



DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

DEPARTMENT OF VETERANS AFFAIRS

Review of VA's Compliance
with the Payment Integrity
Information Act for Fiscal
Year 2020

REVIEW

REPORT #21-00519-192

AUGUST 2, 2021



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Executive Summary

The VA Office of Inspector General (OIG) conducted this review to determine whether VA complied with the requirements of the Payment Integrity Information Act of 2019 (PIIA) for fiscal year (FY) 2020. The PIIA, which was enacted in March 2020, repealed the Improper Payments Elimination and Recovery Act of 2010 (IPERA) and other related laws but set forth similar improper payment reporting requirements, including an annual compliance report by inspectors general. IPERA required agencies to identify and review all programs and activities they administer that may be susceptible to significant improper payments based on Office of Management and Budget (OMB) guidance. In addition, IPERA required inspectors general to review each agency's improper payment reporting and issue an annual report. Because final OMB guidance related to PIIA was not issued until March 2021, the OIG's FY 2020 compliance review used a combination of the guidance on reporting requirements from OMB and the Council of the Inspectors General on Integrity and Efficiency.¹

According to OMB guidance, FY 2020 reporting compliance is achieved when the agency has completed the following:

1. Posted the annual financial statement for the most recent fiscal year and accompanying materials on the [PaymentAccuracy.gov](https://www.paymentaccuracy.gov) website
2. Conducted improper payment risk assessments for each program with annual outlays greater than \$10 million at least once in the last three years
3. Published improper payment estimates for programs susceptible to significant improper payments in the accompanying materials to the annual financial statement
4. Published corrective action plans for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement

¹ The Payment Integrity Information Act of 2019 (Pub. L. No. 116-117) was enacted in March 2020. The act repealed the Improper Payments Information Act of 2002 (Pub. L. No. 107-300), IPERA of 2010 (Pub. L. No. 111-204), and the Improper Payments Elimination and Recovery Improvement Act of 2012 (Pub. L. No. 112-248). Based on OMB guidance, the OIG's compliance review based on the agency's FY 2020 reporting was conducted using a combination of the requirements from OMB, Circular A-123, app. C, "Requirements for Payment Integrity Improvement," June 26, 2018; OMB, Circular A-136, "Financial Reporting Requirements," part II, August 27, 2020; OMB, Annual Data Call Instructions; OMB Payment Integrity Question and Answer Platform, accessed December 12, 2020 (on an internal OMB website that is not publicly accessible); and Council of the Inspectors General on Integrity and Efficiency, *Guidance for Payment Integrity Information Act Compliance Reviews*, November 2020.

5. Published and met improper payment reduction targets for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement
6. Reported an improper payment estimate of less than 10 percent for each program for which an estimate was published in the accompanying materials to the annual financial statement²

If an agency does not meet one or more of these six requirements, it is not compliant.³

VA's Reported Improper Payments

In FY 2020, VA reported improper payment estimates totaling \$11.37 billion for 12 programs and activities. Of that amount, about \$892 million (8 percent) represented a monetary loss and the remaining \$10.48 billion (92 percent) was considered a nonmonetary loss and cannot be recovered. To VA's credit, it reported a decrease in improper payment estimates two years in a row.⁴ With the OIG's concurrence, OMB relieved VA of its reporting requirements for two programs: Disaster Relief Fund and Education—Chapter 33. In addition, VA reported a decrease in its overall improper payments rates for nine programs and activities.⁵

What the Review Found

VA did not comply with PIIA because it did not satisfy two of the six requirements set forth in OMB's guidance. Specifically, VA did not satisfy requirements 5 and 6 to

- meet reduction targets for two programs—Pension and Purchased Long-Term Services and Supports—assessed to be at risk for improper payments, and
- report an improper payment rate of less than 10 percent for five VA programs and activities that had improper payment estimates in its accompanying materials.⁶

² "PaymentAccuracy," accessed March 10, 2021, <https://www.paymentaccuracy.gov/>; OMB, Circular A-123. Significant improper payments are gross annual improper payments in the program that exceed (1) both 1.5 percent of program outlays and \$10 million of all program or activity payments made during the fiscal year reported, or (2) \$100 million (regardless of the percentage of program outlays). This is the statutory threshold for requirements 4, 5, and 6.

³ OMB, Circular A-123.

⁴ VA reported improper payments totaling \$11.99 billion in FY 2019 and \$14.73 billion in FY 2018.

⁵ The nine programs and activities with decreased improper payment rates are (1) Beneficiary Travel; (2) Civilian Health and Medical Program of the Department of Veterans Affairs; (3) Communications, Utilities, and Other Rent; (4) Compensation; (5) Medical Care Contracts and Agreements; (6) Prosthetics; (7) State Home Per Diem Grants; (8) Supplies and Materials; and (9) VA Community Care.

⁶ The five programs and activities with improper payments greater than 10 percent were (1) Beneficiary Travel; (2) Communications, Utilities, and Other Rent; (3) Medical Care Contracts and Agreements; (4) Purchased Long-Term Services and Supports; and (5) VA Community Care.

VA satisfied the other four requirements.

Additional Requirements

The review team found that VA satisfied the additional reporting requirements for two high-priority programs and one program with a monetary loss of more than \$100 million, as reported in FY 2019.⁷

What the OIG Recommended

The OIG recommended the under secretary for benefits ensure the Pension Program meets its reduction target. The OIG also recommended the under secretary for health ensure the Purchased Long-Term Services and Supports Program meets its reduction target and reduces improper payments to below 10 percent for Beneficiary Travel; Communications, Utilities, and Other Rent; Medical Care Contracts and Agreements; Purchased Long-Term Services and Supports; and VA Community Care.

Management Comments

The acting secretaries for benefits and health concurred with their respective recommendations and provided plans for corrective actions. The OIG considers the planned actions responsive and will monitor VA's progress until complete. The assistant secretary for management also provided some clarifying comments and, where appropriate, clarification was added to the report.



