Payment Integrity Scorecard

Program or Activity	Reporting Period	FY 2024 Overpayment Amount ($M)*	$382
Pension	Q3 2025		

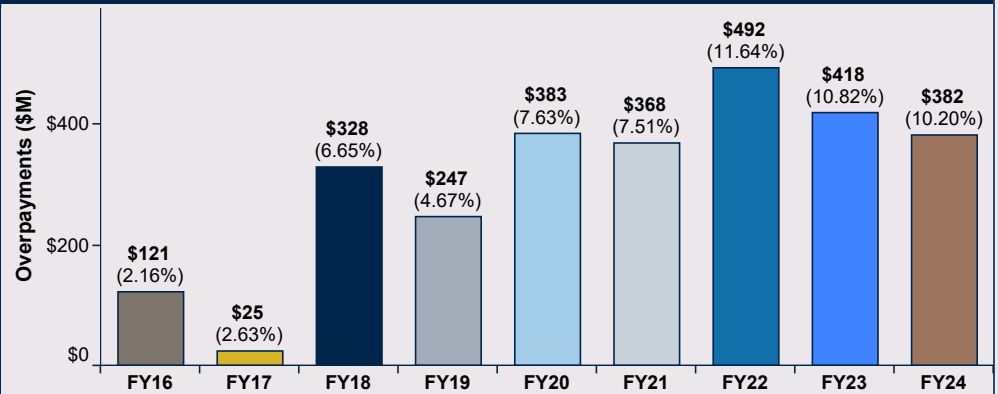*Estimate based a sampling time frame starting 10/2022 and ending 9/2023

Veterans Administration
Pension

Brief Program Description & summary of overpayment causes and barriers to prevention:

The Pension program helps wartime Veterans and their survivors cope with financial challenges by providing supplemental income to recipients who meet the annual income and net worth limits set by law. A change in benefit payment occurs when a required adjustment is made due to a status change (e.g., change in income, net worth, medical expenses, dependency, etc.); which caused a projected $381.78 million in monetary loss in FY 2024. A known barrier is relying on beneficiaries to notify the VA when they experience life or financial changes since these factors may impact continued eligibility. When applicable, the VA pursues debt collection by offsetting benefit payments for the full amount of the debt or by approved repayment installments.

Historical Payment Rate and Amount ($M)
(Overpayment as Percentage of Total Outlays)

FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
$121 (2.16%)	$25 (2.63%)	$328 (6.65%)	$247 (4.67%)	$383 (7.63%)	$368 (7.51%)	$492 (11.64%)	$418 (10.82%)	$382 (10.20%)

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

During Q3, VA received the quarterly Social Security Administration (SSA) match and identified variances between SSA income a beneficiary is receiving versus the amount reported by the beneficiary. VA reviewed the variances, identified the largest potential overpayments, and sent those claims weekly for claims processor review and corrective action, creating overpayments when applicable. VA also conducted an audit of Federal Tax Information (FTI) on initial pension applications (approximately 14,542 claims). This audit identified variances between income reported to the Internal Revenue Service (IRS) versus amounts reported to VA. Claims identified with variances were sent to claims processors to resolve and prevent overpayments. During Q3, VA conducted a Targeted Program Review (TPR) of FTI exclusion in claimants over 90 years old that confirmed income and medical expenses were accurate to justify all payments. A site visit was conducted and found no errors that would result in an improper payment from the errors identified during FY 2024 PIIA testing. VA also conducted National Quality Review (NQR) audits (41 claims monthly) using a standardized checklist, which identified potential overpayments. In Q4, VA will continue conducting the quarterly SSA data match, reviewing FTI on initial applications to detect variances, conduct monthly NQR audits, and perform a TPR to ensure policies and procedures are applied in making accurate decisions to prevent future improper payments.

