

The image features a hand holding a silver stopwatch over a large, disorganized pile of yellowed, aged papers. At the top of the image, a large, stylized 'VA' logo is composed of white, slanted rectangular blocks. The stopwatch has a white face with black markings and numbers, and a small sub-dial at the top. The background is a dense stack of papers, some of which are slightly torn or crumpled.

# IRAQ AND AFGHANISTAN VETERANS OF AMERICA

## The Battle to End the VA Backlog

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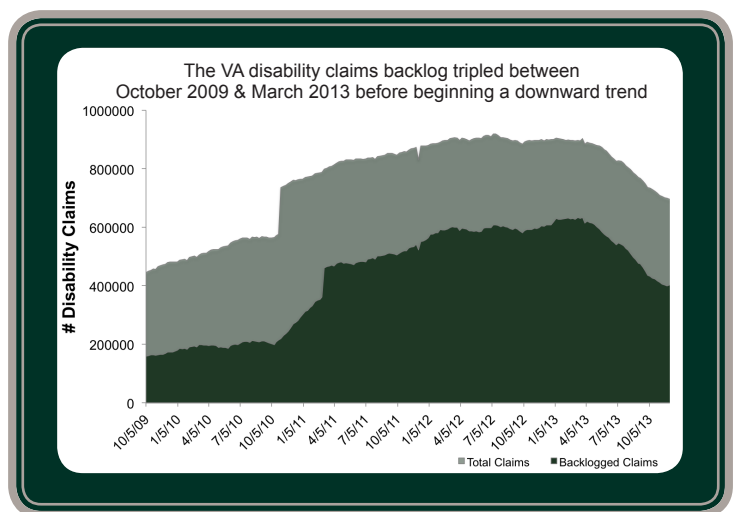
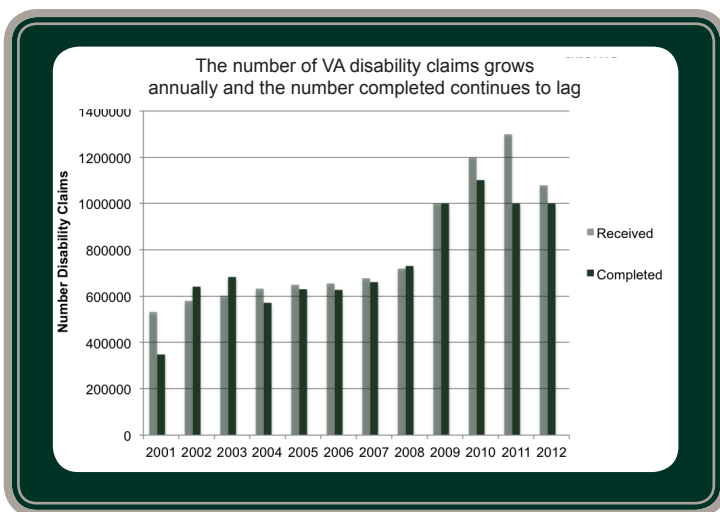
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# EXECUTIVE SUMMARY

The United States has made a long-standing commitment to its veterans to compensate them for injuries and illnesses sustained as a result of their service. The US Department of Veterans Affairs (VA) administers the veterans' disability compensation program. Over the last decade, the number of pending disability claims filed has increased, and the VA has struggled to keep pace. This has resulted in a growing backlog of claims pending over 125 days.

In March 2013, the backlog reached over 600,000, with over 900,000 total claims pending in the system.<sup>1</sup> The VA, led by Secretary Eric Shinseki, has implemented a number of initiatives focusing on automation, personnel, and processes to try and update this outdated, paper-based system<sup>2</sup> and address this enormous backlog of claims. Between March and December 2013, the backlog decreased 36.5 percent, yet it still represents over 50 percent of the claims waiting to be processed at the VA.<sup>3</sup> While there has been some progress to decrease the backlog, there is nothing to support which of these initiatives are working and which are not, nor is there evidence of planning beyond FY 2015. The VA needs established mechanisms to measure the effectiveness of each of these initiatives to plan for continual improvements to the process. Overall it must create an infrastructure that allows the disability compensation system to project future needs and adapt to a growing population of new veterans and even more complex injuries. The backlog may end in FY 2015, but the disability compensation process will continue. If the VA does not learn from its mistakes, it is bound to repeat them.



