PENSION AND FIDUCIARY Service

PMC VSR Advanced Core Course  
Phase 6: Practical Application and Experience

Process Contested Claims

Trainee Guide

June 2024

Process Contested Claims

Lesson Overview

| Topic | Description |
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| Time Estimate: | 6.5 hours |
| Purpose of the Lesson: | This lesson is part of the entry-level course for PMC VSRs. The purpose of this lesson is to train you on how to process contested claims through demonstration and practice. This lesson also includes instruction on how to use the systems for processing contested claims. |
| Prerequisite Training Requirements: | Prior to taking the Process Contested Claims lesson, you must complete the entry-level course Phases 1–5.6 |
| Target Audience: | This lesson is for entry-level PMC VSRs. |
| Lesson References: | * 38 CFR 3.2500 Review of Decisions * M21-1 VI.iii.3.A (General Information on Contested Claims * M21-1 VI.iii.3.B (Authorizing and Notifying Claimants of a Decision on a Contested Claim * VA Form 21P-534 (Application for Dependency and Indemnity Compensation, Survivors Pension and Accrued Benefits by a Surviving Spouse or Child [including Death Compensation if Applicable]) * VA Form 21P-534EZ (Application for DIC, Survivors Pension, and/or Accrued Benefits) * VA Form 21P-535 (Application for DIC by Parents) * VA Form 21-686c (Declaration of Status of Dependents) * VA Form 21-0788 (Information Regarding Apportionment of Beneficiary Award) * **Processing a Contested Claim Checklist** job aid * **Prepare the Decision Notification job aid** * **Notification Language** job aid |
| Technical Competencies: | * Program Benefits and Eligibility (PMC VSR) * Processing Claims (PMC VSR) * VBA Applications (PMC VSR) * Income Counting and Net Worth |
| Knowledge Check: | Phase 6: Process Contested Claims Knowledge Check |
| Lesson Objectives: | By the end of this lesson, you should be able to:   * + Recognize indicators of contested claims.   + Confirm claim characteristics assigned by claims assistant.   + Determine if claim may be denied without development.   + Determine if evidence is sufficient to process contested claims.   + Apply the correct development actions for the information/evidence missing from claims.   + Determine entitlement to contested claims.   + Determine if due process is applicable to a claim.   + Determine if claims should be submitted to rating activity.   + Prepare the administrative decision for contested claims.   + Decide the award actions for contested claims.   + Create decision notices.   + Submit the claims to the Authorizer. |
| What You Need: | * Trainee Guide * **Access to the Processing a Contested Claim Checklist** job aid from VSR Assistant * Applicable VBA applications used in job aids and references * Pen and paper |

