Equivalent

**FY**

Fiscal Year

**GAO**

Government Accountability Office



**HCS**

Health Care System

**HHS**

Health and Human Services

**HRA**

Human Resources & Administration

**HT**

Home Telehealth

**HUD**

Housing and Urban Development

**HUD-VASH**

Housing and Urban Development and  
VA Supportive Housing

**HVOC**

Homeless Veterans Outreach  
Coordinators

**IA**

Interagency Agreement

**ICAM**

Identity Credential Access Management

**IDES**

Integrated Disability Evaluation System

**iEHR**

Integrated Electronic Health Record

**IPERA**

Improper Payments Elimination and  
Recovery Act

**IPO**

Interagency Program Office

**IT**

Information Technology

**IWTD**

Individuals With Targeted Disabilities

**MCAO**

Managerial Cost Accounting Office

**MMU**

Mobile Medical Units

**MSN**

Memorial Service Network

**NCA**

National Cemetery Administration

**NEAR**

New Enrollees Appointment Request

**NIST**

National Institute of Standards and  
Technology

**OEF/OIF/OND**

Operation Enduring Freedom/Operation  
Iraqi Freedom/Operation New Dawn

**OIA**

Office of Informatics and Analytics

**OIG**

Office of Inspector General

**OIT**

Office of Information and Technology

**OMB**

Office of Management and Budget

**OPE**

Office of Performance, Efficiency, and  
Staffing

**OPM**

Office of Personnel Management

**OSC**

Office of Special Counsel

**P&F**

Pension and Fiduciary

**PAID**

Personnel and Accounting Integrated Data

**PAR**

Performance and Accountability Report

**PIT**

Point-In-Time

**PIV**

Personal Identity Verification

**PMC**

Presidential Memorial Certificate

**PP&E**

Property, Plant & Equipment

**PPBE**

Planning, Programming, Budgeting, and Execution

**PTSD**

Posttraumatic Stress Disorder

**PVAHCS**

Phoenix VA Health Care System

**QA**

Quality Assurance

**QRT**

Quality Review Team

**RBPS**

Rules-Based Processing System

**RO**

Regional Office

**RPO**

Regional Processing Office

**RVSR**

Rating Veterans Service Representative

**SAH**

Specially Adapted Housing

**SCIP**

Strategic Capital Investment Planning

**SECVA**

Secretary of Veterans Affairs

**SEP**

Stakeholder Enterprise Portal

**SES**

Senior Executive Service

**SFT**

Store and Forward Telehealth

**SHA**

Separation Health Assessment

**SQC**

Statistical Quality Control

**SSA**

Social Security Administration

**SSVF**

Supportive Services for Veteran Families

**STAR**

Systematic Technical Accuracy Review

**TBI**

Traumatic Brain Injury

**TIC**

Trusted Internet Connections

**TMC**

Travel Management Center

**USB**

Under Secretary for Benefits

**USC**

Unified Communications Strategy

**U.S.C.**

United States Code

**USH**

Under Secretary for Health

**VSR**

Veterans Service Representative

**USICH**

U.S. Interagency Council on  
Homelessness

**VA**

Veterans Affairs

**VAMC**

VA Medical Center

**VBA**

Veterans Benefits Administration

**VCGP**

Veterans' Cemetery Grant Program

**VCM**

Virtual Care Modality

**VEC**

Veterans Employment Center

**VHA**

Veterans Health Administration

**VISN**

Veterans Integrated Service Network

**VistA**

Veterans Health Information System and  
Technology Architecture

**VRC**

Vocational Rehabilitation Counselor

**VRM**

Veterans Relationship Management

**VR&E**

Vocational Rehabilitation and  
Employment

**VSC**

Veterans Service Center

**VSO**

Veterans Service Organization



## VA Online: Fast and Easy Access to Information

The table below provides links to several Web sites that provide information for and about Veterans.

