



**DEPARTMENT OF VETERANS AFFAIRS**  
**Veterans Benefits Administration**  
**Washington, D.C. 20420**

July 30, 2014

Director (00)  
All VA Regional Offices and Centers

In Reply Refer To: 21F  
Fast Letter 14-07

ATTN: All Veterans Service Center, Pension Management Center, and Fiduciary Hub  
Personnel

SUBJ: Fiduciary Hub Promulgation Teams

## **Purpose**

This fast letter changes the Veterans Benefits Administration's (VBA) procedures for processing benefit awards when it has evidence that a beneficiary cannot manage his or her own VA benefits. The changes transfer jurisdiction for some of this processing from the Veterans Service Centers (VSC) and Pension Management Centers (PMC) to new promulgation teams in the Fiduciary Hubs. It also establishes procedures for the new promulgation teams to use when authorizing payment of monthly benefits to a VA-appointed fiduciary on behalf of a beneficiary and when releasing the beneficiary's retroactive benefits to the fiduciary. This fast letter is for the sole purpose of improving VBA's internal procedures for delivering benefits to individuals who require the assistance of a fiduciary. It does not change any external procedures for beneficiaries or fiduciaries.

## **Background**

Under current procedures, VBA generally limits fiduciary hub activities to appointing fiduciaries and overseeing fiduciaries and the beneficiaries that they serve, while VSCs and PMCs retain jurisdiction over all "incompetency" and award promulgation matters. After the consolidation of its fiduciary activities into the fiduciary hubs, VBA evaluated this division of labor and determined that it does not support efficient processing of beneficiaries' awards. In particular, current procedures require two transfers of jurisdiction, one before the fiduciary appointment and one after, with the second being only for the purpose of authorizing payment of monthly benefits to the fiduciary and releasing the beneficiary's retroactive benefit to the fiduciary.

A pilot project established for the purpose of testing the feasibility of promulgation teams in the fiduciary hubs found that modified procedures, under which there was only one transfer of jurisdiction and the hubs completed the processing of incompetency determinations and post-fiduciary appointment payment actions, improved delivery of benefits to beneficiaries

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who require the assistance of a fiduciary. Based upon the success of the pilot, VBA will expand the concept nationally, with a tentative effective date of August 1, 2014. This fast letter clarifies the roles of the VSCs, PMCs, and hubs, and provides supplemental procedures for processing incompetency determinations and completing award actions.

## **Policy**

Prior to the effective date for the processing procedures in this fast letter, each fiduciary hub must establish and staff a promulgation team with employees in a new Fiduciary Service Representative (FSR) position according to the requirements in the National Fiduciary Hub Organization Model, dated August 12, 2011, Enclosure A. Because the organization model was written prior to the implementation of the promulgation teams, additional guidance is required. Each fiduciary hub is required to maintain a promulgation team sufficient in size to perform all tasks indicated in this fast letter in a timely and accurate manner. The teams will be supervised by at least an assistant coach. Pension and Fiduciary (P&F) Service is developing FSR training, which will be available for field use before or shortly after the tentative effective date for the national deployment.

## **Procedures**

The effective date for the processing procedures in this fast letter (Enclosures B-G) is August 1, 2014, or an alternative later date that the Office of Field Operations (OFO) identifies in separate guidance. Apply the procedures to all proposed ratings of incompetency issued on or after the effective date and all due process for proposed ratings of incompetency initiated on or after May 28, 2014.

The promulgation teams are responsible for completing all competency EP 600s for which the due process period expires on or after August 1, 2014. After close of business on July 31, 2014, P&F Service, in collaboration with the Office of Information and Technology, will complete a mass transfer of EP 600s, which were established on or after May 28, 2014. The PMCs and VSCs are responsible for completing final ratings on cases in which due process was waived by the beneficiary prior to August 1, 2014. If necessary, P&F Service will issue additional guidance regarding the transfer of cases prior to the effective date.