This report intends to:

1. Define the VA disability compensation system and its backlog,
2. Consider the challenges to the VA disability compensation system,
3. Provide recommendations on how to move the system forward so that the VA not only ends the disability backlog, but sets up a long-term plan to ensure that it never returns.

IAVA recommends the following:

### Collecting Evidence

- ▶ In lieu of a joint, integrated electronic health record, the DoD and VA must deliver on the long overdue initiative to develop an interoperable electronic health record to expedite record sharing.
- ▶ DoD must adhere to its timeline to develop and fully implement an automated system to transfer service treatment records.
- ▶ DoD must deliver on its promise to require a service health assessment for all separating service members.
- ▶ The VA should analyze and publish data demonstrating the response rate of other federal agencies when contacted to provide veterans' records for the claims development process.
- ▶ Congress should consider legislation requiring federal agencies to provide a response to VA upon receipt of request for veterans' records.
- ▶ Congress should consider legislation to amend US Code, Title 38 to align requests for federal records outside of the VA system with similar requests for private records.
- ▶ The VA needs to re-assess the protocols in place to provide customer service to veterans, including mechanisms for requesting, scheduling, and notifying veterans of compensation and pension exams.
- ▶ The VA must define metrics to measure the effectiveness of the programs to incentivize private providers to furnish medical records, the Acceptable Clinical Evidence initiative and Disability Benefit Questionnaires and develop and implement a plan for continual assessment and process improvements.
- ▶ The VA must analyze whether requirements that certain conditions are only assessed by VA clinicians are roadblocks to expediting the VA claims process and consider alternatives (such as a VA certification program for private providers outside of the VA) to train outside providers to provide these assessments.

### Advancing Automation

- ▶ The VA must develop a plan to solicit continual feedback from users of their electronic systems, build improvements into the system and incorporate mechanisms by which it will determine future demands on the system and plan for system upgrades accordingly.
- ▶ The VA must improve customer service widgets in future upgrades of their electronic systems, including a live help application for the eBenefits portal.
- ▶ The VA must develop, track, and analyze metrics to determine the effectiveness of the segmented lanes initiative and continuously solicit process improvement recommendations from the users (the VA employees).

### Improving Accuracy

- ▶ The VA should review and update as appropriate the *VA Manual M21-4 Manpower Control and Utilization in Adjudication Divisions* and *VA Manual M20-2, Quality Control*, to provide current guidelines to review and assess timelines, accuracy, workflow and productivity for VA disability claims adjudication.
- ▶ The VA must review and revise the current incentive program for VBA employees to integrate accuracy as a valued part of the disability claims process.
- ▶ The VA must define metrics to measure the effectiveness of the Challenge Training, Quality Review Teams and Segmented Lanes initiatives; develop and implement a plan for continual assessment and process improvements.

### Enhancing Evaluation

- ▶ The VA must expand data access in regards to the effectiveness of all VA disability initiatives, including Challenge Training and the Systematic Technical Accuracy Review (STAR) program.
- ▶ The VA should conduct separate analyses of original and supplemental claims to determine the processing time, cause for delays in processing and needs to expedite each type of claim if the data show challenges to completing these claims differ.

