



Department of Veterans Affairs Office of Inspector General

Combined Assessment Program Review VA Regional Office Des Moines, Iowa

Office of Inspector General Combined Assessment Program Reviews

Combined Assessment Program (CAP) reviews are part of the Office of Inspector General's (OIG's) efforts to ensure that high quality health care and benefits services are provided to our Nation's veterans. CAP reviews combine the knowledge and skills of the OIG's Offices of Healthcare Inspections, Audit, and Investigations to provide collaborative assessments of VA medical facilities and regional offices on a cyclical basis. The purposes of CAP reviews are to:

- Evaluate how well VA facilities are accomplishing their missions of providing veterans convenient access to high quality medical and benefits services.
- Determine if management controls ensure compliance with regulations and VA policies, assist management in achieving program goals, and minimize vulnerability to fraud, waste, and abuse.
- Conduct fraud and integrity awareness training for facility staff.

In addition to this typical coverage, CAP reviews may examine issues or allegations referred by VA employees, patients, Members of Congress, or others.

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Executive Summary

Introduction

The Office of Inspector General (OIG) conducted a Combined Assessment Program (CAP) review of the Department of Veterans Affairs Regional Office (VARO) Des Moines, Iowa during the week of February 25, 2002. The purpose of the CAP review was to evaluate claims processing and administrative operations. During our One-Time Payment review in September 2001, we provided fraud and integrity awareness training to 70 employees. During the current review, we held updated fraud discussions that were attended by 19 employees.

Results of Review

VARO financial and administrative activities were generally operating effectively. These activities included VARO management operations; Systematic Analyses of Operations (SAOs); Systematic Technical Accuracy Review (STAR); ethics training; the Decision Review Officer (DRO) Program; retroactive one-time payments; initial fiduciary appointments, field examinations, and accountings; Automated Information System (AIS) and Benefits Delivery Network (BDN) security; and timeliness of Vocational Rehabilitation and Employment (VR&E) claims processing.

Fiduciary activities were better than the national average for timeliness of initial appointments of fiduciaries and field examinations, and met the Fiscal Year (FY) 2001 National Target set by the Veterans Benefits Administration (VBA). Comparative Balanced Scorecard (BSC) results for January 2001 and January 2002 are shown in *Appendix B*.

We identified opportunities for management to improve operations and made recommendations in the following activities:

- Timeliness and accuracy of processing compensation and pension (C&P) claims, hospital adjustments, and system-generated messages.
- Accuracy of data in the Fiduciary Beneficiary Master File and the BDN system.

The Regional Office Director agreed with the findings and recommendations and provided acceptable implementation plans. (*See Appendix C for the full text of the Director's comments.*) We will follow up on planned actions until they are completed.

(original signed by:)
RICHARD J. GRIFFIN
Inspector General

Introduction

Facility Profile

VARO Des Moines provides C&P and VR&E services to eligible veterans, service persons, dependents, and survivors residing in Iowa. The VARO provides, on request, veterans' benefits counseling at the VA Central Iowa Health Care System at Des Moines and Knoxville and at the VA Medical Center (VAMC) Iowa City, offering claims assistance to hospitalized veterans. VARO Des Moines also has out-based VR&E offices in Ottumwa, Davenport, and Cedar Rapids, Iowa.

VARO Des Moines has a Loan Guaranty Division consisting of Construction and Valuation and Property Management. The Regional Loan Center, located at VARO St. Paul, Minnesota, provides other loan guaranty services. Education services are provided by VARO St. Louis, Missouri.

General operating expenses for FY 2001 totaled about \$4.85 million, and the VARO had an authorized staffing level of 79.4 full-time equivalent employees.

In FY 2001, VARO Des Moines served a veteran population of 266,207 veterans, which is a decrease of 1,772 veterans since FY 2000. The number of C&P benefits claims processed decreased from 11,109 to 8,854 during the same period. During FY 2001, almost \$185 million in C&P benefits were paid to more than 27,000 beneficiaries. VR&E services were provided to about 600 veterans, service persons, dependents, and survivors with estimated benefits totaling over \$11.7 million in FY 2001.