| PowerPoint Slides | Notes |
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| Lesson 10: Process Contested Claims |  |
| Lesson Objectives (1 of 2)   * Recognize indicators of contested claims. * Determine if claims may be denied without development. * Determine if evidence is sufficient to process contested claims and apply the correct development actions for the information/evidence missing from claims. * Determine entitlement to contested claims. |  |
| Lesson Objectives (2 of 2)   * Determine if due process is applicable to a claim. * Determine if claims should be submitted to rating activity. * Prepare the administrative decision for contested claims. * Decide the award actions for contested claims. * Create decision notices. * Submit the claims to the Authorizer. |  |
| Why It Matters!  To ensure that benefits are distributed to the proper claimant |  |
| **Definition: Contested Claim**  A ***contested claim*** exists when   * a favorable decision on one claim requires   + - the denial of a claim from a separate claimant, or     - payment of a lesser benefit to a separate claimant, and * one claimant may contest   + - the other claimant's entitlement to that benefit, or     - payment of that benefit to the other claimant. |  |
| Varying Development Procedures  Development procedures vary with each case, depending on   * + the nature of the contest   + the evidence of record   + the availability of evidence, and   + other factors. |  |
| **Evidence to support a claim**  The claimant must either   * supply acceptable proof of the validity of a claim, or * present an adequate explanation of his/her inability to supply any evidence that is lacking.   *\* M21-1 VI.iii.3.B.1.d.  Claimant’s Responsibility to Provide Adequate Evidence to Support the Claim* |  |
| Claimant’s Responsibility  Claimant’s Responsibility to Provide Adequate Evidence to Support the Claim  The claimant must either   * supply acceptable proof of the validity of a claim, or   present an adequate explanation of his/her inability to supply any evidence that is lacking. | **DISPLAY** slide “Claimant’s Responsibility”  **HAVE** a trainee read the slide. |
| Administrative Decision  Make an administrative decision after completely developing the facts associated with a contested claim.   * *Exception*: Document decisions on apportionment claims in accordance with the instructions in [M21-1, Part VII, Subpart iii, 1.A.3](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034/content/554400000176632/M21-1,-Part-VII,-Subpart-iii,-Chapter-1,-Section-A---Apportionment-Process).   Reference: For more information on preparing an administrative decision, see [M21-1, Part X, Subpart v, 1.C.3](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034/content/554400000177999/M21-1,-Part-X,-Subpart-v,-Chapter-1,-Section-C----Administrative-Decisions). |  |
| Lesson Overview   * **Demonstration—**Instructor goes over a claim scenario and review questions with trainees. Instructor discusses the claims review process from start to finish with opportunities to discuss trainee questions. * **Guided Practice—**Trainees are assigned contested claims to process. |  |
| **Process Contested Claims Demonstration: Claim 1**  On September 4, 2021, VA receives VA Form 21P-534EZ, from Valerie, claiming to be the spouse of James Veteran. She is only claiming DIC indicates that she and the Veteran were each married once. Their wedding was ceremonial and started on June 11, 1978. She states that they lived together continuously and she had not remarried.  Evidence was submitted with the application for benefits including a copy of the Veteran’s death certificate showing he passed away from liver failure. A copy of the Veteran’s DD Form 214 showing his honorable discharge from the Navy on 3/15/74 was also received. |  |
| Claim 1 Processing Questions  Is there sufficient information to decide the claim?  *Yes, you have sufficient evidence to confirm the claimed service. The dependency information is complete. The service is sufficient to grant service connected death based on liver failure.*  Does the claim require a rating decision?  *Yes, service connection for the cause of death needs to be decided.*  Does Valerie qualify for DIC?  *Yes* |  |
| Process Contested Claims Demonstration: Claims 1 and 2  While processing Valarie's claim, on November 4, 2021, VA receives VA Form 21P-534EZ, from Edna, claiming to be the spouse of James Veteran. She is only claiming DIC indicates that she and the Veteran were each married once. Their wedding was ceremonial and started on July 31, 1981. She states that they lived together continuously, and she had not remarried.  Evidence was submitted with the application for benefits including a copy of the Veteran’s death certificate showing he passed away from liver failure. A copy of the Veteran’s DD Form 214 showing his honorable discharge from the Navy on 3/15/74 was also received. |  |
| **Claims 1 and 2 Processing Questions**  Is there sufficient information to decide the claim?  *No, there are now two people claiming to be the spouse.*  Should either claim be sent to rating?  *No, claims should not be sent to rating until it has been determined that one of the claimants is eligible for DIC.*  What actions may be taken at this time?  *A review of the file for additional information may provide enough information such as a divorce decree for one of the spouses. If there is still insufficient information to determine the correct spouse, development should be issued to both spouses.* |  |
| Process Contested Claims Demonstration: Claims 1 and 2  Valerie responded to VA development on December 7, 2021 with a statement that the Veteran’s PTSD caused him to fight with her too much and he eventually just left the house in 1980 and she couldn’t find him until 2019. She stated that he reached out to her when he was diagnosed with liver failure, he moved into her home and they lived together until he died. She did state that he reported that he married Edna, but they divorced in 1985 after instances of spousal abuse. A copy of that divorce decree was included with her response.  Edna’s only response was to tell the VA that Valerie divorced the Veteran on July 5, 1979. She included a copy of that divorce decree as well. |  |
| Claims 1 and 2 Processing Questions  Is there sufficient information to decide the claim?  *Yes*  Should either claim be sent to rating?  *No, neither claimant qualifies as a spouse as both of their claimed marriages ended in divorce*  What actions may be taken at this time?  *Both claims should be denied at this time.* |  |
| Process Contested Claims Demonstration: Claim 3  On October 24, 2021, VA receives VA Form 21P-534EZ, from Diana, claiming to be the spouse of Frank Veteran. She is claiming DIC and accrued benefits and indicates that she and the Veteran were each married once. Their wedding was ceremonial and started on June 11, 2018. She states that they divorced on May 2, 2020. She gave complete information for their minor child, John, born on September 23, 2017.  Evidence was submitted with the application for benefits including a copy of the Veteran’s death certificate showing he passed away from kidney disease. A copy of the Veteran’s DD Form 214 showing his honorable discharge from the Army on 3/15/14 was also received. |  |
| Claim 3 Processing Questions  Is there sufficient information to decide the any of the claims?  *Yes*  Should the claim be sent to rating?  *Yes, the DIC claim for the minor child is ready to rate.*  What actions may be taken at this time?  *Diana’s claim should be denied DIC and accrued as she was divorced from the Veteran. John’s claim should be granted as the denied claim for his mother automatically becomes a claim for the minor child.* |  |
| Process Contested Claims Demonstration: Claim 3 and 4  On October 27, 2021, VA receives VA Form 21P-534EZ, from Sarah Tag, claiming to be the fiancé of Frank Veteran. She is claiming DIC and accrued benefits, indicates that she and the Veteran living together and they were going to get married. She gave complete information for their minor child, Tasha, born on April 2, 2021.  A review of the file shows birth certificates for both minor children and a pending claim to add them to his running compensation claim. Sufficient information is of record to complete the pending claims. |  |
| Claim 3 and 4 Processing Questions  Is there sufficient information to decide the claims?  *Yes*  Should the claim be sent to rating?  *Yes, if the claim was not already rated.*  What will the outcomes be for the claimants?  *The two mothers will be denied for not having a grantable relationship. The minor child will be granted DIC and will split the accrued benefits evenly.* |  |
| Process Contested Claims Demonstration: Claim 5  On February 7, 2022 VA receives VA Form 21-0788, from Rose, spouse of Charles Veteran. She is requesting an apportionment of the Veteran’s running pension award. She states that they have been estranged since January 24, 2022 and the Veteran will not provide any money for her. The Veteran is currently receiving $37.00 monthly in pension benefits. |  |
| **Claim 5 Processing Questions**  Is there sufficient information to decide the claims?  *Yes*  Does the claim require due process before you proceed?  *No*  What will the outcome be for the claimants?  *The apportionment will be denied as the total benefit the Veteran is due is so small that it does not allow payment of a reasonable amount to an apportionee.* |  |
| **Guided Practice Overview**  Instructions:   * Instructors assign contested claims to trainees. * Trainees review pending claims and take necessary action * Use the job aids, references, and systems available. * Consult with instructors for assistance. |  |
| **Knowledge Check: Lesson Summary**    **Time Allowed: 15 minutes** |  |
| Questions?  This icon prompts you to ask trainees a discussion question or to ask trainees if they have any questions before proceeding with instruction. |  |
| What’s Next?  Complete the Process Contested Claims course evaluation: **TMS ID #4408398** |  |