



Pension and Fiduciary (P&F) Service

Fiduciary Quality Call

Date: June 18, 2020

TMS: # VA 4556727

AGENDA TOPICS

[ITEM 1: Changes to Quality Call Solicitations](#)

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[ITEM 3: STAR Deselection Process and Additional STAR Review](#)

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AGENDA ITEMS

Agenda item: Changes to Quality Call Solicitations

Presenter: Kelly Wante, Chief
Rob Pomarico, Analyst

Target Audience:

Quality Review Specialists (QRS) and Quality Review Team (QRT) Coaches/Assistant Coaches

Discussion:

- Due to the high number of solicitations we receive that are more related to policy and procedure, please ensure these topics are sent directly to the Policy and Procedures mailbox at FPOLPROC.VBACO@va.gov. The quality calls will no longer address topics of a policy nature, as we want to ensure that procedure is issued consistently to all Hubs. We will continue to address any quality-related questions such as error citation reference support, categorization of errors, and clarifications of checklist questions.

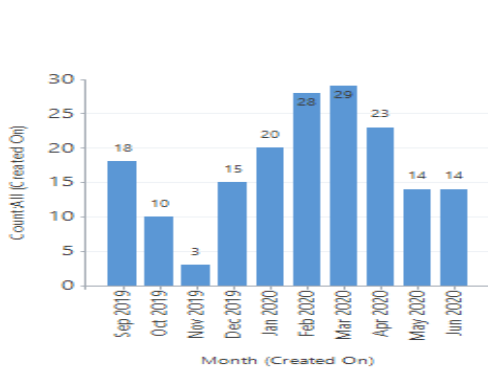
References/Contacts

- ✓ Quality/Oversight related questions: PFTNGQUALOVRST.VBACO@va.gov
- ✓ Policy/Procedure related questions: FPOLPROC.VBACO@va.gov

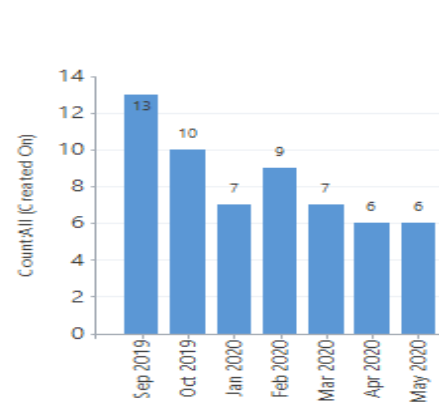
Target Audience:

Quality Review Specialists (QRS) and Quality Review Team (QRT) Coaches/Assistant Coaches

Discussion:



Field Examination Errors FYTD



Accounting Errors FYTD

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
Competency Determinations (A-D)	1								
Field Examinations (E-H)	6	4	1	5	7	12	7	8	3
Streamline Field Examinations (I-J)	1							1	1
Finalizing Field Examinations (K-M)	1	1		5	2	3	6	4	2
Fiduciary Adjustments (N-O)									
Administrative (P-Q)	9	5	2	5	11	11	16	10	8
TOTAL FIELD EXAMINATION ERRORS:	18	10	3	15	20	26	29	23	14
	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
Accounting Audit (A-B)	3	2			1	1			2
Accounting - FUM Protection (C)	1	1			1	1	1		
Accounting - Disposition (D)	1	1				1	1		
Administrative (E)	8	6			5	6	5	6	4
TOTAL ACCOUNTING ERRORS:	13	10	0	0	7	9	7	6	6

- We are pleased to announce that National Quality is at 91.8% which is very close to our goal of 92%. The above graph depicts the number of errors that we have cited for each month of the year. As you can see there has been a significant improvement from March 2020. For the month of March there was an increase in errors called on field examinations (29) however, the error calls for accountings have steadily decreased.
- During the month of May 2020 there was a total of 20 errors called, 14 errors were cited on field examinations while six errors were cited on accountings. All errors have been on a constant decline since March of 2020 which shows the peak of our errors for this year to date. It is notable that there was an increase in the Q2 (Was the system of record properly updated upon completion of the work item?) administrative errors. As many reports are dependent upon the information that we enter the field should be diligent in updating this information collectively.
- The highest category of substantive errors in field examinations are M5 (Was a field examination scheduled for appropriate follow-up based on the date of the face-to-face

contact with the beneficiary?) and E3 errors (Does the field examination report document the beneficiary's current income, expenses and assets?).

- Of the six accounting errors for May, four of the errors were classified as administrative in which the system was not updated properly.

Agenda item: STAR Deselection Process and Additional STAR Reviews

Presenter: Felecia Roberts, Analyst

Target Audience:

Quality Review Specialists (QRS) and Quality Review Team (QRT) Coaches/Assistant Coaches

Discussion:

- In the month of April, the Beneficiary Field Fiduciary System experienced a defect which caused STAR reviews which were completed previously to be selected again. This resulted in 28 cases which had to be replaced. We apologize for any inconvenience that this may have caused in accessing your reviews pulled for April of 2020. All of the affected cases have been replaced and reviewed with the exception of one case.