Objectives and Scope of CAP Review

Objectives. The objectives of the CAP review were to evaluate a range of claims processing and administrative operations and provide fraud and integrity awareness training to VARO Des Moines employees.

Scope. We reviewed selected VARO operations, focusing on the efficiency, effectiveness, quality, and timeliness of benefits delivery and the associated management controls. These controls are the policies, procedures, and information systems used to administer VBA benefits programs, safeguard assets, prevent and detect errors and fraud, and ensure that organizational goals and objectives are met. The review covered the following benefits delivery and administrative activities and management controls:

BDN Security
AIS Security
Retroactive Benefits Payments
Fiduciary and Field Examinations
VARO Management Operations
System-Generated Messages

C&P Claims Processing
C&P Overpayments
VR&E Claims Processing
Hospital Adjustments
Government Purchase Card Program
Loan Guaranty Operations

The CAP team performed the following activities while onsite:

- Inspected workspace and equipment.
- Reviewed 168 C&P, 22 fiduciary, and 15 VR&E files.
- Interviewed VARO management and selected program staff in the administrative and benefits delivery areas of operation.
- Reviewed management information and data related to the timeliness and quality of service to veterans.
- Reviewed management controls and quality of service provided to veterans by the Veterans Service Center (VSC), VR&E, and Information Resources Management (IRM).
- Met with representatives of the six Veteran Service Organizations located at the VARO to discuss the timeliness and quality of service to veterans.
- Conducted fraud update discussions, separately for each of four divisions, that were attended by 19 VARO employees.

The review was performed in accordance with the Combined Assessment Program Standard Operations Procedures issued by the VAOIG and covered the period October 2000 through January 2002.

Results of Review

Opportunities for Improvement

Compensation and Pension Claims Processing – Timeliness and Accuracy of Claims Processing, Hospital Adjustments, and System-Generated Messages Should Be Improved

Conditions Needing Improvement. VARO management needed to improve the timeliness and accuracy of processing C&P claims, hospital adjustments, and system-generated messages to prevent benefits overpayments.

Timeliness of C&P Claims Processing. The VARO needed to improve the timeliness of C&P claims processing. The number of days to complete a claim is one of the major indicators in monitoring the general effectiveness of C&P claims processing and is a major concern of VA nationwide. As of August 2001, VA's nationwide pending workload was about 668,000 claims, of which approximately 4,760 claims were located at VARO Des Moines. This represented an increase in the regional office's pending workload of about 2,615 claims since August 2000. While VARO Des Moines' timeliness of processing claims decreased from January 2001 to January 2002, five BSC elements were better than the national average (*see Appendix B*).

The regional office's VSC is responsible for processing all C&P claims. We reviewed a random sample of 100 C&P claims processing actions selected from the 1,205 claims in the BDN Work-in-Process (WIPP) system. The random sample consisted of original and reopened C&P claims completed between October 1, 2000, and February 28, 2001. We identified 52 claims with avoidable processing delays averaging 117 days. Delays occurred in all phases of the claims processing cycle as shown below.

<u>Processing Phase</u>	<u>No. of Claims With Avoidable Processing Delays¹</u>	<u>Range of Avoidable Processing Delays</u>	<u>No. of Claims With Avoidable Processing Delays Over 200 Days</u>
Claims Establishment	18	1 to 118 days	0
Claims Development	32	6 to 360 days	1
Claims Rating	25	3 to 237 days	3
Claims Authorization	7	1 to 109 days	0

VARO management attributed some of the increase in claims processing time to retirements, promotions, terminations, and transfers that reduced the claims processing workforce to 35

¹ Total is greater than 52 as some claims had delays in more than one processing phase.

employees at the beginning of FY 2000. They hired 21 new employees during FYs 2000 and 2001, but continued attrition reduced the total staff to 44 by the end of FY 2001. Further, the new employees required extensive training to develop into productive Veterans Service Representatives (VSRs). The task of providing that training to the new employees took claims processing time away from experienced VSRs and Rating Specialists, resulting in decreased productivity. According to VARO management, it took the equivalent of two full-time employees (FTEE) in FY 2000, four FTEE in FY 2001, and will take an additional two FTEE during FY 2002 to provide training to new employees.