<b><i>What Information Do You Need?</i></b>	<b><i>Web Site</i></b>
<b><i>VA's Home Page</i></b>	<a href="http://www.va.gov">www.va.gov</a>
<b><i>VA's PAR Submission and Strategic Plans</i></b>	<a href="http://www.va.gov/performance">www.va.gov/performance</a>
<b><i>VA's Budget Submission</i></b>	<a href="http://www.va.gov/budget/products.asp">www.va.gov/budget/products.asp</a>
<b><i>Health Care in VA</i></b>	<a href="http://www1.va.gov/health/index.asp">www1.va.gov/health/index.asp</a>
<b><i>VA Health Quality and Safety Performance</i></b>	<a href="http://www.hospitalcompare.va.gov">www.hospitalcompare.va.gov</a>
<b><i>Managing My Health as a Veteran</i></b>	<a href="http://www.myhealth.va.gov">www.myhealth.va.gov</a>
<b><i>Medical Research in VA</i></b>	<a href="http://www.research.va.gov">www.research.va.gov</a>
<b><i>Clinical Training Opportunities and Education Affiliates</i></b>	<a href="http://www.va.gov/oaa">www.va.gov/oaa</a>
<b><i>Employment</i></b>	<a href="http://www.ebenefits.va.gov/ebenefits/jobs">www.ebenefits.va.gov/ebenefits/jobs</a> <a href="http://www.vaforvets.va.gov">www.vaforvets.va.gov</a>
<b><i>Education Benefits for Veterans</i></b>	<a href="http://www.gibill.va.gov">www.gibill.va.gov</a>
<b><i>Insurance Benefits for Servicemembers and Veterans</i></b>	<a href="http://www.benefits.va.gov/insurance">www.benefits.va.gov/insurance</a>
<b><i>eBenefits</i></b>	<a href="http://www.ebenefits.va.gov">www.ebenefits.va.gov</a>
<b><i>Vow to Hire Heroes</i></b>	<a href="http://www.benefits.va.gov/vow">www.benefits.va.gov/vow</a>
<b><i>Burial and Memorial Benefits for Veterans</i></b>	<a href="http://www.cem.va.gov">www.cem.va.gov</a>
<b><i>Opportunities for Veteran-Owned Small Businesses</i></b>	<a href="http://www.vetbiz.gov">www.vetbiz.gov</a>
<b><i>Minority Veterans</i></b>	<a href="http://www.va.gov/centerforminorityVeterans/">www.va.gov/centerforminorityVeterans/</a>
<b><i>Women Veterans</i></b>	<a href="http://www.va.gov/womenvet">www.va.gov/womenvet</a>
<b><i>Survivors Assistance</i></b>	<a href="http://www.va.gov/survivors">www.va.gov/survivors</a>
<b><i>Operations, Security and Preparedness</i></b>	<a href="http://www.osp.va.gov">www.osp.va.gov</a>
<b><i>Recently Published VA Regulations</i></b>	<a href="http://www.va.gov/ORPM/">http://www.va.gov/ORPM/</a>



