



SUPERVISED DIRECT PAY (SDP) MODERNIZATION USER GUIDE

Table of Contents

References.....	2
Introduction.....	3
Evaluating Beneficiary Capacity	3
Sample List of Probing Questions	4
Competency Memo Requirements.....	5
Monthly Supervision of Beneficiary.....	6
Telephone Contact Report – Required Information.....	7
Due Diligence Checklist	8
Important Reminders	9



REFERENCES

- FPM 2.D.2, Conditions of the Beneficiary
- FPM 2.D.4, Fiduciary Information for all Initial and Successor Initial Appointment Field Examinations
- FPM 2.D.9, Follow-up Actions for Adult Beneficiaries
- FPM 2.I.4, Finalizing Field Examinations
- FPM 4.B.6, Certifying Initial Appointments (IA) for Field Examinations



INTRODUCTION

This user guide is intended to assist fiduciary hub employees with processing and completing SDP field examinations to comply with recent changes to the fiduciary program manual. All of the following information is now required for SDP field examinations. This user guide covers field examination requirements, required documentation, due diligence, notification requirements, and follow up procedures for SDP beneficiaries.

EVALUATING BENEFICIARY CAPACITY

The Field Examiner (FE) must evaluate the beneficiary's ability to manage funds by asking probing questions about the beneficiary's

- understanding of the
 - sources and amounts of his/her income, and
 - fixed monthly expenses such as rent, mortgage, utilities, clothing, food, and medical bills
- memory of recent transactions and ability to allocate appropriate funds to fixed monthly expenses and discretionary items
- ability to pay monthly bills in a timely manner
- actions he or she currently takes or would take to conserve excess funds and plans to prepare for large, irregular purchases or unexpected expenses, and
- knowledge of financial exploitation and strategies to prevent being a victim.

Note: The beneficiary is *not* required to conserve excess funds. If the beneficiary demonstrates knowledge in the ability to conserve excess funds, practical application of this action is not required.



SAMPLE LIST OF PROBING QUESTIONS

Assessment Area	Probing Question Examples
Understanding of sources and amounts of income	<ul style="list-style-type: none"> • What are your sources of income? • How frequently do you receive that income? • What is the amount?
Understanding of fixed monthly expenses	<ul style="list-style-type: none"> • What bills do you have to pay each month? (Rent? Utilities? Food? Transportation?) • What things besides food do you shop for each month? • How do you typically pay your bills? (Cash, check, by telephone, automatic withdrawal, etc.)
Memory of recent transactions and ability to allocate appropriate funds to fixed monthly expenses and discretionary items	<ul style="list-style-type: none"> • In your recent cash transactions, did you have any trouble making change? • If you have a checking account, did you ever write a check for insufficient funds (“bounced” a check)? How often has this happened? Why do you think this happened and what did you do about it when it happened? • If a bank statement is available, ask the beneficiary to explain the purpose of a recent transaction. • Do you have any unpaid bills? • Do you pay the bills (i.e., rent/mortgage, utilities, etc.) or does someone else pay them for you? • Do you ever forget to pay some bills? • If you ever forgot to pay a bill, what did you do about it? How did you find out about it? • What are the most important things to spend money on? • If you ran out of food before your check came, what would you do?
Actions to conserve excess funds, if applicable, and plans for to prepare for large, irregular purchases or unexpected expenses	<ul style="list-style-type: none"> • After you pay bills, do you typically have funds remaining? What do you do with those funds? • Do you have a savings account? • What would you do if you unexpectedly had a large expense?
Knowledge of financial exploitation and strategies to prevent being a victim.	<ul style="list-style-type: none"> • Do friends or family ever borrow money from you and not pay you back? • Do people ever borrow things you own and not give them back? • Have you ever lived with people that did not pay their share of the rent or other expenses? • If, in the last year, you have lived with friends or family, did they charge you for the rent? If yes, how much? • Are you helping anyone financially on a regular basis?



	<ul style="list-style-type: none">• Have you ever had checks missing from or out of sequence in your checkbook?• Do you have a credit or debit card that you allow someone else to use?• Has anyone ever signed your name to a check?• How often in the past few months has someone asked you for money?• Has anyone asked you to change your will?• Has anyone recently told you to stop getting financial advice from someone?• Have you ever been a victim of internet, mail, or telephone fraud?• What would you do if someone tries to sell you something over the phone?
--	---

COMPETENCY MEMO REQUIREMENTS

To assist the rating authority in making a determination of competency, a *Memo for Competency* detailing the comprehensive assessment evidence obtained during the field examination must be completed. This assessment must:

- describe the:
 - beneficiary’s knowledge of their income and expenses, and
 - length of time that the beneficiary has managed their VA benefits successfully, and
- identify:
 - the medical evidence utilized in the rating of incompetency and describe how the evidence obtained during the field examination conflicts with the evidence previously of record
 - the financial documentation that demonstrates the beneficiary’s payment history, and
 - any other evidence demonstrating the beneficiary’s ability to manage funds.