Legislative and other changes also adversely affected timeliness of claims processing.

- The Veterans Claims Assistance Act of 2000, also referred to as “Duty to Assist,” added additional requirements for VSRs to assist claimants.
- VSRs also had to learn VA’s new rating decision format, which was incorporated into VA’s Rating Board Automation 2000 project.
- In addition, effective in July 2001, VA published a final rule to change Title 38, § 3.309, recognizing diabetes as related to herbicide exposure, which increased the number of claims submitted to the VSC. This also required additional training for employees.

VSC management stated they will hire more employees when authorized and conduct intensive training, including specialized skills for predetermination (claims development) and post-determination (claims finalization) to improve claims processing timeliness.

Hospital Adjustments. VARO management needed to improve efforts to ensure benefits overpayments were prevented. VA requires that benefit payments be adjusted for certain veterans who receive nonservice-connected pensions and are hospitalized continuously for more than 90 days at Government expense. We reviewed the files of all veterans who were receiving C&P benefits payments and were hospitalized for more than 90 days at the time of our review to determine whether the VARO made the proper adjustments. Overpayments totaling \$13,465 were made to 4 of the 38 veterans.² Medical center personnel reported the patient admissions as required in the Automated Medical Information Exchange (AMIE). However, according to VSC management, staff did not process the adjustments timely because of the backlog of pending claims.

System-Generated Messages. System messages are generated by the BDN WIPP system to advise field stations of changes in beneficiary status that can affect benefit payments. These include changes in marital status, dependency status, and level of compensation. The system-generated messages are printed on one of two forms. VA Form 20-6560 - Notice of Exception, is used for processing future-date actions initiated by information stored within the system or input transactions initiated by the regional office or data processing center (e.g., suspend payment or stop payment). If an audit error is detected, a VA Form 20-8270 - C&P Master Record-Audit Write-out, is generated. VSC staff should complete corrective action within 30 days of receipt of the system message.

² VARO Lincoln had jurisdiction over one of the four cases. We referred that case to VARO Lincoln to adjust the benefit accordingly.

Our review of 50 system-generated messages from January 2001 found that one VA Form 20-6560, involving a returned check for \$802, was not processed until November 2001, 10 months following receipt. In addition, six VA Forms 20-8270 were not processed timely and resulted in initial overpayments totaling \$12,636. Although all six of these overpayments were later recouped, timely processing of the messages would have avoided the overpayments.

Recommended Improvement Action 1. The VARO Director should ensure that VSC staff: (a) review incoming claims timely and receive VSR training that includes emphasis on timeliness and accuracy of C&P claims processing; (b) receive refresher training on hospital adjustments to include how to access, run, and process the AMIE reports timely to prevent overpayments, and (c) work system-generated messages within 30 days of receipt.

The VARO Director agreed with the findings and recommendations. To address timeliness and accuracy of processing C&P claims, the regional office established a pre-determination team and triage team that specialize in claims development, a post-determination team that specializes in claims finalization, a rating team that specializes in rating decisions, and an appeals team that specializes in appeals. To address hospital adjustments, refresher training is scheduled to be conducted in June 2002. In addition, hospital adjustments will be worked as a priority to minimize potential overpayments. To address system-generated messages, the regional office will emphasize that they be processed within 30 days of receipt to minimize potential overpayments. The Director's implementation actions are responsive to the recommendation. *(The monetary benefit associated with this recommendation is shown in Appendix D.)*

Fiduciary Beneficiary Master File and the Benefits Delivery Network System – Data Entry Should Be Monitored to Ensure Accuracy

Conditions Needing Improvement. Some data in the Fiduciary Beneficiary Master File and the BDN system was not accurate.