Also, effective August 1, 2014, the fiduciary hubs will establish and promulgate fiduciary adjustment EP 290s for all cases where the VA Form 21-555 is signed on or after August 1, 2014.

### *The VSCs and PMCs will:*

- Retain jurisdiction over all matters not specifically addressed in this fast letter.
- Continue to authorize monthly benefit payments to the beneficiary.
- Evaluate evidence regarding a beneficiary's ability to manage his or her VA benefits and, if appropriate, issue notice of a proposed rating of incompetency to the beneficiary.

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- Provide a copy of the proposed rating and all appropriate notifications to the beneficiary and his or her accredited representative.
- Transfer jurisdiction of the proposed rating of incompetency to the appropriate fiduciary hub after issuing a proposed rating of incompetency.
- Ensure all cases are available electronically prior to transferring jurisdiction to the fiduciary hubs.
- Review any work performed related to EPs selected for Systematic Technical Accuracy Review (STAR) process. Errors noted as part of that review regarding work performed by a fiduciary hub will be shared with the RO having jurisdiction of the hub by addressing an email to the Director's mailbox. The email will indicate "STAR review – Fiduciary" in the subject line. The Director is responsible for providing the information to his or her hub manager for necessary action.

*The fiduciary hubs will:*

- Issue a final incompetency rating, unless the beneficiary requests a hearing or submits additional evidence challenging the proposed incompetency rating.
- Transfer jurisdiction to the VSC collocated with the hub if the beneficiary requests a hearing or submits additional evidence in response to a proposed rating of incompetency.
- Authorize payment of monthly benefits and retroactive benefits to the fiduciary.
- Conduct local quality reviews on work performed using local quality review procedures.

*The VSC collocated with a fiduciary hub will:*

- Have jurisdiction over all hearing requests, submissions of additional evidence, and notices of disagreement that a beneficiary submits in response to a rating of incompetency.

*The procedures for each of the processes covered by this fast letter are in the following enclosures:*

- Enclosure A – *National Fiduciary Hub Organizational Model*, provides authorization to create promulgation teams within the fiduciary hubs.
- Enclosure B – *Fiduciary Hub Contacts and Jurisdictions*, identifies how and to what fiduciary hub information should be provided.
- Enclosure C – *VSC and PMC Proposed Incompetency Determinations*, addresses preparation of the proposed incompetency decision, revised language required for inclusion with beneficiary notification, procedures for processing the award and information necessary to transfer the proposed rating to the fiduciary hub.

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- Enclosure D – *Procedural Table for Fiduciary Hubs Judicial Determination of Incompetency*, sets forth those controls required when in receipt of a finding of incompetency rendered by a state court for a beneficiary other than a Veteran. The enclosure also references the appointment of a fiduciary and subsequent to the appointment, guidance regarding fiduciary recognition and award authorization.
- Enclosure E – *Incompetency Hearings, Additional Evidence, Appeals*, provides instructions for processing receipt of additional medical evidence and requests from beneficiaries for hearings
- Enclosure F – *Procedural Table for Fiduciary Hub Final Incompetency Determinations*, provides procedural guidance regarding receipt and control of proposed incompetency decisions, preparation of a final incompetency ratings, and control of the appointment process.
- Enclosure G – *Procedural Table for Fiduciary Hub Retroactive Payment Authorizations*, establishes procedures for completing the award action with an associated retroactive award.

## Questions

Submit questions regarding incompetency determinations and compensation award authorizations under this fast letter to Compensation Service at [REDACTED]. Submit questions regarding pension or dependency and indemnity compensation award authorizations under this fast letter to Pension and Fiduciary Service at [REDACTED]. Continue to send fiduciary appointment and oversight questions to P&F Service at [REDACTED].

/S/  
David R. McLenachen  
Director  
Pension and Fiduciary Service

/S/  
Thomas J. Murphy  
Director  
Compensation Service