A sample of the *Memo for Competency* assessment outlining the comprehensive evidentiary requirements can be found in in FPM 2.D.4.h.



MONTHLY SUPERVISION OF BENEFICIARY

To ensure proper supervision, hub personnel must contact SDP beneficiaries on a monthly basis to review their fund usage and assess the beneficiary's ability to manage his or her VA funds in a way that routinely meets his or her best interest. This monthly supervision will be completed telephonically and will continue while awaiting a redetermination of the prior rating of incompetency, not to exceed six months.

During each monthly telephone call, hub personnel must determine if there have been any changes in the SDP beneficiary's condition or circumstances that would affect his or her ability to manage VA funds.

Prior to contacting the beneficiary

- review the electronic claims folder (eFolder) for any new information since the SDP appointment, and
- determine the preferred day of the week and time the beneficiary wants to be contacted as documented on the field exam report during the SDP appointment.

Confirm contact information (addresses, telephone numbers, etc.) and make updates to VA systems if there are any changes.

Inquire about any changes in the beneficiary's

- disabilities and the effect on his or her ability to manage funds, and
- life that is affecting the beneficiary's ability to manage VA funds.

Below is a sample of the required monthly telephone contact content that must be included on a VAF 27-0820



TELEPHONE CONTACT REPORT – REQUIRED INFORMATION

Month of Review:	Provide the month being reviewed.
Person Conducting Review:	Name of hub individual conducting the monthly review.
Supervision of Beneficiary	List any changes in the beneficiary's condition or circumstances that would affect his or her ability to manage VA funds.
Supervision of funds	
Income:	Was the beneficiary aware of his/her source and amount of income? Y/N If no, document the beneficiary's reason for not knowing. Document any changes in income sources or amounts to include any changes that will result in a change in the budget.
Expenses:	Was the beneficiary aware of his/her expenses? Y/N If no, document the beneficiary's reason for not knowing. Confirm the previous month's expenses from the prior contact were paid, document any unpaid expenses and the reason for the lapse in payment; and, document any new expenses that must be included in the budget.
Assets:	Does the beneficiary have any assets and, if so, was the beneficiary aware of the assets and/or transfer of any assets? Y/N Document the balance on all assets from the initial appointment and/or previous monthly contact and inquire about the reason behind any decreases in assets if not apparent.
Provide any additional details as necessary	



DUE DILIGENCE CHECKLIST

The following steps are required when attempting to contact the beneficiary. Due diligence must be shown when attempting to contact the beneficiary. Hub personnel will follow the steps below when attempting to complete the monthly SDP review telephone calls.

Step	Action
1	<p>Attempt to call the beneficiary at the most recent telephone number(s) available at the beneficiary's preferred day and time identified in the field examination report. If multiple telephone numbers are of record, attempt contact to each number. A second attempt to each number at a different time must be made if the first attempt is unsuccessful. If possible, leave a voicemail message requesting a call back.</p> <p>Important: Do not include personally identifiable information in the voicemail.</p> <p>Document the attempts for inclusion in the eFolder and establish a task to attempt to contact again in 14 days.</p>
2	<p>If no response to the call attempt(s) after 14 days, review the eFolder for any additional information that may be of record and make two final call attempts.</p>
3	<p>If no response to the final call attempts after 24 hours, document the attempts for inclusion in the eFolder and send a letter advising the beneficiary that</p> <ul style="list-style-type: none"> • the hub has not received a response to the monthly SDP review telephone call, and • a fiduciary may be appointed if a second consecutive month is missed. <p>At a minimum, the letter must include</p> <ul style="list-style-type: none"> • the dates and times of the attempted calls, and • information on what hub personnel will do in establishing a fiduciary. <p>Establish a task to conduct the telephonic contact for the next month review in 14 days.</p>
4	<p>If Steps 1 and 2 must be repeated for a second consecutive month</p> <ul style="list-style-type: none"> • follow procedures in FPM 2.B.1.b to request a successor initial appointment, and • request cancelation of the pending EP for competency.



IMPORTANT REMINDERS

- Initial SDP appointment must document evidence that beneficiary is already capable of managing funds
- FE is required to view financial documents and develop a budget with SDP beneficiary to be used in monthly follow-up telephone contact
- Competency memo and confirmation that EP is pending for competency review are required on all initial SDP appointments
- Recurring monthly telephone contact required with all SDP appointments
- SDP appointment may not exceed 6 months