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⁷ OMB, Circular A-123. A monetary loss is an overpayment that must be recovered unless the recovery is specifically prevented by legislation. The two high-priority programs are (1) Purchased Long-Term Services and Supports and (2) VA Community Care. The Pension Program reported a monetary loss of over \$100 million.

Contents

Executive Summary	i
Abbreviations	v
Introduction.....	1
Results and Recommendations	4
Finding: VA Did Not Comply with Two of Six Requirements for FY 2020	4
Recommendations 1–3	12
Appendix A: Background	13
Appendix B: Reporting Compliance.....	15
Appendix C: Scope and Methodology	20
Appendix D: Management Comments, Assistant Secretary for Management and Chief Financial Officer	22
Appendix E: Management Comments, Under Secretary for Benefits	26
Appendix F: Management Comments, Deputy to the Deputy Under Secretary for Health	27
OIG Contact and Staff Acknowledgments	28
Report Distribution	29

Abbreviations

AFR	Agency Financial Report
CHAMPVA	Civilian Health and Medical Program of the Department of Veterans Affairs
FY	fiscal year
IPERA	Improper Payments Elimination and Recovery Act
OIG	Office of Inspector General
OMB	Office of Management and Budget
PIIA	Payment Integrity Information Act
VBA	Veterans Benefits Administration
VHA	Veterans Health Administration



Introduction

The VA Office of Inspector General (OIG) conducted this review to determine whether VA complied with the requirements of the Payment Integrity Information Act of 2019 (PIIA) for fiscal year (FY) 2020. The PIIA, which was enacted on March 2, 2020, repealed the Improper Payments Elimination and Recovery Act of 2010 (IPERA) and other laws but set forth similar improper payment reporting requirements, including an annual compliance report by inspectors general. IPERA required agencies to identify and review all programs and activities they administer that may be susceptible to significant improper payments based on Office of Management and Budget (OMB) guidance. In addition, IPERA required inspectors general to review each agency's improper payment reporting and issue an annual report. Because final OMB guidance related to PIIA was not issued until March 2021, the OIG's FY 2020 compliance review used a combination of guidance issued by OMB and the Council of the Inspectors General on Integrity and Efficiency for reporting requirements.⁸

According to OMB, an improper payment is any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements.⁹ An improper payment includes any payment that

- should not have been made,
- was made in an incorrect amount,
- was made to an ineligible recipient,
- was made for an ineligible good or service, or
- was made for goods or services not received.

In addition, when an agency's review is unable to discern whether a payment was proper because of insufficient or lack of documentation, the payment should also be considered an improper

⁸ The Payment Integrity Information Act of 2019 (Pub. L. No. 116-117) was enacted in March 2020. The act repealed the Improper Payments Information Act of 2002 (Pub. L. No. 107-300), IPERA of 2010 (Pub. L. No. 111-20), and the Improper Payments Elimination and Recovery Improvement Act of 2012 (Pub. L. No. 112-248). IPERA amended the IPIA. Based on guidance from OMB, the OIG's compliance review based on the agency's FY 2020 reporting was conducted using a combination of the requirements from OMB, Circular A-123, app. C, "Requirements for Payment Integrity Improvement," June 26, 2018; OMB, Circular A-136, "Financial Reporting Requirements," part II, August 27, 2020; OMB, Annual Data Call Instructions; OMB Payment Integrity Question and Answer Platform, accessed December 12, 2020 (on an internal OMB website that is not publicly accessible); and Council of the Inspectors General on Integrity and Efficiency, *Guidance for Payment Integrity Information Act Compliance Reviews*, November 2020.

⁹ OMB, Circular A-123.

payment. An improper payment may be an overpayment, underpayment, technically improper, or unknown.¹⁰

New OMB Guidance for FY 2020 Review

The OIG's compliance review is based on the agency's FY 2020 reporting. The review was conducted using a combination of the requirements from OMB and the Council of the Inspectors General on Integrity and Efficiency.¹¹

According to the OMB guidance, achieving compliance for FY 2020 means that the agency has

1. posted the annual financial statement for the most recent fiscal year and accompanying materials on the [PaymentAccuracy.gov](https://www.paymentaccuracy.gov) website,
2. conducted improper payment risk assessments for each program with annual outlays greater than \$10 million at least once in the last three years,
3. published improper payment estimates for programs susceptible to significant improper payments in the accompanying materials to the annual financial statement,
4. published corrective action plans for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement,
5. published and met improper payment reduction targets for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement, and
6. reported an improper payment estimate of less than 10 percent for each program for which an estimate was published in the accompanying materials to the annual financial statements.¹²

¹⁰ OMB, Circular A-123, "Requirements for Payment Integrity Improvement," March 5, 2021. Improper payments are classified as monetary loss (overpayment) and nonmonetary loss. A nonmonetary loss is either an underpayment or a technically improper payment (a payment to the right recipient for the correct amount where the process fails to follow applicable regulations or statutes). An unknown payment occurs if a program cannot discern whether it is proper or improper.

¹¹ OMB, Circular A-123; OMB, Circular A-136; OMB Annual Data Call Instructions (provided to the OIG by VA via email); OMB Payment Integrity Question and Answer Platform; Council of the Inspectors General on Integrity and Efficiency, *Guidance for Payment Integrity Information Act Compliance Reviews*.

¹² "PaymentAccuracy," accessed March 10, 2021, <https://www.paymentaccuracy.gov/>; "2020 VA Agency Financial Report," VA Office of Finance (website), accessed January 21, 2021, <https://www.va.gov/finance/afr/index.asp>; OMB, Circular A-123. The threshold is the definition of significant. Significant improper payments are gross annual improper payments in the program that exceed (1) both 1.5 percent of program outlays and \$10 million of all program or activity payments made during the fiscal year reported or (2) \$100 million (regardless of the percentage of program outlays). This is the statutory threshold for requirements 4, 5, and 6.

In addition, OMB guidance allows the FY 2020 review to be a stand-alone year for the requirement to report noncompliant programs. This means that every program found out of compliance for FY 2020 would be in the first year of noncompliance for reporting purposes. VA will get a clean slate and the year of noncompliance will restart as year one for FY 2021 reporting.

