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**Chapter 2 – Accuracy**

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**2.01    SELECTION PLANS AND GENERAL GUIDELINES**

a.    Selection Plans

1.    There are one hundred selection plans (See a2(b)) available to adjust to various work volumes throughout the Insurance activity.  No specific percentage selection plan is assigned to the surveys presented in this chapter.  The only requirement is that, whichever plan is used, it should produce initial selections in an amount equal to the established sample size, plus a minimum of approximately 10 percent in additional samplings.  The plans may be changed as the workload dictates; however, such changes will only be made at the beginning or the middle of the SQC month.

2.    The proper method for determining the control numbers for the various percentage selection plans is illustrated below.

a)     **Listing Controls** - The primary set (last two digits) of the last case listed each day becomes the beginning control numbers to make selections the next day.  For example:  for file number FV 1234 67 89, 89 is the primary set, the beginning control digits for the following day.

b)    **Initial Selections** - Cases containing the control digits in the secondary set (third and fourth from the end) of the insurance number.  The following chart shows examples of how the control digits are selected for the different percentage plans.

**PERCENTAGE PLAN                                                LAST FILE NUMBER**

**CONTROL NUMBERS                                              AT CUTOFF**

1%                 V 1234 17 38                                    38

2%                 V 17 23 80                                       80, 81

3%                 RS 500 42 41                                   41, 42, 43

4%                 J 8230 90 98                                    98, 99, 00, 01

5%                 RH 1696 81 12                                  12, 13, 14, 15, 16

10%               K 42 30 55                                       55 through 64

15%               RH 1697 30 02                                  02 through 16

20%               V 1230 51 79                                    79 through 98

3.  The established sample sizes are mandatory and strict adherence is important.  However, if workload decreases to such an extent that the percentage plan does not produce the established sample size plus the minimum of ten percent additional sampling for three consecutive months, action should be taken to reduce the sample size.

b.    General Guidelines

1.  General SQC Selection Guidelines

a)    Sensitive cases can be selected for SQC review.   SQC reviewers will request the required supporting documentation from staff if a sensitive case is selected for review.

b)    IPMD must complete their SQC reviews by the third workday of the month.

2.    General Reviewer Guidelines on Key Processes

a)    Correspondence

1)   It is essential that correspondence to Veterans, beneficiaries, or third parties be viewed, to the extent possible, from the Veterans’, beneficiaries, or third party’s perspective.

2)    Correspondence, email, and VMLI certificates must be complete, accurate, courteous, reader focused, and timely.  Notifications must be factually correct, address all issues, be direct and concise, and be logically laid out and free from contradictory statements.

3)    All ancillary issues and benefits (e.g. waiver of premiums, burial benefits, DIC, etc.) should be addressed when interacting with the Veteran or their representative.

4)    Notice of procedural and appellate rights is required for all negative decisions, including denial of applications for insurance, reinstatement, disallowance of claims for insurance benefits; and decisions holding fraud or imposing forfeiture. Notice to the applicant or claimant and his representative, if any, of the right to appeal will be sent at the time the denial, disallowance, or forfeiture occurs. The form is: VA Form 20-0998, "Your Rights To Seek Further Review Of Our Decision".

b)    Effective Dates

1)     Effective dates of insurance benefits, disability benefits, conversion, reinstatements, special ordinary life policies, and change of plans must be accurate.

2)    Generally, effective dates of applications will be made effective, unless the insured requests otherwise, on the date all requirements are met.  This means the submission of both application and money.  If within the time limits set by law a Veteran submits an application, then later the premium, the insurance will be effective as of the date the money is received if within the next premium month due.  If supplemental information is required and submitted within the eligibility period, the effective date will be the date the application or the money was submitted, whichever is later.