Fiduciary Beneficiary Master File. Data in 10 of the 12 veterans' Principal Guardianship Folders (PGFs) reviewed was not accurate in the Fiduciary Beneficiary Master File. Estate values were overstated, bonding data was incorrect, and competency data listed in the file did not accurately reflect veterans' conditions.

- One veteran's estate value was listed at \$8,121,105 in the Fiduciary Beneficiary Master File while the PGF listed the estate value at \$81,211.05. This error in the master file occurred because of a data entry error. We identified similar errors in 6 of the 12 cases reviewed.
- For 10 of the 12 cases reviewed, the Fiduciary Beneficiary Master File indicated the fiduciaries were not bonded. However, the PGFs showed that, in fact, all the fiduciaries were bonded.
- Competency data in the Master File listed 8 of 12 veterans as competent, when, in fact, the PGF contained medical documentation that showed these veterans were incompetent.

Benefits Delivery Network System. The veterans' VR&E claims processing status in the BDN system did not always agree with the status shown in the WINRS³ system, and documentation in the veterans' Counseling, Evaluation, and Rehabilitation (CER) folders. We reviewed CER folders for 15 veterans receiving VR&E services during FY 2001 and the first 4 months of FY 2002 and found that data in BDN was not accurate for 6 of the veterans. VR&E staff entered data directly into WINRS, which should automatically update BDN. However, the data updates to BDN resulted in frequent reject messages that required additional staff time to manually update the BDN system. VARO management said that the manual updates had not been made in the six cases discussed above due to lack of staff time to follow up on the reject messages.

Recommended Improvement Action 2. We recommend that the VARO Director monitor data entry to the Fiduciary Beneficiary Master File and automatic updates of veterans' VR&E status from WINRS to the BDN system to ensure the data is accurate.

The VARO Director agreed with the findings and recommendations. The regional office will have its two Legal Instrument Examiners begin to review the accuracy of data input into the Fiduciary Beneficiary System (FBS) in correlation with BDN. They will continue to emphasize the importance of accurately updating the FBS. Regarding the VR&E status issue, the Director stated that maintenance of two databases will continue to be problematic until they reach the stage where there is instantaneous interface between Corporate-WINRS (C-WINRS) and BDN. As an intermediate measure, all VR&E Case Managers have been asked to reconcile their COIN TAR reports each month against their cases in C-WINRS and take corrective action as needed. The Director's implementation actions are responsive to the intent of the recommendation.

³ WINRS is VR&E's electronic case management system. The acronym was derived from the first letter of the names of the five pilot test stations that tested the original program: VAROs Winston-Salem, Indianapolis, Newark, Roanoke, and Seattle.

Checklist of Observations

Areas checked “Yes” were generally operating in accordance with applicable policies and procedures. Areas checked “No” require management attention and should include a synopsis of the condition found. The areas checked “N/A” did not apply to this regional office or were not reviewed.

Top Management

Top Management	Yes	No	N/A	Synopsis of Condition
1. Top management monitored corrective actions for SAO and Statistical Quality Control (SQC).	✓			
2. Top management monitored the results of the VSC's STAR process.	✓			
3. Top management uses the facility's BSC to monitor the progress of the business lines in achieving their targets and strategic goals.	✓			
4. Top management provided guidance and training for employees on ethical conduct and behavior.	✓			
5. Top management monitored the DRO Program to ensure quality of service to the veteran.	✓			

Veterans Service Center

Timeliness of Claims Processing	Yes	No	N/A	Synopsis of Condition
1. SAOs identified problem areas in the timeliness of C&P claims processing, and appropriate corrective actions were taken.	✓			
2. Potential delays in the development of original or reopened C&P claims were identified and corrective actions taken.		✓		52 of 100 of original or reopened C&P claims were not processed timely.
3. Corrective actions were implemented to improve BSC scores that had declined or were above the national average.	✓			
4. The average processing times for C&P claims were the same as, or below the BSC national average.		✓		Processing times for C&P claims were above national averages.