### Anticipating Need

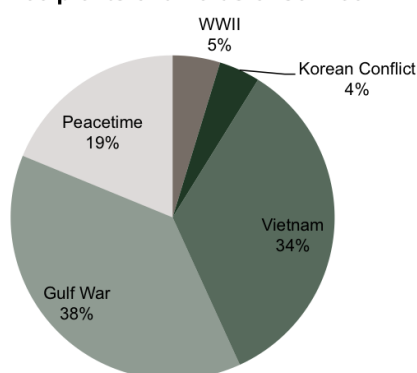
- ▶ The VA, DoD, and Congress must continue to fund research, including passage of S. 1302, to better understand the health risks and long-term care needs for this newest generation of veterans.
- ▶ The VA must conduct an analysis of how previous generations' demands on the VA system changed over time and use this information to inform how it prepares for the future.
- ▶ The VA must determine the geographic distribution of veterans and do a manpower analysis of VA staffing needs based on those distributions to ensure that both the Veterans' Benefits Administration and the Veterans' Health Administration are fully equipped to support veterans across the US.

# THE RISE OF THE VA DISABILITY BACKLOG

Over 2.6 million service members have deployed to Iraq, Afghanistan, and the Persian Gulf since September 11, 2001, representing less than one percent of the US population.<sup>4</sup> The Department of Defense (DoD) reports 51,716 have been wounded in action,<sup>5</sup> but these numbers do not show the total number of veterans who sustained injuries in service. It does not capture the estimated 20 percent of new veterans who return home with symptoms of post-traumatic stress disorder (PTSD) or traumatic brain injury (TBI),<sup>6</sup> and it does not reflect the many who will see chronic injuries or illnesses develop.

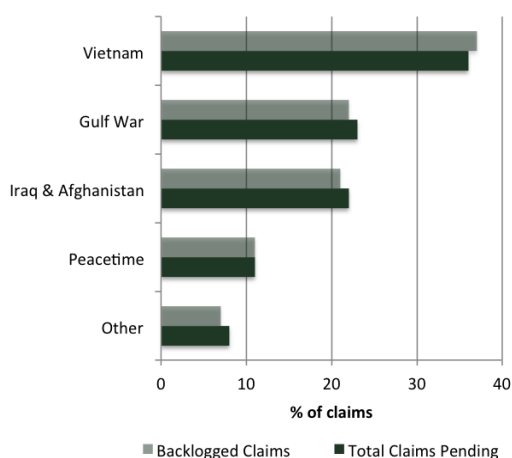
The VA disability claims backlog impacts veterans of all generations. Gulf War and Vietnam-era veterans represent the

**Figure 1. Gulf war and Vietnam veterans represent the largest number of service-connected disability recipients of all eras of service**



majority of veterans receiving compensation for service-connected disabilities (Figure 1).<sup>7</sup> Of those receiving compensation, veterans aged 55-74 represent the largest population of recipients.<sup>8</sup> Vietnam-era veterans also represent the largest percentage of those veterans who have claims both pending and backlogged (Figure 2).<sup>9</sup> Wounds revealed and worsened by age or conditions that have been added due to research that supports service-connection with certain illnesses or injuries can encourage veterans who had not sought benefits before to file a disability claim. We have seen this with Vietnam-era veterans and Agent Orange, and likely will see it again with our newest generation of veterans. With increased demand comes increased strain on the system. Just like a car, without proper maintenance the system will fail.

**Figure 2. Vietnam veterans have the largest number of claims pending and backlogged at the VA**



The disability claims backlog didn't happen overnight. Since 2001, the number of claims received by the VA outpaced the number of claims completed (Figure 3).<sup>10,11</sup> The VA faced an increased demand because older generations of veterans continued to submit claims for injuries revealed by age, new veterans of Iraq and Afghanistan began to pour into the system, and the VA expanded the schedule of conditions covered to include PTSD and illnesses due to Agent Orange exposure. The increased number of claims highlighted systemic flaws, including incredibly long wait times and dramatic variations in performance across different VA regional offices.

In FY 2009, the VA received one million disability claims in a single year for the first time,<sup>12</sup> an 88 percent increase from 2001 (Figure 3). As the numbers continued to rise, VA Secretary Shinseki made an important step by defining a backlogged claim as any claim pending over 125 days.<sup>13</sup> In doing so, he gave clarity to the problem and set definitive goals to end the backlog.