Additional Requirements for High-Priority Programs and Programs with Over \$100 Million in Monetary Loss

OMB designates high-priority programs for greater levels of oversight and review. According to OMB, the high-priority threshold is \$2 billion in estimated improper payments. Any agency reporting high-priority programs must also establish actions to reduce improper payments. The agency's inspector general is also required to review the assessment of the level of risk, evaluate the quality of the improper payment estimates and methodology, and review the oversight or financial controls used to identify and prevent improper payments for each high-priority program.¹³ In addition, programs with a monetary loss of greater than \$100 million are required to complete a quarterly scorecard on [PaymentAccuracy.gov](https://www.paymentaccuracy.gov).¹⁴

VA's Reported Improper Payments

In FY 2020, VA reported improper payment estimates totaling \$11.37 billion for 12 programs and activities. Of that amount, about \$892 million (8 percent) represented a monetary loss, and the remaining \$10.48 billion (92 percent) was considered a nonmonetary loss and cannot be recovered. The FY 2020 estimate is a decrease from the prior two years, for which VA reported improper payments totaling \$11.99 billion in FY 2019 and \$14.73 billion in FY 2018. With the OIG's concurrence, OMB relieved VA of its reporting requirements for two programs: Disaster Relief Fund and Education—Chapter 33. In addition, VA reported a decrease in its overall improper payments rates for nine programs and activities.¹⁵

¹³ OMB, Circular A-123.

¹⁴ "PaymentAccuracy."

¹⁵ The nine programs and activities with decreased improper payment rates are (1) Beneficiary Travel; (2) Civilian Health and Medical Program of the Department of Veterans Affairs; (3) Communications, Utilities, and Other Rent; (4) Compensation; (5) Medical Care Contracts and Agreements; (6) Prosthetics; (7) State Home Per Diem Grants; (8) Supplies and Materials; and (9) VA Community Care.

Results and Recommendations

Finding: VA Did Not Comply with Two of Six Requirements for FY 2020

VA did not comply with PIIA because it did not satisfy two of the six requirements. If one or more requirements are not met, VA is not compliant. Specifically, VA did not

- meet reduction targets for two programs—Pension and Purchased Long-Term Services and Supports—assessed to be at risk for improper payments (requirement 5), and
- report a gross improper payment rate of less than 10 percent for five programs and activities that had improper payment estimates in its accompanying materials to the annual financial statements: (1) Beneficiary Travel; (2) Communications, Utilities, and Other Rent; (3) Medical Care Contracts and Agreements; (4) Purchased Long-Term Services and Supports; and (5) VA Community Care (requirement 6).

VA satisfied the other four requirements. Specifically, VA

- posted the FY 2020 Agency Financial Report (AFR) on its website and provided a link to accompanying materials on [PaymentAccuracy.gov](https://www.paymentaccuracy.gov) (requirement 1),
- conducted risk assessments as applicable for each program with outlays greater than \$10 million (requirement 2),
- published improper payment estimates for all programs and activities identified as susceptible to significant improper payments (requirement 3), and
- published corrective action plans for programs and activities with significant improper payments (requirement 4).¹⁶

Table 1 shows VA's compliance with each requirement for 12 programs and activities susceptible to significant improper payments with published improper payment estimates. Appendix A provides background information about the 12 programs, and appendix B illustrates compliance for the remaining 59 VA programs and activities.

¹⁶ "2020 VA Agency Financial Report," VA Office of Finance website; "PaymentAccuracy."

Table 1. Compliance Reporting for the 12 Programs and Activities Susceptible to Significant Improper Payments

Program/Activity	Published an AFR (1)	Conducted a risk assessment (2)	Published improper payment estimate (3)	Published corrective action plan (4)	Published and is meeting reduction target (5)	Reported an improper payment rate of less than 10 percent (6)
Beneficiary Travel	Compliant	Compliant	Compliant	Compliant	Compliant	Not compliant
CHAMPVA*	Compliant	Compliant	Compliant	Not applicable†	Compliant	Compliant
Communications, Utilities, and Other Rent	Compliant	Compliant	Compliant	Compliant	Compliant	Not compliant
Compensation	Compliant	Compliant	Compliant	Not applicable†	Compliant	Compliant
Dependency and Indemnity Compensation	Compliant	Compliant	Compliant	Not applicable†	Compliant	Compliant
Medical Care Contracts and Agreements	Compliant	Compliant	Compliant	Compliant	Compliant	Not compliant
Pension	Compliant	Compliant	Compliant	Compliant	Not compliant	Compliant
Prosthetics	Compliant	Compliant	Compliant	Not applicable†	Compliant	Compliant
Purchased Long-Term Services and Supports	Compliant	Compliant	Compliant	Compliant	Not compliant	Not compliant
Supplies and Materials	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
State Home Per Diem	Compliant	Compliant	Compliant	Not applicable†	Compliant	Compliant
VA Community Care	Compliant	Compliant	Compliant	Compliant	Compliant	Not compliant

Source: Review team analysis of VA FY 2020 AFR and accompanying materials.

* Civilian Health and Medical Program of the Department of Veterans Affairs.

† A corrective action plan was not required because the improper payment estimate did not exceed the significant improper payment threshold.

What the OIG Did

The review team assessed VA's FY 2020 AFR and accompanying materials to determine compliance with reporting requirements.¹⁷ OMB allows VA to report improper payment data based on the previous fiscal year's activity. Because of this, the team evaluated FY 2019 data published in VA's FY 2020 AFR and accompanying materials. The team also reviewed federal laws and regulations, interviewed officials with VA's Improper Payments Remediation and Oversight Office, and obtained email correspondence from Veterans Benefits Administration (VBA) and Veterans Health Administration (VHA) personnel. In addition, the team reviewed three risk assessments VA completed for FY 2020 to determine whether the risks were properly evaluated based on known deficiencies.

An OIG statistician reviewed the statistical validity of sampling methodologies for the programs and activities reported in the AFR and performed independent calculations to verify sample estimates and margins of error for all programs and activities.