c)    Development

1)     Once VA’s duty to assist has been triggered by submission of a claim or application, all indicated development must be accomplished.  VA is obligated to make reasonable efforts to obtain records to assist the claimant, if the records are adequately identified by the claimant, relevant to the claim, potentially helpful in substantiating the claim, and VA would be authorized to disclose the relevant portions of such records to the Veteran under the Privacy Act and 38 U.S.C. 5701 and 38 U.S.C. 7332.  However, in certain circumstances, VA may conclude that reasonable efforts donot include requesting third party records even when adequately identified by a claimant.  A case-by-case determination should be undertaken to decide whether an attempt to obtain such records is within the scope of VA’s duty to exert reasonable efforts to obtain the records. The duty to assist ends when all relevant evidence is obtained, or cannot be obtained despite reasonable efforts, or benefits are granted.  While allowances must be substantiated, there is no duty to assist requirement to develop additional records when entitlement can be established on the evidence of record. (Over/Under Development).  The key questions that should be asked are:

                                                 i.        Does the record show a documented attempt to obtain all indicated evidence prior to denial of the claim or benefit?

                                               ii.        Was all evidence received prior to deciding the claim or benefit?  If not, is there documented follow-up to show that the claimant was given the opportunity to obtain and submit the evidence?

c. Survey Guidelines

1.   To the extent practicable, only survey customers whose actions have been subject to SQC review.  The only instance in which customers whose actions were not SQC-reviewed should be sent surveys is when there were insufficient SQC reviews in the month to make up the targeted number of surveys. EXCEPTION:  The Teleservice survey sample is pulled from supervisory monitored calls.

2.  Do not survey the same customer more than once in a twelve-month period in any major SQC category.  Additionally, no death claim file number can be surveyed more than once.

3.  Only customers with a five-digit numeric US zip code should be surveyed.

4.  Insurance Service should be automatically notified after the first workday of a month if the desired number of surveys is not generated.

**2.02   DAILY ACCUMULATION**

Initial selections will be made from all workdays of every month.  Final selections will be made at a daily rate as specified below (see also paragraph 1.09).

**Sample Size, 100 Monthly**

19 workday month = 6 daily, first 5 days + 5 daily, last 14 days

20 workday month = 5 daily, throughout

21 workday month = 5 daily, first 16 days + 4 daily, last 5 days

22 workday month = 5 daily, first 12 days + 4 daily, last 10 days

23 workday month = 5 daily, first 8 days + 4 daily, last 15 days

**Sample Size, 50 Monthly**

19 workday = 3 daily, first 12 days + 2 daily, last 7 days

20 workday = 3 daily, first 10 days + 2 daily, last 10 days

21 workday month = 3 daily, first 8 days + 2 daily, last 13 days

22 workday month = 3 daily, first 6 days + 2 daily, last 16 days

23 workday month = 3 daily, first 4 days + 2 daily, last 19 days

Daily selections for monthly sample sizes other than 100 or 50 per month are readily calculated, using the above techniques.

**2.03   STATISTICAL QUALITY CONTROL CHARTS**

a.      Experience shows that the mere introduction of a control chart into a work situation often causes quality improvement.  Such improvement may result only from the influence of the chart in focusing the attention of employees and management on the quality level.  This is certainly a positive aspect of control charts and should be considered as such.

b.     Using control charts to focus attention solely on the quality level, however, is not the whole story.  In the long range, much of the quality improvement attributable to the use of control charts comes from concentrating the user's attention on variations which are statistically abnormal.  Care should be taken to view control charts in terms of whether the work processed items are, or are not, in statistical control.  And, of course, this must include identifying "assignable causes" (errors and discrepancies) and taking the necessary steps to bring the system back into a constant-cause system.

***NOTE:*** *Please refer to M29-1, Part VII, Appendix A for SQC Quality Control Exception Sheets and Summary Reports.*

**2.04   DEFINITION OF CONTROL CHART**

SQC control charts show the monthly error/discrepancy rates or timeliness for the various statistical quality control programs.  The data from these control charts can be plotted on graphs.  On such graphs, there are three parallel lines: a central line which represents the actual average error/discrepancy rate or timeliness for the previous year and an upper and a lower control line.  The control limits are intervals of three standard deviations above and below the actual average percent in error.  They represent the boundaries within which the error rate for any month should statistically fall.