References/Contacts

- ✓ Email dated May 20, 2020

Agenda item: Acceptable Methods of Verifying VA FUM when Auditing an Accounting

Presenter: Alvin Hill, Analyst

Target Audience:

Quality Review Specialists (QRS) and Quality Review Team (QRT) Coaches/Assistant Coaches

Discussion:

- **Question from Lincoln:** What are the acceptable methods of verifying VA FUM when auditing an accounting?
- **Response:** When auditing an accounting, FPM 3.D.5.b provides the steps required when verifying all known accounts and funds under management. The first step requires verification of receipt of all original, photocopied, or computer-generated bank statements. Receipt of these documents assist in verifying funds under management.

References/Contacts

- ✓ [FPM 3.D.5.b., Verification of Accounts and FUM](#)

Target Audience:

Quality Review Specialists (QRS) and Quality Review Team (QRT) Coaches/Assistant Coaches

Discussion:

- **Question from Lincoln:** In April 2019, we sent a question to P&F about State and Federal agencies being exempt from obtaining a corporate surety bond. P&F responded that they are not exempt per 3.D.5.c., but because they use pooled accounts, we would be unable to verify the VA FUM because they use ledgers and residential trust accounts (RTA) and therefore be unable to require a surety bond.

In situations where VA FUM is able to be verified, and the VA FUM is above \$25,000, a bond is required. Is the guidance received in April 2019 still valid? Explanation – State and Federal agencies are not required to obtain a surety bond if the VA is unable to verify FUM. Because State and Federal agencies are not required to obtain a properly titled account (PTA) and they use locally maintained ledgers and RTAs, we are unable to verify VA FUM.

- **Response:** The April 2019, question asked by Lincoln and the response provided by P&F Service is two-part.

1. Are State and Federal agencies exempt from obtaining a corporate surety bond?

April 2019 P&F Service Response: State entities are not exempt from the surety bond requirement per 38 CFR 13.230(c) and Fiduciary Program Manual (FPM) 3.D.5.c.

The April 2019 P&F Service Response to Question 1 is valid.

2. If not, what is the procedure we should follow if the agency is unwilling or prohibited from obtaining a corporate surety bond?

April 2019 P&F Service Response: Generally, beneficiaries in State nursing homes and care facilities will not have VA funds under management (FUM) that accumulate and exceed \$25,000, as income and funds are used toward cost of care. Additionally, the funds of beneficiaries residing in such facilities are oftentimes maintained in pooled financial accounts which are not properly titled and contain funds of multiple beneficiaries; therefore, assets and transfers belonging to a specific beneficiary cannot be verified.

In situations where FUM exceeds \$25,000, the fiduciary must obtain a surety bond. If a surety bond is required but is not in place, the fiduciary hub must take immediate action to ensure appropriate protection of VA FUM. If the fiduciary is unwilling or cannot obtain a surety bond, the fiduciary hub must appoint a successor fiduciary and/or initiate a misuse investigation.

The April 2019 P&F Service response to Question 2 is revised.

Generally, beneficiaries in State nursing homes will not have VA funds under management (FUM) that accumulate and exceed \$25,000, unless an accounting is required as income and funds are used toward cost of care. Follow the procedures in FPM, 3.D.5.e. and 4.G.1.k, if the State agency is unwilling or prohibited from obtaining a corporate surety bond.

Pension and Fiduciary Service has conducted research and consulted with the Office of General Counsel regarding whether a blanket insurance policy managed by a State for a State agency is acceptable in lieu of a corporate surety bond. P&F is working towards drafting language for a change to 38 CFR 13.230 regarding an exception to the surety bond requirement for a State agency

Note: The April 2019, P&F Service response to Question 2 included: “*therefore, assets and transfers belonging to a specific beneficiary cannot be verified*”, refers to a care facility that is not a State agency and does not need to account. If a surety bond is required, then an accounting is or was previously required and FUM can be calculated. State agencies are exempt from financial statements as long as ledgers are provided (FPM, 3.B.2.g), the ledgers allow calculation of FUM.

References/Contacts

✓ [FPM 3.D.5.c., Determining if a Corporate Surety Bond is Required](#)

Agenda item: Streamline Oversight

Presenter: Tom Visser, Analyst

Target Audience:

Quality Review Specialists (QRS) and Quality Review Team (QRT) Coaches/Assistant Coaches

Discussion:

- **Question from Indianapolis:** Has there has been discussion about revamping, or possibly even doing away with the Streamlined process before the changes that are taking place with Fiduciary Modernization? Could the field move forward with all Streamline cases being completed as 521s rather than 531s since all field exams are completed virtually? Should the field set FB diary dates instead of Streamline diary dates to prepare for Fiduciary Modernization?
- **Response:** Currently, there are no planned changes to the streamlined field examination process prior to the transition into VBMS. Due to the differences between streamlined and virtual field examinations, please continue using the appropriate work item for each specific field examination. Only change the work item to 521 in the situations listed in FPM 2.G.2.h-i. This will allow for accurate data collection of each type of field examination. Lastly, please continue to utilize streamlined diary dates for situations meeting the criteria listed in FPM 2.D.9.d.