Hospital Adjustments	Yes	No	N/A	Synopsis of Condition
5. C&P benefits were appropriately adjusted for veterans continually hospitalized at Government expense for 90 days or more.		✓		Benefits overpayments totaling \$13,465 were made to 4 of 38 veterans continually hospitalized at Government expense for more than 90 days; 1 of the 4 cases was under the jurisdiction of VARO Lincoln, NE.

System-Generated Messages	Yes	No	N/A	Synopsis of Condition
6. C&P system-generated messages were handled appropriately and in accordance with criteria.		✓		7 of 50 system-generated messages were not processed timely.

Retroactive One-Time Payments	Yes	No	N/A	Synopsis of Condition
7. Retroactive one-time payments of \$10,000 to \$24,999 were supported by appropriate documentation that justified the award.	✓			

Retroactive One-Time Payments (Cont.)	Yes	No	N/A	Synopsis of Condition
8. Retroactive one-time payments of \$10,000 to \$24,999 that were retroactive for more than 2 years had third party signatures.	✓			
9. Multiple retroactive one-time payments of \$10,000 to \$24,999 to the same payee were supported by appropriate documentation that justified the award.	✓			
10. Duplicate retroactive one-time payments of \$10,000 to \$24,999 were returned and not cashed.	✓			
11. The VARO Director reviewed retroactive one-time payments over \$25,000 within 15 days of receipt of the payment notification.	✓			
12. The VSC Manager conducted a review of each retroactive one-time payment over \$25,000 without third-party signatures to determine what corrective action was necessary.	✓			
13. Corrective actions(s) have been taken or planned to address the reason(s) there were no third-party signatures.			✓	

Fiduciary Field Examinations	Yes	No	N/A	Synopsis of Condition
14. The application receipt date in the Fiduciary Beneficiary Master File agreed with the date stamp on the VAF 21-592 - Request for Appointment of a Fiduciary, Custodian, or Guardian.	✓			
15. Initial Appointment field examinations were performed within 45 days as required.	✓			
16. Fiduciary field examinations were scheduled within one year of the Initial Appointment field examination.	✓			

Fiduciary Field Examinations	Yes	No	N/A	Synopsis of Condition
17. Fiduciary field examinations were completed within 120 days of the scheduled examination.	✓			
18. Fiduciary accountings were performed as required by State law, and at least every 3 years.	✓			
19. Fiduciary accountings for beneficiaries were completed within 14 days.	✓			
20. Fiduciary accountings with discrepancies or legal issues were referred to District Counsel or OIG.			✓	
21. Fiduciary Field Examination reports provided detailed assessment information to document the adequacy of the veterans' physical health.	✓			
22. Fiduciary Field Examination reports provided detailed assessment information to document the adequacy of the veterans' safety and environment.	✓			
23. Fiduciary Field Examination activities at nursing homes were coordinated with VAMC caseworkers.			✓	

Information Resources Management

AIS Security	Yes	No	N/A	Synopsis of Condition
1. A risk assessment was performed every 3 years.	✓			
2. An alternate processing facility was available and key employees were aware of the location.	✓			
3. System backups of critical information were made and stored in a secure area onsite and offsite.	✓			
4. A full restoration of system backups had been tested.	✓			
5. The contingency plan had been frequently tested, the results documented, and corrective action taken.	✓			
6. The contingency plan contained a current listing of telephone numbers of key personnel.	✓			
7. The contingency plan contained a current listing of all computer equipment.	✓			
8. AIS systems were supported by an uninterrupted power source (UPS) system.	✓			
9. The UPS system was periodically tested by IRM under full load conditions.	✓			

BDN Security	Yes	No	N/A	Synopsis of Condition
10. Strong passwords were required to access BDN.	✓			
11. Only employees grades GS-11 and above had C&P Claims Authorization (CAUT-C&P) command authority.	✓			