a.     A control chart is a graphic device for detecting lack of statistical control.  Thus, control charts which plot the error/discrepancy rate from month to month are more than just a means for determining how well or how poorly an organization is doing.  In fact, their primary importance is to determine if review results reflect what would be expected statistically by random selection and review of a work process.  When control charts reveal that a work process demonstrates random variability, the process is said to be under "statistical control". Conversely, a process lacking "statistical control" means that observed variations in quality are greater than should occur by chance, or that plot patterns do not show expected month-to-month variability or randomness.

b.     Control charts for the SQC programs are tools used in monitoring the quality of work completed.  The purpose of such a process is fourfold:

1.    to review the quality of work being processed;

2.    to indicate when a work process does not exhibit the stability of a constant-cause system (is not in statistical control);

3.    to attribute assignable causes when an SQC program is not in statistical control;

4.    to take positive steps to eliminate those assignable causes.

**2.05   ASSIGNABLE CAUSES (Errors and Discrepancies)**

Assignable causes are simply those underlying reasons why a work process, such as an SQC program, is not in statistical control.  Assignable causes are broken down into either errors or discrepancies.

a.     An error is an action which adversely affects the Veteran, the insured, the beneficiary, the payee, third party customers, stakeholders, or the financial health of the insurance program.

b.     A discrepancy is an action or omission, the effect of which is minor or administrative.  It cannot have direct, substantive, or immediate impact on the benefits payable, the Veteran, the insured, the beneficiary, the payee, third party customers, stakeholders, or the financial health of the insurance program.

***Note****: See 1.02 for additional information on errors and discrepancies.*

**2.06   USE OF CONTROL CHARTS**

Control charts can show whether a work process is in statistical control by position, order, trend, or grouping of successive plots placed on those charts.  Putting it more simply, basically two things are looked for on control charts.  Are all points (plots) within the upper and lower control limits and do the point groupings avoid having a particular form?  If they meet these two basic criteria, they are considered to be in a so-called "controlled state".

a.      **PLOTS OUTSIDE THE CONTROL LIMITS** - The first of these two situations have been the traditional barometer of whether an organization is performing well.  If there is a plot or two above the upper control limit, then the organization is in an "out-of-control" situation, should look into the matter, and do what is required to ensure that the error or timeliness improves the following month.  This is not an inappropriate response to the situation, but this is not the only time a response is warranted.  It is very important to note that a plot below the lower control limit also represents a situation that "lacks statistical control".  Often when this has happened, the approach has been to assume two things: that there is near or total perfection and that the review results were totally accurate.  Actually, this situation should cause on organization to look into the work process in question.  In short, the correct use of control charts never allows an organization to assume the accuracy of any error rate that is questionable based upon that error rate's failure to fall within the limits which have been established statistically.

b.     **PLOTS ASSUMING A PARTICULAR FORM** - Plots which are said to "assume a particular form" generally fall into four or five separate categories.  These indicate that things may not be what they should be.  A basic summary of these categories is shown below.

1.     **RUN** - A run exists when seven or more consecutive plots are on one side of the central line, even though none is outside the control limit on that side.  A run of less than six may also fall under this category if 10 out of 11 plots, 12 out of 14 plots, or even 16 out of 20 plots lie on one side of the central line (average error or timeliness rate).  The number of plots is called the length of run.

2.     **TREND** - A trend exists when seven or more points form a continuous upward or downward curve.  Normally, the plots appear from a point near one control limit and go to a point near the opposite control limit.  In some situations, the points will extend beyond the control limits.  Even if there are not seven continuous plots in one direction, a trend may still exist if there is nonetheless an overall "drastic trend" in one direction extending for more than seven plots.

3.     **PERIODICITY** - Periodicity is seen when the plots show the same pattern of change, up or down, over equal intervals.

4.     **HUGGING THE CONTROL LINE** - This occurs when plots on the control chart stick close to either control limit line.  To determine if there is "hugging" of the control limit lines, two lines should be drawn at two-thirds of the distance between the central line and each control limit line.

5.     **SUDDEN CHANGE** - This happens when four or more consecutive plots appear on one side of the central line and suddenly show a change in level by the appearance of four or more plots on the opposite side of the central line.

