



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

October 2, 2014

Director (00)
All VA Regional Offices, Fiduciary Hubs and
Centers

In Reply Refer To: 21F1
Fast Letter 14 -11

Subj: Follow-up Fiduciary Field Examinations – Streamlined Oversight

Purpose

This fast letter rescinds all prior policies and procedures for streamlined oversight of beneficiaries in the fiduciary program, which was formerly known as “alternate supervision,” and replaces them with guidance that authorizes fiduciary hubs¹ to conduct follow-up field examinations by telephone or correspondence (streamlined oversight) in appropriate cases.

Background

Under current policies and procedures, “[b]eneficiaries who are receiving small amounts of VA benefits and are in a protected environment where all benefits are used for care and support generally do not benefit from frequent Veterans Benefit[s] Administration (VBA) contact.” (Fiduciary Manual, 2.D.14.a). Pension and Fiduciary (P&F) Service maintains the Fiduciary Manual on the fiduciary program website at <http://vbaw.vba.va.gov/PENSIONANDFIDUCIARY/fiduciary/index.asp>. For these beneficiaries, the manual directs fiduciary personnel to conduct “alternate supervision” by telephone or correspondence and document the results of the contact in the appropriate record. However, it limits this alternate supervision to the following types of beneficiaries: helpless adults, Veterans residing in a VA medical facility or in a private facility under a VA nursing home contract, Medicaid beneficiaries, beneficiaries residing in state-operated Veterans homes or nursing homes, and incarcerated beneficiaries.

P&F Service has determined that current policies and procedures are too restrictive and do not allow the fiduciary hubs to conduct streamlined oversight in other appropriate cases, such as those where the beneficiary’s spouse is the fiduciary, the Veteran’s care is supervised by the Veterans Health Administration (VHA) approved family caregiver program, or the beneficiary resides in a facility regulated or licensed by a state or local government agency.

¹ For purposes of this fast letter, “fiduciary hub” or “hub” includes the Manila Regional Office fiduciary activity.

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Policy

Effective the date of this letter, VBA fiduciary personnel will follow current procedures (see Fiduciary Manual, 2.E.33) for all initial appointment field examinations. Fiduciary personnel may use streamlined oversight to conduct any follow-up field examinations, to include the one year follow-up examination, if the beneficiary meets the requirements prescribed in this fast letter.

This new policy accounts for the beneficiary's circumstances, the results of the initial appointment field examination, and program judgment regarding the beneficiary's and fiduciary's suitability for streamlined oversight.

Applicability

- *Apply* this policy to all follow-up field examinations that are pending on or issued after the date of this fast letter.
- *Do not apply* this policy when you identify a problem in the fiduciary-beneficiary relationship, receive a report of concern regarding the relationship, or the beneficiary or fiduciary either fails to respond or responds inadequately or inappropriately to a VBA telephone call or letter inquiry.
- *Do not apply* this policy when the fiduciary receives a fee for managing the beneficiary's VA benefits.
- In all cases in which you *do not apply* this policy, schedule a face-to-face follow-up field examination according to the Fiduciary Manual, 2.E.33.

Enclosure A is a list of definitions that may be helpful for understanding some of the terms used in this fast letter and the various attachments.

Frequency of Streamlined Oversight

Except for beneficiaries who have a spouse fiduciary, which you will schedule for streamlined oversight at three-year intervals, schedule eligible beneficiaries for streamlined oversight at two-year intervals.

Procedures

Legal Instruments Examiner Responsibilities

- Use Enclosure B to determine whether a fiduciary-beneficiary relationship is appropriate for streamlined oversight.
- Review pending follow-up field examinations to identify those that are appropriate for streamlined oversight.

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- Convert face-to-face follow-up field examinations to streamlined oversight by changing the pending WPC to 531.

Issue future streamlined oversight in lieu of a face-to-face follow-up field examination by ensuring all criteria for this type of visit are met and by establishing the necessary work product code in the Beneficiary Fiduciary Field System.

Confirmation of Facility Status

When conducting streamlined oversight of a beneficiary who resides in a facility that is regulated or licensed by a state or local government agency (excluding Medicaid-approved nursing homes and State-owned or operated nursing homes and hospitals), the fiduciary hub must confirm that the facility is in good standing with the government regulator or licensing authority.

During the initial appointment field examination for the beneficiary, the field examiner must confirm the facility's status by:

- Viewing the original license or other official document indicating that the facility has authority to provide general care and supervision, group home or assisted living services and is in good standing, and
- Obtaining a copy of the document and including it with the field examination report, or
- Recording the licensing authority, license number, date the authority issued the document and the expiration date in the field examination report if the field examiner is unable to obtain a copy of the document.

For beneficiaries who have already had an initial appointment field examination, hubs may confirm facility status by:

- Requesting that the facility provide a copy of the document electronically or by mail, or
- Checking the licensing authority's internet site and recording the results of the check on a VA Form 21-0820, *Report of General Information*. Hubs may use Enclosure C to identify state licensing authorities that currently provide facility status information online. Hubs may identify and use other official state or local government resources to confirm current facility status.