Vocational Rehabilitation and Employment

VR&E	Yes	No	N/A	Synopsis of Condition
1. Veterans receiving rehabilitation services were eligible and entitled to the benefits.	✓			
2. Appropriate dates of claim were being established in the BDN system to properly calculate timeliness.	✓			
3. The veteran's status found on the WINRS system agreed with the status found in the BDN system and the veteran's CER folder.		✓		BDN data regarding the veterans' status in VR&E did not agree with data found in WINRS and the CER file in 6 of 15 cases.
4. VR&E applications were processed within 60 days of the date of claim.	✓			
5. The CER folder documentation of veterans' eligibility status and Initial Appointment date were complete and accurate.	✓			
6. The CER folder contained documentation that veterans were still employed after 60 days.			✓	
7. Appropriate controls were in place to ensure the accuracy of tuition payments and fees.	✓			
8. Appropriate controls were in place to ensure the accuracy of vendor claims and payments.	✓			
9. Appropriate controls were in place to ensure proper procedures were followed on credit card purchases.	✓			
10. Proper controls were in place to ensure purchases had the proper justification and authorization.	✓			
11. Veterans were contacted to ensure they received the services and supplies that were purchased for them.	✓			

VARO Des Moines ranks 30th out of 57 VAROs in the nation for timeliness of completed C&P claims. The regional office's January 2002 BSC showed that it took VARO Des Moines more time to process C&P claims and resolve appeals than both the national average for other VAROs and the FY 2001 National Target set by VBA. According to VARO management, improvement has been demonstrated, as the number of claims completed during the first quarter of FY 2002 increased substantially. January 2002 BSC data showed VR&E claims processing took longer than the national average and did not meet the FY 2001 National Target for days to notify veterans on entitlement to program benefits.

Balanced Scorecard Results

Comparison January 2001 to January 2002

Compensation and Pension

Measures	National		VARO	
	FY 2002 Target	Average January 2002	Average January 2001	Average January 2002
SPEED				
Rating Related Actions (Completed) – Days	195.0	219.6	165.2	244.9
Rating Related Actions (Pending) – Days	201.0	202.7	154.9	192.6
Non-Rating Related Actions (Completed) - Days	54.0	71.1	38.6	90.4
Non-Rating Related Actions (Pending) - Days	85.0	82.6	42.4	66.8
Appeals Resolution - Average Days/Case - Days	650.0	597.4	363.9	496.2
Fiduciary Activities - Initial Appts/Field Exams	12.0%	9.8%	0.0%	0.0%
ACCURACY				
National Accuracy Rate (core rating work)	72.0%	81.2%	65.9%	85.1%
National Accuracy Rate (authorization work)	62.0%	64.6%	53.6%	71.9%
National Accuracy Rate (fiduciary work)	65.0%	67.8%	64.9%	74.4%
UNIT COST				
Cost per Compensation Claim Completed	TBD	\$468	\$485	\$491
Cost per Pension Claim Completed	TBD	\$255	\$343	\$361
Cost per Active Compensation Case on the Rolls	TBD	\$187	\$179	\$198
Cost per Active Pension Case on the Rolls	TBD	\$315	\$576	\$513
CUSTOMER SATISFACTION				
Overall Satisfaction	60.0%	55.7%	60.6%	57.5%
Customer Orientation	68.0%	65.7%	70.4%	68.2%
Appeals Ratio	8.0%	5.4%	6.4%	6.0%
Telephone Activities - Abandoned Call Rate	7.0%	8.6%	6.7%	6.1%
Telephone Activities - Blocked Call Rate	5.0%	11.5%	14.0%	18.5%
EMPLOYEE DEVELOPMENT & SATISFACTION				
Employee Development Skill Matrix	TBD	TBD	TBD	TBD
One VA Survey (mean score)	3.6	3.3	3.4	3.4

