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**Chapter 4 - Systematic Analyses**

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**4.01**   **GENERAL**

The principal emphasis in preceding chapters has been on the statistical approach. This chapter outlines another form of quality control, one which is more analytical in nature. It provides for critical overall analyses of insurance operations through the medium of continuing reviews as scheduled by local management.

a.    The term, systematic analyses, as used herein, refers to a formal review and analysis program encompassing the feature of all prior formal review programs such as operations reviews, self-audits, self-appraisal surveys, management studies, etc.

b.     Daily supervision and SQC (statistical quality control) play the overriding part in the program in thatthey are used as feeders, alerting management to the need for a systematic analysis when circumstances dictate.

c.    This chapter prescribes the minimum requirements for systematic analyses of operations with regard to areasfor study and frequency of analyses. Revisions will be made from time to time when changes in the program, or service priorities occur. Local management is expected to expand reviews and analyses, as considered necessary, beyond these minimum requirements when the situation warrants. Analyses should be made whenever an out-of-line situation occurs and will take preference over regularly scheduled analyses.

**4.02    OBJECTIVES**

a.     An effective systematic analyses program should provide the means for determining the accuracy of the operation, the quality of services rendered, and whether the present operating techniques are the most practical and economical.

b.     This program, together with prescribed operating and quality reports, should inform Insurance Program Management Division of the strengths and weaknesses in all functional areas.

c.     It should pinpoint existing and potential trouble spots and should lead to effective preventive or improvement measures, as the situation warrants.

**4.03   RESPONSIBILITIES**

The Assistant Director, Insurance Program Management Division will be responsible for scheduling and coordinating the various surveys and systematic analyses.

**4.04    SCOPE**

In order to assure fulfillment of the stated objectives, a comprehensive systematic analyses should be made at least annually. When trouble spots exist, recurring reviews should be made quarterly until satisfactory improvement has been achieved.

**4.05   SYSTEMATIC ANALYSES PROCEDURES**

Insurance staff should follow standard procedures and format for conducting an SAO.

**4.06    STASTICAL QUALITY CONTROL**

SQC review and validation requirements are prescribed in preceding chapters.  These should be reviewed annually, and include the following:

a.    Review the selection methods.

b.    Apply the individual digit selection plan's percentage factor to the volume as reported in the VA Insurance system to assure that the number of selections actually listed is reasonably near the expected yield.

c.    Include specific recommendations for improving the SQC program.

**4.07    REVIEW OF SUPERVISORY CONTROLS AND TECHNIQUES**

a.     Supervision should not rely solely on SQC. For example, there should be reviews to assure:

1.    That supervisory spot checks are made regularly to determine the nature and amount of pending work balances.

2.    That work is being performed in a manner as to not create additional and avoidable work items.

b.      Investigate areas where SQC results are in control but are at the Warning Level just below the UCL, indicating trouble may be brewing, without confining the search for possible future trouble spots to this category alone.

c.     Check the adequacy of supervisory training of employees.

**4.08    REVIEW OF WORK ITEMS NOT UNDER FORMAL SQC**

The following are some examples of this category:

a.    Unassociated Remittances (Excess of Ten Category)

b.    Postal Address Return Cards and Returned Mail

c.    Computing Actions

d.    Utility Policy Liens

e.    Liabilities

f.     Finance Indebtedness

**4.09   ANALYSIS OF INCOMING CORRESPONDENCE**

Cross sections of policyholder mail can provide an informative and useful indicator in the area of systematic analyses. The objective is to identify patterns when correspondence could be eliminated or reduced appreciably by improvements in procedures, forms or form letters, correction of pattern error conditions, possible changes at the policy level, greater care in the preparation of correspondence, or changes in the scheduling of work. Samplings will be conducted at the discretion of the Assistant Director, Insurance Program Management Division, or delegated representative.

**4.10    REVIEW OF REPORTING PROCEDURES**

This includes checking the adequacy and accuracy of required feeder reports and final reports. It also includes an analysis of these reports beyond routine daily or weekly examinations for significant trends or potential out-of-line situations. Aside from required reporting, attention should also be given to the principle of reporting by exception.

**4.11   CORRESPONDENCE MANAGEMENT**

This would include:

a.    Review of forms and form letters.

b.    Control of complaint mail.

**4.12    OTHER AREAS**

Some of these would be:

a.    Manpower utilization.

b.    Control and processing of ADP rejects.

c.    Analysis of RPO's by reason codes to identify areas requiring particular attention including possible computer programming improvements.

d.    Work flow routing.

e.    Compliance with Central Office and local directives.

f.     Review of local operating instructions.

g.    Any other analyses which may be needed to reflect accurately the overall condition of the Insurance activities.

**4.13   SCHEDULING**

a.     Within the framework outlined previously, it will be Insurance Program Management Division’s responsibility to determine how and when the various reviews will be made, as well as the scope and depth of each.

b.     Priority in scheduling should be given to known or suspected trouble areas. Whenever a review discloses a need for action or improvement, a follow-up review should be made not more than 3 months later (see par. 4.04, above) to determine whether effective corrective measures have been taken.

c.     Surveys and special studies instituted at the request of Insurance Program Management Division will be considered and reported as a part of the Systematic Analyses program.