**2.07   REPORTING**

a.     After the close of SQC reviews, no later than the third workday of each month, IPMD must generate from the VA Insurance system, a monthly summary report of the preceding month’s review results for quality and timeliness.

b.     In cases where Operations disputes an error or discrepancy and the dispute is resolved in favor of Operations, IPMD must modify the SQC exception sheet and subsequently generate a new monthly report.

c.     Data from SQC reporting will be utilized to conduct trend analysis and identify areas that require training, refresher training, policy or procedural changes, workload, and/or system enhancements/changes.

**2.08    DISABILITY CLAIMS - SQC 100**

a.     **Organization of Sample**.  Samples for this survey will be drawn from all cases in which a new claim for disability benefits has been awarded or denied, including pending cases as defined in paragraph 1.09.

b.     **Sample Size**.  Fifty monthly which will include forty completed cases and ten pending cases.  The cases will be drawn from all workdays throughout the current month, at the appropriate daily rate as specified below.

**Pending Cases                               Completed Cases**

19 workday month =      1 every other day until a              3 daily, first 2 days

  total of 10 are reviewed                2 daily, last 17 days

20 workday month =    1 every other day until a                2 daily, throughout

total of 10 are reviewed

21 workday month =    1 every other day until a                2 daily, first 19 days

total of 10 are reviewed                1 daily, last 2 days

22 workday month =    1 every other day until a               2 daily, first 18 days

total of 10 are reviewed                1 daily, last 4 days

23 workday month =    1 every other day until a                2 daily, first 17 days

total of 10 are reviewed                1 daily, last 6 days

System Selection Criteria

         Status = ‘completed’

         Date completed = selection date

         Taskdescription = Waiver Application or Waiver Application Folder

        or Waiver Application Evidence or Referral – Waiver Application Folder

        or Referral – Waiver Application

c.   Acceptable Quality Level (AQL).  The AQL is adjusted annually.  It is set by management based on industry best practices.

**2.09    DEATH CLAIMS - SQC 200**

a.     **Organization of Sample**.  Samples for this survey will be drawn from all death cases having undergone the adjudicative process.  This includes cases on which insurance death awards are granted or disallowed, as well as those going into diary awaiting further developmental requirements, including the submission of a claim.

b.     **Sample Size**.  One hundred monthly, (which will include 80 completed cases and 20 pending cases) drawn from all workdays throughout the current month, at a daily rate specified as follows:

**Pending Cases                        Completed Cases**

19 workday month =          2 first day,                                      6 daily, first 2 days

                                        1 daily on successive days               4 daily, last 17 days

20 workday month =           1 daily                                          4 daily, throughout

21 workday month =         1 daily                                          4 daily, first 19 days

                                        until 20 are reviewed                     2 daily, last 2 days

22 workday month =           1 daily                                          4 daily, first 18 days

                                        until 20 are reviewed                    2 daily, last 4 days

23 workday month = 1 daily   4 daily, first 17 days

                                        until 20 are reviewed                     2 daily, last 6 days

System Selection Criteria

    80 ‘Completed’ cases:

         Select cases using the ADEArchived and LocationLast tables with:

         ADE trans type =  ‘01’

         verified date = selection date

         LastName  <> "AMA"

         Location = "DEATH PEND" or "295 ADE OK" or " NO COBAR "

20 ‘pending’ cases:

        Select cases from the NewWorkTasks table with:

         NOT also eligible as ‘completed’ case

         TaskDescriptionID = '088' " \_

         Status = 'pending' "

         QueueLocation = '295' "

         category <> ''"

         QueueName is null or QueueName <> 'Victars'

         No pending task in 293

         Filenumber not in ADEPendingAwards table

OR

         Location = 'Death Pend' in LocationLast table

         LastName <> 'AMA'

         datesent = selection date

c.   **Acceptable Quality Level (AQL).**  The AQL is adjusted annually.   It is set by management based on industry best practices.