The review team evaluated VA's corrective action plans for reasonableness and validated whether each corrective action plan contained the elements required by OMB. The team also selected and reviewed a sample of payments deemed improper by VA to determine whether each corrective action plan focused on the appropriate root cause. Further, the team assessed whether VA accurately reported improper payment estimates. Appendix C provides additional information on the review's scope and methodology.

Requirements Not Met by VA

As shown in table 1, VA did not meet requirement 5, as two programs did not meet their reduction targets. It also did not meet requirement 6, as five programs and activities exceeded the 10 percent threshold.

Two Programs Did Not Meet Their Reduction Targets (Requirement 5)

VA did not comply with the requirement to publish and meet the annual reduction targets for two of the 12 programs and activities previously reported with improper payment rates (Pension and Purchased Long-Term Services and Supports). VA's target reduction rates for FY 2020 were published in its FY 2019 AFR. Compliance with the requirement to publish and meet reduction targets is based on a comparison of the FY 2020 improper payment rates to the FY 2019 published reduction targets. If a plan is consistent with the guidance for a statistically valid

¹⁷ "2020 VA Agency Financial Report," VA Office of Finance website; "PaymentAccuracy."

sample, an agency is considered to have met its reduction target if its point estimate is lower than or equal to its reduction target.¹⁸

Pension Program

VA did not meet its FY 2019 reduction target for the Pension Program. VA expected to reduce its improper payment rate for the program from 5.38 to 4.86 percent. However, the FY 2020 point estimate increased to 8.28 percent. According to a VBA official, the Pension Program payments are based on one-time decisions in response to a claim and are not changed unless there is an indication of change, such as income. The VBA official reported the Pension Program adjusted the FY 2021 targets and took action to conduct focused reviews to determine if there have been changes in income.

Purchased Long-Term Services and Supports

VA did not meet its FY 2019 reduction target of 92.13 percent for Purchased Long-Term Services and Supports. In the FY 2020 AFR, the published improper payment estimate for the program increased from the prior fiscal year to 95.34 percent. According to a VHA official, VHA implemented a new testing procedure for the FY 2020 AFR to help ensure VA received the Purchased Long-Term Services and Supports services for which it paid. VHA attributed 4.4 percent of the improper payments to lack of documentation needed to confirm receipt of the services. This prevented VHA from meeting its established reduction target of 92.13 percent for FY 2020. VHA plans to conduct training for VA personnel focusing on their responsibilities for providing supporting documents.

Five Programs and Activities Exceeded the 10 Percent Threshold (Requirement 6)

VA did not meet the improper payment rate threshold of less than 10 percent for five of 12 programs and activities. OMB requires each agency to report a gross improper payment rate of less than 10 percent for each program and activity published in the accompanying materials to the AFR.

Table 2 shows the reported improper payment rates published in the AFRs for FYs 2019 and 2020 for programs and activities that exceeded the 10 percent threshold.

¹⁸ OMB, Circular A-123.

Table 2. Improper Payment Rates for Programs and Activities Exceeding the 10 Percent Threshold

Program/Activity	FY 2019 improper payment percentage	FY 2020 improper payment percentage
Beneficiary Travel	18.79	16.42
Communications, Utilities, and Other Rent	43.41	12.23
Medical Care Contracts and Agreements	65.87	12.51
Purchased Long-Term Services and Supports	93.13	95.34
VA Community Care	92.33	78.51

Source: VA's FY 2019 AFR and FY 2020 accompanying materials.

In its FY 2020 accompanying materials, VA reported improper payment rates ranging from 12.23 to 95.34 percent for five programs and activities. However, improper payment estimates for four of the programs and activities (Beneficiary Travel; Communications, Utilities, and Other Rent; Medical Care Contracts and Agreements; and VA Community Care) showed a reduction in improper payments. Only Purchased Long-Term Services and Supports reported an increase from FY 2019 to FY 2020. According to a VA official, causes for the majority of improper payments for the Purchased Long-Term Services and Supports Program were orders placed by unauthorized individuals and lack of authorizations. Another cause was missing documentation to confirm receipt of services, which was discussed under requirement 5 for Purchased Long-Term Services and Supports.

Requirements Met by VA

VA Published an AFR (Requirement 1)

VA published an AFR for FY 2020 along with accompanying materials as required.¹⁹ The accompanying materials included improper payment estimates, the causes, and corrective actions to reduce improper payments.

VA Conducted Risk Assessments (Requirement 2)

VA performed risk assessments for 31 of 71 programs and activities and published them in the FY 2020 accompanying materials to the AFR.²⁰ In FYs 2018 and 2019, VA conducted the

¹⁹ "2020 VA Agency Financial Report," VA Office of Finance website; "PaymentAccuracy."

²⁰ The total number of programs decreased from 83 in FY 2019, as outlays for the 12 programs were below the \$10 million threshold.

remaining risk assessments as required. VA's risk assessment process incorporated the risk factors identified by OMB and met frequency requirements.²¹ Table 1 lists the 12 programs and activities VA determined to be susceptible to significant improper payments. Appendix B lists the remaining 59 programs and activities for which VA conducted risk assessments to identify the programs and activities that were susceptible to significant improper payments.

VA Published Improper Payment Estimates (Requirement 3)

VA published statistically valid estimates for all 12 programs and activities identified as susceptible to significant improper payments. For each of the 12 programs and activities, VA developed a sampling plan, identified a sample for the program or activity, and tested payments for the corresponding samples. The sample transactions were identified as either proper or improper, and the corresponding monetary value was calculated. The totals derived from VA's testing were projected for each of the 12 programs and activities and reported in the accompanying materials to the AFR.

OMB requires an agency to use a statistically valid plan to obtain an improper payment estimate. A statistically valid plan produces valid point estimates—the improper payment estimates—and confidence intervals around those estimates.²² An OIG statistician confirmed that the point estimates (i.e., the improper payment estimates) and associated confidence intervals produced by VA were valid.