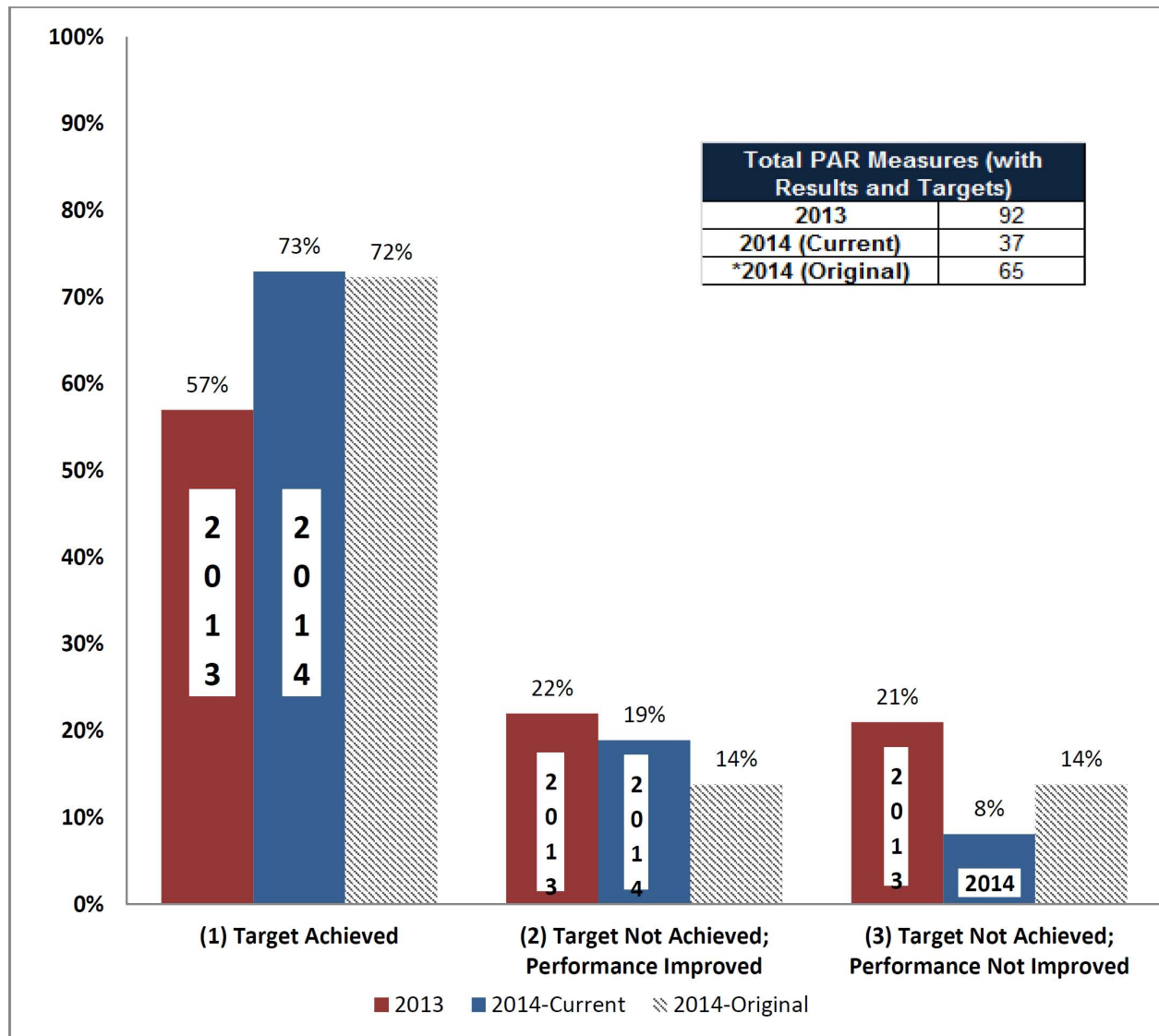
<b><i>What Information Do You Need?</i></b>	<b><i>Web Site</i></b>
<b><i>Vocational Rehabilitation and Employment Disability Compensation for Veterans</i></b>	<a href="http://www.benefits.va.gov/vocrehab"><u>www.benefits.va.gov/vocrehab</u></a>
<b><i>VA's Social Media Sites</i></b>	<a href="http://www.va.gov/opa/SocialMedia.asp"><u>www.va.gov/opa/SocialMedia.asp</u></a>
<b><i>Human Resources and Administration</i></b>	<a href="http://vacareers.va.gov/veterans"><u>vacareers.va.gov/veterans</u></a>
<b><i>Reports, Surveys, or Statistics Regarding the Veteran Population</i></b>	<a href="http://www.va.gov/vetdata/"><u>www.va.gov/vetdata/</u></a>
<b><i>Freedom of Information Act</i></b>	<a href="http://www.foia.va.gov/"><u>www.foia.va.gov/</u></a>
<b><i>Privacy Policy Information</i></b>	<a href="http://www.va.gov/privacy/"><u>www.va.gov/privacy/</u></a>
<b><i>VA Directives and Handbooks</i></b>	<a href="http://www.va.gov/vapubs/"><u>www.va.gov/vapubs/</u></a>
<b><i>Green VA</i></b>	<a href="http://www.green.va.gov"><u>www.green.va.gov</u></a>
<b><i>Center for Faith-based and Neighborhood Partnerships</i></b>	<a href="http://www.va.gov/cfbnpartnerships/"><u>www.va.gov/cfbnpartnerships/</u></a>
<b><i>Homelessness Information</i></b>	<a href="http://www.va.gov/homeless/"><u>www.va.gov/homeless/</u></a>
<b><i>Pension</i></b>	<a href="http://www.benefits.va.gov/pension/"><u>www.benefits.va.gov/pension/</u></a>
<b><i>Educational and Vocational Counseling (Chapter 36)</i></b>	<a href="http://www.benefits.va.gov/vocrehab/edu_voc_counseling.asp"><u>www.benefits.va.gov/vocrehab/edu_voc_counseling.asp</u></a>



## Canceled Measures

The table below contains the performance history of the measures that were deleted from VA's performance portfolio in FY 2014. VA will continue to monitor and track these measures internally, but they have been deleted from publicly-facing documents because they were operational measures, rather than outcomes, or they did not address Veteran satisfaction with the services and benefits VA provides.

For the sake of comparison, the original 2014 VA portfolio of metrics is displayed.



Note: The chart above depicts those measures for which both actual data and targets were available at the time of this document's publication.