**2.10     AWARDS MAINTENANCE ACTIONS - SQC 201**

a.    **Organization of Sample**.  Samples for this survey will be drawn from all incoming correspondence, address changes, "RETCK" RPO's and other generated RPO's usually processed by the Claims Technician.  The cases will be accompanied by all letters or other material denoting action(s) taken.  This will also include cases made pending while waiting for return of money, further information, records, etc.

b.    **Sample Size**.  One hundred monthly (which will include 20 "RETCK" generated RPO's, 20 other generated RPO maintenance actions, and any combination of 60 award correspondence and address change actions) drawn from all workdays at a daily rate specified as follows:

**"RETCK RPO"                                                      Award Correspondence**

**Maintenance                                                       and Address Changes**

  19 workday month = 2 first day                           4 daily, first 3 days

  1 daily on all successive days                                 3 daily, last 16 days

  20 workday month = 1 daily                                  3 daily, throughout

  21 workday month = 1 daily                                  3 daily, first 18 days

  until 20 are reviewed                                           2 daily, last 3 days

  22 workday month = 1 daily                                  3 daily, first 19 days

  until 20 are reviewed                                           1 daily, last 3 days

  23 workday month = 1 daily                                  3 daily, first 19 days

  until 20 are reviewed                                           1 daily until 60 are reviewed

***NOTE****: The daily rate for other generated RPO maintenance actions will be the same as that for "RETCK" RPO's.*

Selection Criteria

1.    A completed task falls into at least one of these three categories:

a)    Awards Maintenance task which was not sent to 293 for verification.

b)    Any Verify task to verify an Awards Maintenance task.

c)    Any Verify Award Transactions task.

2.    The file number of the Award Maintenance Task Completed has to have a running award record other than a lump sum.

3.    The selection date is the current workday.

c.   **Acceptable Quality Level (AQL).**  The AQL is adjusted annually.   It is set by management based on industry best practices.

**2.11     BENEFICIARY AND OPTION CHANGES - SQC 202**

a.    **Organization of Sample**.  The items to be reviewed are mainly VA Forms 29-336, Designation of Beneficiary and Optional Settlement.  However, to cover the entire population of work items in this area, sampling will include any written request over the insured's signature in which the intent is clearly stated.  Additionally, No Action Necessary (NAN) cases that are identified by the system will be reviewed to ensure that no action was required.  If no action was needed, the SQC reviewer will replace the case.  If action was required and/or taken, the case will be reviewed.

b.     **Sample Size**.  One hundred monthly, drawn from all workdays throughout the current month, at a daily rate as specified in paragraph 2.02.

Selection Criteria

         Doctype = ‘BO’ and credate = selection date

         Doctype = ‘BODE’ and daynum = daynum of selection date

         Not RH file number with effective date less than 90 days ago

c.    **Acceptable Quality Level (AQL).**  The AQL is adjusted annually.   It is set by management based on industry best practices.

**2.12    MEDICAL APPLICATIONS - SQC 300**

a.     **Organization of Sample**.  The work items for this survey include all cases processed to completion by the Claims Examiners as well as those going into diary awaiting further development.  These consist of applications which involve a medical determination, based on health evidence from a report of physical examination (full medical), on the applicant's replies to health questions (short form medical), or from VA systems.  The survey includes medical reinstatements and S-DVI applications.

b.     **Sample Size**.  Fifty monthly drawn from all workdays throughout the current month, at a daily rate as specified in paragraph 2.02.

Selection Criteria

    Status = ‘completed’

    Date completed = selection date

    Taskdescription =

-    'RH Insurance Application Decision' or

-    'RH Insurance Application Evidence’ or

-    'Referral - RH Insurance Application Evidence' or

-    'Referral - RH Insurance Application Decision'

c.   **Acceptable Quality Level (AQL).**  The AQL is adjusted annually.   It is set by management based on industry best practices.

**2.13    VMLI - SQC 301**

a.    **Organization of sample:** Three types of VMLI cases are reviewed each month.  They are:

1.    Original Approvals

2.    Coverage Changes (Refinances and Prepayments)

3.    Death Claims Paid

b.    **Sample Size.** Twenty monthly

Selection Criteria

         Date approved = selection date and apptype =

       'original' or 'prepayment' or 'refinance'

OR

         Claim paid = selection date

c.     **Acceptable Quality Level (AQL).**  The AQL is adjusted annually.  It is set by management based on industry best practices.