Balanced Scorecard Results Comparison January 2001 to January 2002

Measures	Loan Guaranty			
	National		VARO	
	FY 2002 Target	Average January 2002	Average January 2001	Average January 2002
SPEED				
Acquired Property Holding Time (months)	10.0	8.1	5.4	5.3
Processing time for eligibility certificates	5.0	6.7	NA	NA
ACCURACY				
Foreclosure Avoidance Through Servicing (FATS) ratio	33.0%	40.8%	NA	NA
Statistical Quality Control (SQC) Index	93.0%	96.0%	89.4%	97.8%
UNIT COST				
Return on Sales of Acquired Properties (ROS)	97.5%	TBD	NA	NA
Administrative cost per loan guaranty issued	TBD	TBD	NA	NA
Administrative servicing cost per default processed	TBD	TBD	TBD	TBD
Administrative cost per property sold	TBD	TBD	\$13,967	TBD
CUSTOMER SATISFACTION				
Veteran Satisfaction Index	TBD	92.9%	92.9%	92.9%
Lender Satisfaction Index	TBD	74.0%	74.0%	74.0%
Telephone Activities - Abandoned Call Rate	5.0%	3.2%	NA	NA
Telephone Activities - Blocked Call Rate	5.0%	2.3%	NA	NA
EMPLOYEE DEVELOPMENT & SATISFACTION				
Employee Development Skill Matrix	TBD	79.1%	TBD	TBD
One VA Survey (mean score)	3.0	3.3	3.4	3.4

Vocational Rehabilitation and Employment

SPEED				
Days to Notification - Entitlement Determination	66.0	69.9	61.4	76.4
Days to Employment	50.0	37.8	36.1	38.5
ACCURACY				
Entitlement Determination Accuracy	91.0%	94.0%	90.0%	88.0%
Evaluation, Planning, & Services Accuracy	89.0%	78.0%	86.0%	76.0%
Fiscal Accuracy	96.0%	85.0%	90.0%	86.0%
UNIT COST				
Cost to Provide a Veteran a Program of Services	TBD	\$1,946	\$16,247	\$3,048
CUSTOMER SATISFACTION				
Rehabilitation Rate	65.0%	64.4%	65.1%	64.7%
Serious Employment Handicap Rehabilitation Rate	63.0%	64.1%	65.7%	74.7%
Customer Access Satisfaction	79.0%	76.0%	79.1%	78.1%
Customer Satisfaction Survey	80.0%	74.0%	81.4%	78.5%
EMPLOYEE DEVELOPMENT & SATISFACTION				
Employee Development Skill Matrix	TBD	73.6%	84.0%	84.0%
One VA Survey (mean score)	3.6	3.5	3.4	3.4

VA Regional Office Des Moines, Iowa Director Comments

May 30, 2002

WILLIAM H WITHROW
DIRECTOR, KANSAS CITY AUDIT OPERATIONS DIVISION
DEPARTMENT OF VETERANS AFFAIRS
OIG REGIONAL OFFICE OF AUDIT
1100 MAIN ST ROOM 1330
KANSAS CITY MO 64105

Dear Mr. Withrow:

Thank you for the opportunity to comment on the findings of your CAP review at the Des Moines VA Regional Office during the week of February 25, 2002. Your team members were very helpful and a pleasure to work with. We concur with the findings, recommendations, and the related monetary benefits. Our action plan to implement the recommendations is as follows.

- 1. Recommended Improvement Action 1.** The VARO Director should ensure that VSC staff:
(a) review incoming claims timely and receive VSR training that includes emphasis on timeliness and accuracy of C&P claims processing; (b) receive refresher training on hospital adjustments to include how to access, run, and process the AMIE reports timely to prevent overpayments, and (c) work system-generated messages within 30 days of receipt.
- a. Concur. To address timeliness and accuracy of processing compensation and pension (C&P) claims, we have moved into the Task Force Recommendations of establishing six specialized teams within the Veterans Service Center. We have established a Pre-determination Team and Triage Team that specialize in claims development, a Post-determination Team that specializes in claims finalization, a Rating Team that specializes in rating decisions, and an Appeals Team that specializes in appeals. It is anticipated that the roll-out of the Public Contact Team will be implemented by July 1, 2002. As on-going training continues in these teams, proficiency of skills and knowledge will help to improve claims processing timeliness.