In addition, the review team selected and reviewed a sample of payments (10 transactions for each of the 12 programs and activities) that VA had tested and determined were proper payments. For the 10 sample transactions, the team agreed with VA's determination that the payments were proper for 11 of the 12 programs and activities. For the Compensation Program, the team partially disagreed with VA's determination for one of the 10 samples; however, the technically improper payment of \$170.45 did not materially affect the improper payment estimate for the program.

VA Published Corrective Action Plans (Requirement 4)

VA reported corrective action plans for seven of 12 programs and activities in its FY 2020 accompanying materials as required. A corrective action plan was not required for the other five

²¹ OMB, Circular A-123. Factors likely to contribute to a susceptibility of significant improper payments include the age of the program; complexity of the program, particularly in relation to determining correct payment amounts; volume of payments; and recent major program changes, among others.

²² OMB, Circular A-123.

programs and activities because their improper payment estimates did not exceed the significant improper payment threshold.²³

OMB requires inspectors general to evaluate whether corrective action plans are focused on the true root causes of improper payments. The review team evaluated five improper payment samples for each of the seven programs and activities and validated that VA appropriately classified the root causes of improper payments. The team further assessed whether VA's reported corrective actions were focused on the identified root causes of improper payments and determined that the actions were reasonable to address the root causes and reduce improper payments for the seven programs and activities.

Additional Requirements for High-Priority Programs and Programs with Over \$100 Million in Monetary Loss

OMB designates programs with \$2 billion in estimated improper payments as high priority. Requirements for high-priority programs include tailoring corrective actions, reporting actions to prevent and recover improper payments to the public, and developing actions to reduce improper payments.²⁴

For FY 2020 reporting, OMB designated Purchased Long-Term Services and Supports and VA Community Care as high-priority programs with improper payments estimated at \$2.55 billion and \$7.48 billion, respectively. VA met high-priority requirements by tailoring corrective actions, reporting actions to prevent and recover improper payments to the public, and developing corrective actions to reduce improper payments for the Purchased Long-Term Services and Supports and VA Community Care programs.²⁵

OMB also requires inspectors general to review the assessment of the level of risk, evaluate the quality of the improper payment estimates and methodology, and review the oversight or financial controls used to identify and prevent improper payments for high-priority programs.

- With respect to VA's assessment of the level of risk for the Purchased Long-Term Services and Supports and VA Community Care Programs, VA assessed a high level of risk, which was consistent with the reported improper payments in its FY 2020 accompanying materials.

²³ OMB, Circular A-123. Significant improper payments are gross annual improper payments in the program exceeding (1) both 1.5 percent of program outlays and \$10 million of all program or activity payments made during the fiscal year reported or (2) \$100 million. The five programs that did not require corrective action plans were the (1) Civilian Health and Medical Program of the Department of Veterans Affairs, (2) Compensation, (3) Dependency and Indemnity Compensation, (4) Prosthetics, and (5) State Home Per Diem Grants.

²⁴ OMB, Circular A-123.

²⁵ "PaymentAccuracy."

- As to the quality of estimates, VA produced a statistically valid improper payment estimate for the Purchased Long-Term Services and Supports and the VA Community Care Programs when compared with the OIG statistician's independent estimate.
- For the Purchased Long-Term Services and Supports and the VA Community Care Programs, oversight and financial controls used to identify and prevent improper payments include the following:
 - VA provides quarterly updates to the scorecard, approved by OMB, that include goals, accomplishments, and strategies aimed to reduce improper payments. According to VA officials, improper payments will decrease for the Purchased Long-Term Services and Supports and the VA Community Care Programs after implementation of the MISSION Act of 2018.²⁶ Through implementation of the act, VA changed the process for making referrals in a way that reduces ordering officer delegation and authorization errors according to VA's accompanying materials. VA plans to complete this by September 2021.
 - VA's accompanying materials state that VHA uses the Financial Services Center to detect, prevent, and recover overpayments.
 - According to accompanying materials, the Department of Program Integrity within VHA's Office of Community Care uses data, systems, and applications to develop controls to prevent improper payments.

Additionally, in FY 2020, VA reported a monetary loss of more than \$100 million for the Pension Program, updated the scorecard, and reported corrective actions tailored to address processes and procedures for the program as required.²⁷

Conclusion

VA was noncompliant with PIIA for FY 2020 as two programs missed their reduction targets (requirement 5), and five programs and activities reported improper payment rates that exceeded the 10 percent improper payment rate threshold (requirement 6). VA met four of the six requirements by publishing the AFR and accompanying materials (requirement 1), conducting risk assessments (requirement 2), publishing improper payment estimates (requirement 3), and publishing corrective action plans (requirement 4).

²⁶ The VA MISSION Act (VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act) of 2018, Pub. L. 115-182 § 1703A (2018). The VA MISSION Act allows VA to enter into contracts to purchase care in the community without complying with all Federal Acquisition Regulation requirements.

²⁷ "PaymentAccuracy."

For two high-priority programs—Purchased Long-Term Services and Supports and VA Community Care—VA satisfied additional reporting requirements. VA also published quarterly scorecards for the Pension Program, which reported over \$100 million in losses in FY 2019.

Recommendations 1–3

The OIG made the following recommendation to the under secretary for benefits:

1. Ensure the Pension Program meets its reduction target.

The OIG made the following recommendations to the under secretary for health:

2. Ensure the Purchased Long-Term Services and Supports Program meets its reduction target.
3. Reduce improper payments to below 10 percent for Beneficiary Travel; Communications, Utilities, and Other Rent; Medical Care Contracts and Agreements; Purchased Long-Term Services and Supports; and VA Community Care Programs and activities.

Management Comments

The assistant secretary for management and chief financial officer provided a department-wide action plan with responses and target completion dates from the respective administrations. The acting secretaries for benefits and health concurred with their respective recommendations and provided plans for corrective actions.