Obtaining Information through Streamlined Oversight

Consistent with the investigative nature of field examinations, streamlined oversight is for the purpose of assessing the beneficiary's situation and the fiduciary's performance. When conducting a follow-up field examination using streamlined oversight, fiduciary personnel should identify appropriate telephone or correspondence contacts by:

- Reviewing the previous field examination report.

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- Determining whether the beneficiary has the ability to respond to VA inquiries and provide accurate information.
- Contacting the beneficiary's spouse, friend, relative, care provider, or another person identified in the previous field examination report, who had direct and regular contact with the beneficiary, if the beneficiary does not have the ability to adequately respond. This may include the director or other designated official at the facility in which the beneficiary resides.
 - If the beneficiary cannot respond and you contact another source to obtain a report on the beneficiary's welfare, this source cannot be the beneficiary's fiduciary.
 - If direct solicitation is required from the beneficiary's friend, relative or care provider and a letter is used to obtain the necessary information, the letter may not include the beneficiary's claim number, social security number, or other identifying information with the exception of the beneficiary's name.

Use the enclosed cover letters and reports of facts or opinions regarding the condition of a specific individual *Beneficiary Status Report* to obtain information about a beneficiary's situation or a fiduciary's performance from an appropriate individual. Fiduciary personnel may use correspondence (facsimile or U.S. Mail responses only) or telephone calls to obtain this information but will not send the cover letter to telephone call contacts. Hubs may only modify the enclosures to add the hub's letterhead, telephone number, and the hub manager's signature block. The enclosures are as follows:

- Enclosure D – Spouse fiduciary contacts
- Enclosure E – Non-spouse fiduciary contacts
- Enclosure F – Beneficiary contacts and persons contacted in lieu of the beneficiary when the beneficiary is unable to respond. Also use Enclosure F to contact the beneficiary's dependents. Do not use Enclosure F to obtain a report about a beneficiary's dependents if the beneficiary is under the care of a VA Medical Center or incarcerated.
 - Enclosure F1 is the cover letter used to send to the beneficiary
 - Enclosure F2 is the cover letter used when contacting the beneficiary's spouse, friend, relative, caregiver or another person identified in the previous field examination report as having direct and regular contact with the beneficiary.
- Enclosure G – Dependents of beneficiaries when the beneficiary is under the care of a VA Medical Center or incarcerated.

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Use the following procedures when monitoring streamlined oversight:

- The selected contacts must provide the requested report within 15 days of the date of the hub's correspondence.
- If a contact does not respond, send follow-up correspondence and establish a 15-day diary for receipt of the report. Alternatively, hubs may address a past-due report by making telephone calls to the contact over the course of three different days.
- Streamlined oversight that has not obtained all required reports within 30 days of the first request must be reissued as a face-to-face field examination. The WPC 531 will be changed to a WPC 522. The date of the WPC 531 will be preserved at the time of the WPC change.

Exceptions to the above contact requirements:

- A beneficiary who is unable to provide responses and who has no spouse, friend, relative, care provider or another person who had direct and regular contact with the beneficiary and who is not also serving as the beneficiary's fiduciary, to respond on his or her behalf must be visited through an face-to-face field examination.
- Beneficiaries and fiduciaries who reside in a jurisdiction other than a state, the District of Columbia, the Commonwealth of Puerto Rico or the Republic of the Philippines will be contacted by letter to obtain the required report. If either party does not provide the requested report within 30 days, send a second notice. If you do not receive the requested report from one or both parties within 60 days, contact the consulate or embassy with jurisdiction to request a face-to-face interview with the fiduciary and the beneficiary.

Evaluating the Information

Fiduciary hub personnel must evaluate the reports they receive through streamlined oversight to determine:

- The beneficiary's general well-being
- Whether the fiduciary has regular contact with the beneficiary
- How the fiduciary maintains the fiduciary-beneficiary relationship
- The beneficiary's income, expenses, and assets, and whether there has been any significant change since the last field examination
- Whether the beneficiary's and fiduciary's information regarding significant purchases and other matters matches
- Whether the fiduciary's financial statements reveal any of the red flag indicators listed in the Fiduciary Manual, 3.D.21

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Thoroughly review statements made by the beneficiary, spouse, dependents, fiduciary and third-party contacts. Upon evaluation of the information obtained, a VA Form 21-0820 is prepared to address the findings and include any necessary facility information. If the information indicates an excellent situation and supports a future review by streamlined oversight, the following statement should be recorded on the VA Form 21-0820, "Review of all necessary evidence was received and reviewed, and supports future follow-up by streamlined oversight on or before XX/XX/XXXX." Should any evidence received and reviewed raise concern about the beneficiary's welfare, and/or the fiduciary-beneficiary relationship; or the beneficiary or fiduciary either fails to respond or responds inadequately or inappropriately, the VA Form 21-0820 will be documented with the evidence found and a face-to-face field examination will be immediately scheduled.

Questions

Submit questions regarding this letter to [REDACTED].

David R. McLenachen
Director
Pension and Fiduciary Service

Enclosures