	Accomplishments in Reducing Overpayment	Date
1	In Q3, VA provided PIIA training during the PMC Site Visit with the Milwaukee PMC. PIIA program information was provided with emphasis on errors cited for unreported SSA and human errors identified in FY 2024 PIIA testing for awareness and to prevent future overpayments.	Apr-25
2	Training was provided during the May 2025 Pension Quality Call to the Pension Management Centers (PMCs) which focused on the error cause category of unreported SSA errors identified in FY 2024 PIIA testing to ensure program compliance and prevent improper payments.	May-25
3	VA reviewed 41 claims monthly in Q3 while conducting NQR audits, to validate that proper policy and procedures were followed. See Note 1. Claims with potential overpayments were sent to claims processors to resolve and prevent future overpayments.	Jun-25

Payment Integrity Scorecard

Program or Activity	Reporting Period
Pension	Q3 2025

	Goals towards Reducing Overpayments	Status	ECD
1	Conduct monthly National Quality Review audits across the three processing locations. Claims will be reviewed based on a standardized checklist which includes identification of potential overpayments. VA plans to audit/review 41 claims monthly in Q4, FY 2025. See Note 1.	On-Track	Sep-25
2	During Q4, FY 2025, VA will conduct a special audit of claims for compliance with policy in payment, income, and expense accuracy by the claims processors. Claims with errors will be corrected and debts established for applicable overpayments. See Note 2.	On-Track	Sep-25

	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	Recovery Activity	During Q4, FY 2025, VA will conduct monthly National Quality Reviews across three processing locations. Claims are reviewed based on a new pension standardized checklist which better identifies potential overpayments. VA will review 41 claims monthly. See Note 1.	During Q3, FY 2025, VA conducted National Quality Reviews of 41 claims monthly. Claims with potential overpayments were sent to claims processors to resolve and prevent future overpayments.
2	Recovery Activity	During Q4, FY 2025, VA will provide PIIA training during the Pension Quality Call that focuses on trends found during FY 2025 PIIA testing of pension payments to ensure program compliance and prevent future overpayments.	VA conducted a site visit with the Milwaukee PMC during Q3, FY 2025. Results and feedback from focused reviews of claims processing were discussed to ensure program compliance and payment accuracy. PIIA training on program details and FY 2024 testing results were provided.
3	Recovery Activity	VA will continue to recover overpayments identified during special projects and the testing of payments required by the Payment Integrity Information Act (PIIA). These activities include establishing debts if applicable. See Note 2	VA continues to take action to recover overpayments identified during special projects and the testing of payments required by PIIA. These activities include establishing applicable debts which are referred for collection. See Note 2.

Amt($)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
$382M	Overpayments within agency control that occurred because of a Failure to Access Data/Information Needed.	Claims processors did not apply policies and procedures to pension claims timely which resulted in inaccurate pension rate decisions, which caused VA to overpay beneficiaries.	Training – teaching a particular skill or type of behavior; refreshing on the proper processing methods.	VA performs staff training to ensure policies and procedures are properly applied in making accurate pension rate decisions to prevent future improper payments. Training will focus on human errors identified during FY 2024 payment integrity testing.
			Audit - process for assuring an organization's objectives of operational effectiveness, efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.	VA conducts random reviews of claims processors' work to ensure policies and procedures are properly applied in making accurate pension rate decisions to prevent future improper payments. If applicable, corrective action includes establishing debts for overpayments.
		The Pension program is an income-based program. Beneficiaries did not report changes to SSA income to VA timely, which caused VA to overpay beneficiaries.	Automation - automatically controlled operation, process, or system.	VA conducts quarterly matches with SSA to identify variances between SSA income received versus amounts reported by beneficiaries to VA. Variances are indicators of potential overpayments. VA reviews differences to identify and prevent future overpayments.

The Pension program is a needs-based benefit, providing financial assistance to those who meet legislative requirements. Payments are made based on an initial determination in response to a claim received and are not adjusted unless there is an indication of a change, such as changes to income, medical expenses, or net worth. The program continues to prioritize and implement strategies that reduce improper payments, while balancing the need to ensure Veterans and their survivors have access to financial assistance. Although the error rate for this program increased from 10.86% in FY 2023 to 13.85% in FY 2024, the program made improvements that will increase its ability to reduce future improper payments. The program obtained more details during testing to improve development of effective corrective actions and mitigation strategies planned for FY 2025. The program also updated testing procedures to correctly differentiate monetary loss from unknown payments, resulting in a $36.28 million decrease in projected monetary loss in FY 2024. Note 1: NQR audits include DIC, Burial, and Pension program to which claims are allocated quarterly for auditing. Implementation of a consolidated Pension STAR checklist in Q4 for improved error identification within all program elements. Note 2: Once a debt is established by a claims processor, VA pursues collection of debts through lump-sum offset, or VA works with the beneficiary to establish payment plans.