The acting secretaries for benefits and health stated that corrective action plans, reported on [PaymentAccuracy.gov](https://www.paymentaccuracy.gov), will help achieve reduction targets for the Pension (recommendation 1) and Purchased Long-Term Services and Supports Programs (recommendation 2). In addition, the acting secretary for health concurred with recommendation 3 and stated VHA will continue to implement corrective actions and expects to achieve error rates below 10 percent for the Beneficiary Travel; Communications, Utilities, and Other Rent; and Medical Care Contracts and Agreements Programs by FY 2022, and for the Purchased Long-Term Services and Supports and VA Community Care Programs by FY 2024. In addition, VA will provide AFR supplemental reporting as required on [PaymentAccuracy.gov](https://www.paymentaccuracy.gov).

The assistant secretary for management and chief financial officer's comments and the department-wide action plan are provided in full in appendix D.

OIG Response

VA's planned actions are acceptable, and the OIG will monitor VA's progress until completed. The assistant secretary for management and chief financial officer also provided some clarifying comments and, where appropriate, clarification was added to the report.

Appendix A: Background

Program Office Responsibility

Within VA's Office of Management, the Improper Payments Remediation and Oversight Office provides oversight and coordination of PIIA compliance activities. Individual administrations and staff offices are responsible for complying with PIIA requirements applicable to their programs and activities.

Beneficiary Travel

Provides eligible veterans and other beneficiaries mileage reimbursement or common carrier or special mode transportation to receive VA-authorized health care.

Civilian Health and Medical Program of the Department of Veterans Affairs

Referred to as CHAMPVA, this program shares the cost of covered healthcare services and supplies as a secondary payer or payer of last resort for certain eligible beneficiaries.

Communication, Utilities, and Other Rent

Communications, Utilities, and Other Rent includes payments for use of communications, utility services, and charges for possession and use of land, structures, or equipment owned by others.

Compensation

VA provides compensation to veterans because of injuries or diseases that occurred in or were aggravated during active military service.

Dependency and Indemnity Compensation

Dependency and Indemnity Compensation is a benefit for the surviving spouse, child, or parent of a service member who died while on duty or from a service-related injury or illness.

Medical Care Contracts and Agreements

These contracts and agreements include payments for research, medical and educational data or services, reimbursements at contract per diem rates for hospitalization, dialysis treatment furnished by non-VA facilities, and indirect charges added for research and demonstration projects.

Pension

This program provides supplemental income to eligible veterans and their families with financial challenges.

Prosthetics

Funds are used for the provision of medically prescribed prosthetics and sensory aids, devices, assistive aids, repairs, and services to eligible disabled veterans for the treatment of their medical conditions.

Purchased Long-Term Services and Supports

Purchased Long-Term Services and Supports is organizationally aligned under VHA's Geriatrics and Extended Care and focuses on veterans with serious and chronic illnesses.

State Home Per Diem

Under the State Home Per Diem program, states may provide care for eligible veterans in need of care in three types of programs: nursing home, domiciliary, and adult day health care.

Supplies and Materials

Supplies and materials are acquired by formal contracts or other forms of purchase and are consumed or expended within one year.

VA Community Care

VA Community Care was established to provide timely and specialized care to eligible veterans by authorizing veterans for care in the community if needed services are not available through VA.

Appendix B: Reporting Compliance

Table B.1 illustrates compliance with each of the six requirements for the remaining 59 programs and activities for which VA conducted required risk assessments. VA did not identify these programs and activities as being susceptible to significant improper payments; therefore, requirements 3 through 6 were not applicable.

Table B.1. Reporting Compliance by Program or Activity

Program/Activity	Published an AFR (1)	Conducted a risk assessment (2)	Published an improper payment estimate (3)	Published a corrective action plan (4)	Published and is meeting a reduction target (5)	Reported an improper payment rate of less than 10 percent (6)
Automobile Adaptive Equipment	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Alcohol & Drug Treatment Rehabilitation	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Automobile Grants	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Burial (NCA [†])	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Burial (VBA)	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Canteen Service	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Caregiver Support	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Clothing Allowance	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Compensated Work Therapy– Incentive Therapy	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Disaster Relief Funding	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Education– Chapter 1606	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Education– Chapter 33 (Post 9/11 GI Bill)	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable

Program/Activity	Published an AFR (1)	Conducted a risk assessment (2)	Published an improper payment estimate (3)	Published a corrective action plan (4)	Published and is meeting a reduction target (5)	Reported an improper payment rate of less than 10 percent (6)
Education–State Approving Agencies	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Education Reporting Fees	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Equipment	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Facility Maintenance Operations	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Foreign Medical Program	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Franchise Fund	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
General Administration	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
General Operating Expense	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
General Post Fund	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Grants–Homeless Per Diem	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Grants–Construction of State Extended Care Facilities	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Healthcare for Homeless Veterans	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Human Resources–Payroll	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Indian Health Services Tribal Health Program Reimbursement Agreement	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable

Program/Activity	Published an AFR (1)	Conducted a risk assessment (2)	Published an improper payment estimate (3)	Published a corrective action plan (4)	Published and is meeting a reduction target (5)	Reported an improper payment rate of less than 10 percent (6)
Information Technology Services	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Insurance Claims & Interest Expense	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Land and Structures	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Loan Guaranty– Loan Production	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Loan Guaranty– Loan Administration	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Loan Guaranty– Property Management	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Medical and Prosthetic Research	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Montgomery GI Bill–Chapter 30	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
National Service Life Insurance	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Non-Medical Contracts and Agreements	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Office of Acquisition, Logistics, and Construction– Major/Minor Construction	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Office of Information & Technology	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Office of Inspector General	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable

Program/Activity	Published an AFR (1)	Conducted a risk assessment (2)	Published an improper payment estimate (3)	Published a corrective action plan (4)	Published and is meeting a reduction target (5)	Reported an improper payment rate of less than 10 percent (6)
Off-station Provider Services	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Other Contracts, Services, and Miscellaneous	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Pharmacy–Consolidated Mail Outpatient Pharmacies	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Pharmacy–Medical Facilities	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Professional Services Contracts	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Service-Disabled Veterans' Insurance	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Servicemembers' Group Life Insurance	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Shared Services	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Specially Adapted Housing	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Spina Bifida–Chapter 18	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Spina Bifida Health Care	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Supply Fund	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Support Services for Veteran Families	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Survivor and Dependents Education Assistance	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Transportation of Things	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable

Program/Activity	Published an AFR (1)	Conducted a risk assessment (2)	Published an improper payment estimate (3)	Published a corrective action plan (4)	Published and is meeting a reduction target (5)	Reported an improper payment rate of less than 10 percent (6)
Travel	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Veterans Insurance and Indemnities	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Veterans' Reopened Insurance	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Veterans Special Life Insurance	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable
Vocational Rehabilitation Beneficiary Payment	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable

Source: Review team analysis of VA FY 2020 AFR and accompanying materials.