We have allocated resources in the Post-determination Team to working our pending income issue claims. As of May 28, 2002, we currently have 464 of these claims pending. Once these claims are completed, these resources will be allocated to the Pre-determination Team to reduce our claims development, which will help improve our claims processing timeliness.

VA Regional Office Des Moines, Iowa Director Comments

We are re-emphasizing our Inventory Management Principles by working new, middle, and old claims simultaneously instead of working “first in/first out” (old) claims. We are also re-emphasizing our WIPP User Plan. All of these actions will improve our claims processing timeliness.

Staffing in the Veterans Service Center will be increased as allowed by the Office of Field Operations (OFO). It is anticipated that the Rating Team will increase by two through internal promotions. The additional hiring of new Veterans Service Representatives (VSRs) from outside of VBA is possible later this fiscal year and early next fiscal year as allowed by OFO.

Our claims processing timeliness has improved in Rating Related Actions (Completed), Rating Related Actions (Pending), and Non-Rating Related Actions (Completed) since January 2002. Our Rating Related Actions (Completed) has decreased to 233.2 days in April from 244.9 days in January. Our Rating Related Actions (Pending) has decreased to 179.7 days in April from 192.6 days in January. Our Non-Rating Related Actions (Completed) has decreased to 51.1 days in April from 90.4 days in January. Our Non-Rating Related Actions (Pending) has increased to 85.2 days in April from 66.8 days in January. This increase in timeliness is attributed to working newer claims versus older claims.

- b. Concur. To address hospital adjustments, training was conducted for all VSRs in December 2001. Refresher training on hospital adjustments to include how to access, run, and process AMIE reports timely is scheduled to be conducted again in June 2002. We will continue to emphasize that all hospital adjustments will be worked as a priority to minimize potential overpayments.
- c. Concur. To address system-generated messages, we will continue to emphasize that system-generated messages will be processed within 30 days of receipt to minimize potential overpayments.

- 2. Recommended Improvement Action 2.** We recommend that the VARO Director monitor data entry to the Fiduciary Beneficiary Master File and automatic updates of veterans' VR&E status from WINRS to the BDN system to ensure the data is accurate.

We concur that data in the Fiduciary Beneficiary Master File and the BDN system was not accurate. Now that the “peak season” is over regarding Legal Instrument Examiner (LIE) workload, we will have our two LIEs begin to review the accuracy of data input into the Fiduciary Beneficiary System (FBS) in correlation with BDN. We will continue to emphasize the importance of accurately updating the FBS.

VA Regional Office Des Moines, Iowa Director Comments

Regarding the VR&E status issue, maintenance of two data bases will continue to be problematic until we reach the stage where there is instantaneous interface between Corporate-WINRS (C-WINRS) and BDN. At this point, changes in case status recorded in C-WINRS are not reflected in BDN until there has been a manual batch processing of such data (batch processing is currently performed by the VR&E Officer for the Regional Office Staff and the Program Specialist in Davenport for all out-based staff). Also, during the batch processing, we may see some changes to BDN rejected due to errors in coding which are referred back to the Case Manager for correction in C-WINRS. These corrections must again be batch processed to BDN. As an intermediate measure, all VR&E Case Managers have been asked to reconcile their COIN TAR reports each month against their cases in C-WINRS and take corrective action as needed.

(original signed by)

J. P. COOLEY
Director

Monetary Benefits in Accordance with IG Act Amendments

Report Title: Combined Assessment Program Review VA Regional Office Des Moines, Iowa

Report Number: 02-01168-144

<u>Recommendation</u>	<u>Explanation of Benefit</u>	<u>Better Use of Funds</u>
1	Better use of funds by adjusting benefits for veterans hospitalized more than 90 days at Government expense.	<u>\$13,465</u> ⁴
	Total	\$13,465

⁴ This figure includes an overpayment of \$8,561 for a claim under jurisdiction of VARO Lincoln.

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