References/Contacts

- ✓ [FPM 2.D.9., Follow-Up Actions for Adult Beneficiaries](#)

Closing Comments

P&F Quality Mailbox:

We will solicit for agenda topic(s) for each future Quality Call. If you have a specific quality related topic suggestion, please feel free to email it to the Pension and Fiduciary (P&F) Quality mailbox at PFTNGQUALOVRST.VBACO@va.gov. For specific policy and procedures related topics, please email it to the Policy and Procedures mailbox at PFPOLPROC.VBACO@va.gov.

Quality Call Bulletins

Quality Call Bulletins can be found in the following locations:

https://vbaw.vba.va.gov/PENSIONANDFIDUCIARY/Quality_Call_Bulletins.asp

The next Quality Call is tentatively scheduled for August 2020 (date TBD).

TMS Courses:

All Fiduciary Quality Calls and bulletins will be available in TMS. Once the monthly bulletin is finalized, information will be sent to the Fiduciary Hubs which will include the TMS #.

Post-Call Follow Up

Quality Call Recording:

A recording of the June 2020 Fiduciary Quality Call can be found here (open in Chrome):

<https://vba-media1.vbatraining.org/video/fid/4556727/4556727.html>

TMS Course:

Available content from the Quality Call (bulletin, recording, etc.) will be available in TMS! The TMS # for the June 2020 Fiduciary Quality Call is 4556727 (Pension and Fiduciary Quality Call – Fiduciary June 2020)

The link to TMS is [HERE](#). It is recommended to use Google Chrome when viewing the TMS information.



My Learning

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Pension & Fiduciary Quality Call - Fiduciary June 2020

Q&A:

Question 1: Columbia Fiduciary Hub

In regard to the updated reference 3.D.4.b., to clarify for appointment purposes, the FE would still only appoint with a maximum fee of 4%. But upon the review of the accounting submitted, the Hub would now be allowed to approve fees which are taken in excess of the 4% fee which was originally decided upon based upon the fiduciary's itemizations within the accounting?

P&F Response:

A VA-appointed fiduciary is not to be paid more than the 4% "fiduciary fee," as outlined in FPM 3.D.4.a. The responsibilities that fiduciaries must provide as part of the VA fiduciary program are listed in 38 CFR 13.140(b) and (c), as well as on VA Form 21P-4703, Fiduciary Agreement.

If the fiduciary is responsible for activities beyond the scope of a VA-appointed fiduciary they can be paid an additional fee for those services. An example of an applicable service would be serving as a court-appointed guardian or conservator, the fiduciary makes medical decisions for the beneficiary such as deciding when they visit a doctor and end of life decisions. If it is determined that services the fiduciary is conducting on behalf of the beneficiary exceed the responsibilities of a VA-appointed fiduciary, the hub could then authorize an additional separate fee to be paid for those services. The hub must show that the services go beyond the VA-appointed fiduciary responsibilities detailed in 38 CFR 13.140. The fiduciary must provide court documentation listing the responsibilities they have been assigned by the court in addition to VA Form 21P-555. The hub would then compare that documentation with the responsibilities listed in 38 CFR 13.149 to determine if they are distinct, and then annotate the field examination report (if also conducting a field examination at that time) or explain the issues within the BFFS work item. The approved VA Form 21P-555 would be signed and uploaded to the eFolder.

Question 2: Columbia Fiduciary Hub

As outlined in 2.D.1.d., what is the FE's requirement for documenting the training information they provide to the fiduciary as well as the fiduciary's completion (or inability to complete) the training? **Note:** There is no requirement for the FE to document the provision of the training modules and the guide. However, if the FE wants to document this action, they may annotate.

P&F Response:

As part of the field examination, Field Examiners (FEs) must provide training information regarding the fiduciary process to prospective fiduciaries and request they complete the modules and review the VA Fiduciary Guide. The FE may provide the link to the training modules and guide via email, telephone call, or text message when scheduling the field examination. These requirements are outlined in FPM 2.D.1.d.

There is no stated requirement for the FE to document providing the training information to the prospective fiduciary, nor is there one for indicating the completion or the inability to complete the training material. Failure to complete the online training does not disqualify the prospective fiduciary from serving. However, if the FE feels it is appropriate to document these actions, they may annotate on the Field Examination Report, a VA Form 27-0820, or in the NOTES section of the claims processing system.

Question 3: Salt Lake City Fiduciary Hub

Can we get a copy of these slides?

P&F Response:

We will release a copy of the bulletin following the call.