Appendix C: Scope and Methodology

Scope

The review team conducted its work from November 2020 through July 2021. The team focused on improper payment information reported in VA's FY 2020 AFR and accompanying materials, as required.

Methodology

To assess VA's compliance, the review team assessed VA's FY 2020 AFR and accompanying materials.²⁸ The team obtained VA's improper payment reduction targets from its FY 2019 AFR. The team also reviewed VA policies and interviewed individuals from VA's Office of Management, VBA, and VHA to obtain updates on VA's improper payment reporting.

VA completed 31 risk assessments for FY 2020 as part of its three-year cycle, and the review team examined three of these to determine whether the risks were properly assessed based on known deficiencies.

An OIG statistician reviewed the statistical validity of sampling methodologies for the programs and activities reported in the accompanying materials and performed independent calculations to verify sample estimates and margins of error for 12 programs and activities. The programs and activities reviewed were (1) Beneficiary Travel; (2) Civilian Health and Medical Program of the Department of Veterans Affairs; (3) Communications, Utilities, and Other Rent; (4) Compensation; (5) Dependency and Indemnity Compensation; (6) Medical Care Contracts and Agreements; (7) Pension; (8) Prosthetics; (9) Purchased Long-Term Services and Supports; (10) State Home Per Diem; (11) Supplies and Materials; and (12) VA Community Care.

In addition, the OIG statistician developed independent statistical estimates based on VA's improper payment test results. The review team evaluated whether VA accurately reported improper payments; however, the team did not reevaluate VA's sample transactions to determine if VA correctly identified all improper payments in its samples used to estimate improper payments. The team performed sample testing for all 12 programs and activities to verify if payments were proper by selecting and reviewing 10 payments for each program or activity that VA originally categorized as proper. The team also examined VA's corrective action plans as reported in its AFR for reasonableness and validated whether each corrective action plan contained the necessary elements required by OMB. Additionally, the team selected and

²⁸ VA, Office of Finance (website), accessed January 21, 2021, <https://www.va.gov/finance/afr/index.asp>; "Annual Improper Payments Datasets," PaymentAccuracy.gov, accessed February 5, 2021, <https://www.paymentaccuracy.gov/payment-accuracy-the-numbers/>.

reviewed five payments deemed improper by VA for each required program or activity to determine whether each of the corrective action plans focused on the true root causes.

Fraud Assessment

The OIG assessed the risk that fraud, violations of legal and regulatory requirements, and abuse could occur during this review. The OIG exercised due diligence in staying alert to any fraud indicators, such as lack of documentation. In the cases sampled where documentation was lacking, the payments were determined to be improper, which is consistent with the purpose of the review. The review team did not identify any instances of fraud or potential fraud during this review.

Data Reliability

Information published by VA in its FY 2020 AFR and accompanying materials provided the primary basis for the review team's evaluation of VA's compliance with the requirements. To assess the reliability of VA's published information, the team reviewed the statistical methodologies that VA applied to payment data for all programs and activities and identified data sources from VA's sampling plans. According to those plans, VHA obtained data for its programs and activities from VA's Financial Management System. The data for VBA's programs came from the Veterans Service Network Database.

The review team did not

- perform its own independent risk assessments of VA's programs and activities, or
- evaluate all of VA's sample transactions to determine if VA correctly identified improper payments (except as previously discussed in the overall methodology section).

The review team designed its procedures to determine whether VA complied with OMB's six compliance criteria and whether VA met requirements pertaining to high-priority programs — not to attest to the accuracy of VA's reporting. The OIG believes its procedures to assess data reliability were sufficient to support the review's objective.

Government Standards

The OIG conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

Appendix D: Management Comments, Assistant Secretary for Management and Chief Financial Officer

Department of Veterans Affairs Memorandum

Date: July 20, 2021

From: Assistant Secretary for Management and Chief Financial Officer (004)

Subj: Office of Inspector General (OIG) Draft Report, Review of VA's Compliance with the Payment Integrity Information Act (PIIA) for Fiscal Year (FY) 2020

To: Assistant Inspector General for Audits and Evaluations (52)

Thank you for the opportunity to comment on OIG's draft report on VA's FY 2020 compliance with PIIA. We appreciate the work your staff has conducted to strengthen VA's efforts to comply with PIIA requirements and reduce improper payments. We have reviewed the draft report and concur with the findings and recommendations, but we ask for your consideration on the following edits.

We ask that the Executive Summary (Page ii) be modified to more accurately differentiate monetary and non-monetary loss as a result of improper payment. We propose inserting the following italicized language for your consideration:

[Existing Language] "In FY 2020, VA reported improper payment estimates totaling \$11.37 billion for 12 programs and activities." [Insert] *However, only about 8% (less than \$1 billion) represented a monetary loss. The remaining 92%, or \$10.48 billion, must still be reported as improper even though it cannot be recovered.* To VA's credit, it reported a decrease in improper payment estimates two years in a row. With the OIG's concurrence, the Office of Management and Budget (OMB) relieved VA of its reporting requirements for 2 programs: Disaster Relief Fund and Education—Chapter 33. In addition, VA reported a decrease in its overall improper payments rates for 9 programs and activities.