## Canceled Performance Measures

Performance Indicators	Historical Performance Results				
	2010	2011	2012	2013	2014
<b>VHA Measures being deleted</b>					
[2014-2015] Percent of Veterans who report "yes" to the Shared Decision-making questions in the Inpatient Surveys of the Health Experiences of Patients. (SHEP)	N/Av	N/Av	N/Av	74%	74.0% (Final)
[2014-2015] Percent of Veterans participating in telehealth.	N/Av	N/Av	9%	11%	16.0% (Final)
[2014-2015] Percent of patient rating VA health care as a 9 or 10 (on a scale from 0 to 10) [FY15 APP will change to: The average patients rating of VA health care on a scale from 0 to 10]					
Inpatient	64%	64%	64%	65%	65%
Outpatient	55%	55%	55%	54%	52%
[2014-2015] Percent of established primary care patients with a scheduled appointment within 14 days of the desired date for the appointment.	N/Av	N/Av	N/Av	93%	93.0% (Final)
[2014-2015] Percent of new primary care appointments completed within 14 days of the create date for the appointment.	N/Av	N/Av	N/Av	47%	47.0% (Final)
[2014-2015] Percent of new specialty care appointments completed within 14 days of the create date for the appointment.	N/Av	N/Av	N/Av	41%	43.0% (Final)
[2014-2015] Percent of established specialty care patients with a scheduled appointment within 14 days of the desired date for the appointment.	N/Av	N/Av	N/Av	93%	93.0% (Final)
[2014-2015] Percent of new primary care appointments completed within 30 days of the create date for the appointment.	N/Av	75%	70%	72%	86.0% (Final)
[2014-2015] Percent of established primary care patients with a scheduled appointment within 30 days of the desired date for the appointment.	N/Av	N/Av	N/Av	96%	96.0% (Final)
[2014-2015] Percent of new specialty care appointments completed within 30 days of the create date for the appointment.	N/Av	72%	68%	68%	71.0% (Final)
[2014-2015] Percent of established specialty care patients with a scheduled appointment within 30 days of the desired date for the appointment.	N/Av	N/Av	N/Av	96%	96.0% (Final)
[2014-2015] Percent of targeted population of OEF/OIF Veterans with a primary diagnosis of PTSD who receive a minimum of 8 psychotherapy sessions within a 14-week period.	11%	15%	15%	53%	67.0% (Final)
[2014-2015] The percent of Veterans being discharged from an inpatient Mental Health unit who receive outpatient mental health follow-up care within 7 days of discharge.	N/Av	N/Av	N/Av	68%	75.0% (Final)
[2014-2015] Percent of new mental health appointments completed within 14 days of the create date for the appointment.	N/Av	N/Av	N/Av	66%	70.0% (Final)
[2014-2015] Percent of established mental health patients with a scheduled appointment within 14 days of the desired date for the appointment.	N/Av	N/Av	N/Av	95%	95.0% (Final)
<b>VBA Measures being deleted</b>					
[2015-2016] BACKLOG: National Accuracy Rate - Disability Compensation Rating Claims -- Issue-Based (Supports Agency Priority Goal)	N/Av	N/Av	N/Av	96.0%	95.9%
[2015-2016] Improve national issue-based rating accuracy for disability claims	N/Av	N/Av	N/Av	96.0%	95.8%
[2015-2016] National Accuracy Rate - Compensation Non-Rating Claims	N/Av	97.0%	95.0%	95.0%	93.0%
[2015-2016] Average Days to Complete - Pension Maintenance Claims	N/Av	N/Av	135	179	75
[2015-2016] Average Days to Complete - Burial Claims	76	113	178	174	90
[2015-2016] National Accuracy Rate - Original and Reopened Pension Claims	96.0%	98.0%	98.0%	98.0%	98.0%
[2015-2016] National Accuracy Rate - Pension Maintenance Claims	96.0%	97.0%	98.0%	98.0%	98.0%
[2015-2016] National Accuracy Rate - Burial Claims	96.0%	97.0%	100%	N/Av	98.0%
[2015-2016] National Accuracy Rate - Fiduciary Work	85.0%	88.0%	86.0%	90.0%	92.0%
[2015-2016] Payment Accuracy Rate	95.0%	98.0%	98.0%	98.0%	98.0%
[2015-2016] Accuracy Rate of Vocational Rehabilitation Program Completion Decisions	96.0%	97.0%	97.0%	97.0%	98.0%
<b>NCA Measures being deleted</b>					
[2015-2016] Percent of applications for headstones and markers that are processed within 30 days for the graves of Veterans who are not buried in national cemeteries	74.0%	93.0%	88.0%	79.0%	81%*
[2015-2016] Percent of graves in national cemeteries marked within 60 days of interment	94.0%	93.0%	89.0%	95.0%	95.0%
[2015-2016] Percent of headstones and markers that are delivered undamaged and correctly inscribed	96.0%	95.0%	96.0%	96.0%	96.0%