**2.14    CORRESPONDENCE - SQC 400**

a.    **Organization of Sample.** This sample will be gathered from all incoming correspondence processed to completion by the Policyholders Services entities.  The sample will also include all transmittals noted as "D" mail, "NAN," or "Ready for File."

b.     **Sample Size.** One hundred monthly drawn from all workdays throughout the current month, at a daily rate as specified in paragraph 2.02.

Selection Criteria

Select workflow tasks that have **no task pending** and

         Status = ‘completed’

         Date completed = selection date

         Processing employee division = Policyholders Services Division (292)

         Task description =

-    Correspondence Application or

-    Referral-Correspondence Application or

-    Correspondence or

-    Referral-Correspondence or

-    No record Mail or

-    Referral- No record Mail or

-    Email or Referral-Email or

-    Power of Attorney Application or

-    Referral-Power of Attorney Application or

-    Referral Power of Attorney or

-    Direct Deposit Application or

-    Referral-Direct Deposit Application

c.    **Acceptable Quality Level (AQL).**  The AQL is adjusted annually.   It is set by management based on industry best practices.

**2.15    APPLICATIONS - SQC 401**

a.     **Organization of Sample**.  The items for this survey will be collected from all applications for conversions, replacement insurance, SRH applications, VAMATIC applications, and reinstatements processed by the Policyholders Services entities, on which a medical determination is not necessary.

b.     **Sample Size**.  One hundred cases monthly drawn from all workdays throughout the current month, at the appropriate daily rate specified in paragraph 2.02.

Selection Criteria

Select workflow tasks that have **no task pending** and:

         Status = ‘completed’

         Date completed = selection date

         Processing employee division = Policyholders Services Division (292)

         Task description =

-    Conversion Application or

-    Referral-Conversion Application or

-    Referral - Conversion Application (New CORR Mail)

-    SPOL Replacement Application or

-    Referral-SPOL Replacement Application or

-    Reinstatement Application or

-    Referral-Reinstatement Application or

-    Reinstatement Application (new Corr Mail) or

-    Referral- Reinstatement Application (new Corr Mail) or

-    Supplemental RH Application or

-    Referral-Supplemental RH Application or

-    SRH Insurance Application or

-    Referral-SRH Insurance Application or

-    VAMatic Application or

-    Referral-VAMatic Application or

-    VAMatic Application (new Corr Mail) or

-    Referral- VAMatic Application (new Corr Mail) or

-    Change of Plan Application or

-    Referral-Change of Plan Application

c.    **Acceptable Quality Level (AQL).**  The AQL is adjusted annually.   It is set by management based on industry best practices.

**2.16    DISBURSEMENTS (LOANS AND CASH SURRENDERS) - SQC 402**

a.     **Organization of Sample**.  The items for this review will be selected from all processed loans and cash surrenders.

b.     **Sample Size**.  One hundred monthly. Samples will be selected each workday throughout the current month at the appropriate daily rate specified in paragraph 2.02.

Selection Criteria

   65 Loans

         VerifiedInforceActions with GroupNumber in ('06','07')"

   35 Surrenders

         VerifiedInforceActions with GroupNumber in ('01','02')"

c.    **Acceptable Quality Level (AQL)**.  The AQL is adjusted annually.   It is set by management based on industry best practices.

**2.17    RECORD MAINTENANCE ACTIONS - SQC 403**

a.    **Organization of Sample**.  The items for this survey will be selected from processed reason codes on record maintenance actions.

b.    **Sample Size**.  One hundred monthly. Samples will be selected each workday throughout the current month at the rates specified in Paragraph 2.02.

Selection Criteria

NewWorkTasks with

         Status = ‘completed’

         Date completed = selection date

         taskdescriptionid = '404'

         taskdescription = 'Inforce Rpo'

         TimeCompleted < '180000'

         systemMessage not like '%System Reject%'

         QueueUserid not Classification = 'Supervisor'

                                       or userid like 'iss%'

c.    **Acceptable Quality Level (AQL)**.  The AQL is adjusted annually.   It is set by management based on industry best practices.