We ask that the Introduction (Page 3) be modified to more accurately differentiate monetary and non-monetary loss as a result of improper payment. We propose inserting the following italicized language for your consideration:

[Existing Language] "In FY 2020, VA reported improper payment estimates totaling \$11.37 billion for 12 programs and activities." [Insert] *However, only about 8% (less than \$1 billion) represented a monetary loss. The remaining 92%, or \$10.48 billion, must still be reported as improper even though it cannot be recovered.* The FY 2020 estimate is a decrease from the prior two years for which VA reported improper payments, totaling \$11.99 billion in FY 2019 and \$14.73 billion in FY 2018. With the OIG's concurrence, OMB relieved VA of its reporting requirements for 2 programs: Disaster Relief Fund and Education—Chapter 33. In addition, VA reported a decrease in its overall improper payments rates for 9 programs and activities.

We ask that the Executive Summary (Page iii, Paragraph 2) and Recommendation 1 (Page 12) be changed to reflect correct title. We propose changing the following italicized language for your consideration:

[Existing Language] “The OIG recommended the Under Secretary for benefits ensure the Pension Program meets its reduction target.” [Change] *The OIG recommended the Acting Under Secretary for Benefits ensure the Pension Program meets its reduction target.*

We also ask that the Appendix A (Page 13, Paragraph 5) 10% rate disabled statement be updated to add the Special Monthly Compensation K-level rate. We propose changing the following italicized language for your consideration:

[Existing Language] “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.” [Change] *VA provides compensation to Veterans who are at least eligible to receive special monthly compensation at the “K” disabling level because of injuries or diseases that occurred in or were aggravated during active military service.*²⁹

Attached is a Department-wide action plan, with response and target completion dates, from the respective Administrations.

The OIG removed point of contact information prior to publication.

Digitally signed by Jon J. Rychalski

Jon J. Rychalski

Attachment

²⁹ Special monthly compensation at the “K” disabling level is an additional tax-free benefit that can be paid to Veterans, their spouses, surviving spouses and parents due to special circumstances such as the need of aid and attendance by another person or by specific disability.

Department of Veterans Affairs Action Plan

Draft OIG Report – Review of VA's Compliance with the Payment Integrity Information Act for FY 2020

Date of Draft Report: 7/1/2021

Recommendation Status Target Completion Date

OIG Recommendation 1: The Under Secretary for Benefits, Veterans Benefits Administration (VBA), ensure the Pension program meets its reduction target.

VBA Comments: Concur

VBA's Pension and Fiduciary (P&F) Service continuously strives to identify and implement improvements to the Pension program to provide beneficiaries with the best possible outcome and to reduce improper payments and ensure VBA meets the reduction target. Based on corrective actions, reported on paymentaccuracy.gov, it is expected that Pension will make progress towards meeting its reduction target in Fiscal Year 2021

To complete this action, VBA will provide the following documentation: Agency Financial Report (AFR) Supplemental Reporting on paymentaccuracy.gov.

Status: In process Target Completion Date: November 2021

OIG Recommendation 2: The Executive in Charge, Veterans Health Administration (VHA), ensure the Purchased Long-Term Services and Supports (PLTSS) program meets its reduction target.

VHA Comments: Concur

The VHA Chief Financial Officer is working closely with the PLTSS Senior Accountable Official to monitor corrective actions resulting in improved Federal Acquisition Regulation (FAR) compliance. Based on the corrective action plans, reported on paymentaccuracy.gov, it is expected that PLTSS will achieve its reduction target by FY 2021.

To complete this action, VHA will provide the following documentation: AFR Supplemental Reporting on paymentaccuracy.gov.

Status: In process Target Completion Date: November 2021

OIG Recommendation 3: The Executive in Charge, VHA, reduce improper payments to below 10% for Beneficiary Travel; Communications, Utilities, and Other Rent; Medical Care Contracts and Agreements; PLTSS; and VA Community Care programs and activities.

VHA Comments: Concur

In 2020, VHA showed reductions in improper payments for eight of nine programs and continues to implement corrective actions, as reported on paymentaccuracy.gov. VHA expects to achieve error rates below 10% for all programs by FY 2022, with the exception of PLTSS and VA Community Care. These programs are expected to be fully compliant by FY 2024, as VHA continues to work on FAR compliance.

To complete this action, VHA will provide the following documentation: AFR Supplemental Reporting on paymentaccuracy.gov.

Status: In process Target Completion Date: November 2024

For accessibility, the original format of this appendix has been modified to comply with Section 508 of the Rehabilitation Act of 1973, as amended.

Appendix E: Management Comments, Under Secretary for Benefits

Department of Veterans Affairs Memorandum

Date: July 19, 2021

From: Under Secretary for Benefits (20)

Subj: OIG Draft Report – Review of VA's Compliance with the Payment Integrity Information Act for Fiscal Year 2020 [Project No. 2021-000519-AE-0016]

To: Assistant Inspector General for Audit and Evaluation (52)

Thru: Improper Payments Remediation Oversight (IPRO) Office (043)

Attached is VBA's input for inclusion in the Office of Management's (OM) consolidated VA response to the OIG Draft Report: Review of VA's Compliance with the Payment Integrity Information Act for Fiscal Year 2020. VBA awaits receipt of the OM final response to OIG.

The OIG removed point of contact information prior to publication.

Thomas J. Murphy

Acting

Attachment

Appendix F: Management Comments, Deputy to the Deputy Under Secretary for Health

Department of Veterans Affairs Memorandum

Date: July 21, 2021

From: Deputy to the Deputy Under Secretary for Health
Performing the Delegable Duties of Under Secretary for Health (10)

Subj: OIG Draft Report, Review of VA's Compliance with the Payment Integrity Information Act for Fiscal Year 2020 (Project Number 2021-00519-AE-0016) (VIEWS 05442087)

To: Assistant Secretary for Management (004)

Thank you for the opportunity to review and comment on the Office of Inspector General (OIG) draft report on VA's compliance with the Payment Integrity Information Act for Fiscal Year 2020. The Veterans Health Administration concurs with recommendations 2 and 3 and provides the attached action plan.

The OIG removed point of contact information prior to publication.

Steven L. Lieberman, M.D.

Attachment

OIG Contact and Staff Acknowledgments

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