<b>BVA &amp; Staff Offices Measures being deleted</b>					
[2014-2015] [BVA] Appeals Resolution Time (Average Number of Days from NOD to Final Decision)	656	747	903	912	955
[2015-2016] [BVA] BVA Cycle Time (Excludes Representative Time) (Average Number of Days)	99	119	117	135	202
[2015-2016][BVA] Percent of Total Hearings that are Conducted via Video Conference	29.0%	29.0%	40.0%	51.0%	54.0%
[2015-2016] [BVA] BVA Pending Inventory	21,112	20,287	25,599	47,159	38,675
[2015-2016][HR&A] Percent of employees in mission critical and key occupations who participated in a competency-based training program within the last 12 months	N/Av	50.5%	49.2%	43.3%	45.0%
[2015-2016] [HR&A] Percent of Title 5 employees hired through competitive examining process within 80 days.	45.95%	48.0%	51.0%	66.0%	59.0%
[2015-2016] [OALC] Percent of facilities customers that are satisfied with services being provided	N/Av	85.0%	83.0%	82.0%	80.0%
[2015-2016] [OALC] Percent of major projects and/or phases transferred to the VA facility upon construction completion in the quarter identified.	N/Av	N/Av	N/Av	N/Av	N/Av
[2015-2016] [OALC] Percent of projects transferred to the VA facility upon lease acceptance in the quarter identified.	N/Av	N/Av	N/Av	N/Av	N/Av
[2015-2016] [OGC] Medical Malpractice Torts Adjudicated within 180 days (Veteran-Centered)	38.5%	54.2%	54.2%	54.2%	54.2%
[2015-2016] [OI&T] Number of Material Weaknesses	1	1	1	1	0
[2015-2016] [OI&T] Percentage of on-time IT project delivery commitments achieved	89.0%	89.0%	80.0%	82.0%	80.0%
[2015-2016] [OI&T] The enterprise VA American Customer Service Index for internal customer satisfaction with VA IT services	67	71	73	69	70
[2015-2016] [OI&T] Achieve or exceed Service Delivery and Availability for enterprise systems	N/Av	N/Av	N/Av	N/Av	96.0%
[2015-2016] Percent of current year (CY) electricity consumption generated with renewable energy sources. (OM_OAEM)	7.0%	13.0%	13.0%	14.0%	14.0%
[2015-2016] [OM_OF] Commercial Small Business Payment Timeliness (% of Small Businesses paid within 15 days of receipt of proper documentation)	N/Av	N/Av	90.0%	95.0%	97.0%
[2015-2016] [OM_OF] Overall Commercial Vendor Payment Timeliness (% of Commercial Vendors paid within 15 days of receipt of proper documentation)	N/Av	N/Av	67.0%	86.0%	87.0%
[2015-2016] [OM_OF] VA Debt Management Center Customers Who Gain Telephone Access (% of Veterans or beneficiaries who contacted VA Debt Management Center's toll-free phone line without receiving a busy signal)	5.0%	74.0%	92.0%	98.0%	98.0%
[2015-2016] [OSVA-OSDBU] Percent of total procurement dollars awarded to service-disabled Veteran-owned small businesses	20.0%	18.3%	20.0%	19.4%	10.0%
[2015-2016] [OSVA-OSDBU] Percent of total procurement dollars awarded to Veteran-owned small businesses	23.0%	20.5%	22.0%	21.7%	12.0%
[2015-2016] [OSVA-OSDBU] Percent of complete verification applications in the Vendor Information Pages (VIP) database that are processed within 60 days	N/Av	93.0%	95.0%	100.0%	95.0%

\* NCA measured performance for this measure in 2014 based on a 30-day timeliness standard. This is due to the implementation in 2014 of operational changes in headstone and marker application processing designed to ensure compliance with the Dignified Burial and Other Veterans' Benefits Improvement Act of 2012, which requires VA to ensure that Veterans who receive burial and memorial benefits have not committed certain sex crimes