With explicit standards, the growing problem was clear. Between 2009 and 2012, the number of backlogged claims tripled and more than two-thirds of the pending claims at the VA were backlogged. By January 2013, the number of pending disability claims was over 900,000 with over 600,000 – or nearly 70 percent – pending longer than 125 days (Figure 4).<sup>14</sup>

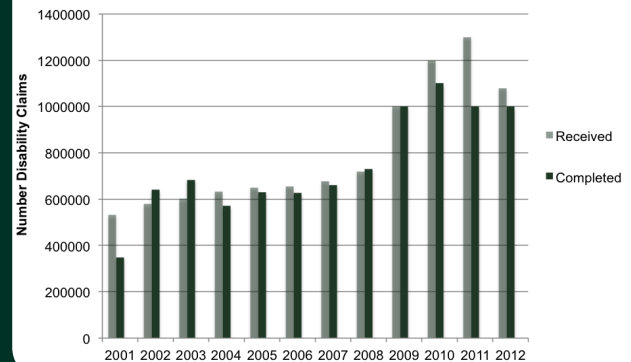
The average time to complete a claim also increased by over 50 percent between 2009 and 2012, climbing from 161 days in FY 2009 to 260 days in FY 2012.<sup>15</sup> The IAVA 2013 Member Survey<sup>16</sup> reported that of those respondents awaiting a pending VA disability claim, nearly half had been waiting more than a year.

The national accuracy rating, used as a quality control measure to track the accuracy of claims processing, was regularly under 90 percent. Through examining the performance of individual ROs, it became clear that there was a lack of consistency across the country.<sup>17</sup> The number of backlogged claims, pending claims, time to process, and accuracy ratings often widely varied from office to office. Together, these factors called to question the efficacy of the entire disability compensation system.

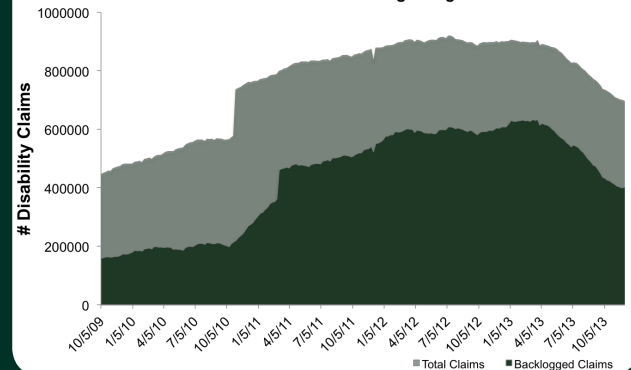
Since 2010, the VA has pledged to update the disability compensation system to handle the growing influx of claims. In January 2013, the VA released its *Strategic Plan to Eliminate the Compensation Claims Backlog*<sup>18</sup> and got to work implementing a number of initiatives to accomplish this goal. Since March 2013, the VA has made good progress in decreasing this backlog, reducing the backlog by 36.5 percent through December 2013.<sup>19</sup> But it remains unclear if the VA has established mechanisms to measure the effectiveness of each of these initiatives, plan for continual improvements to the process, and overall created the infrastructure to allow the disability claim system to project future needs and adapt to a growing population of new veterans and even more complex injuries. The backlog may end in FY 2015, but the claims process will continue. If the VA does not learn from its mistakes, it is bound to repeat them.

With the war in Iraq over and Afghanistan coming to a close, it will become easier for the public and lawmakers to forget this country's obligation to our veterans. It is more important than ever to put in place long-term plans to address the needs of our veterans and the system that supports them for decades to come.

**Figure 3: The number of VA disability claims grows annually and the number completed continues to lag**



**Figure 4: The VA disability claims backlog tripled between October 2009 & March 2013 before beginning a downward trend**



Jonathan Goodman served in the Marines and twice deployed to Iraq. He earned a Purple Heart Medal for wounds sustained in a 2004 suicide-bomb blast. On July 1, 2012, Goodman filed a claim for chronic migraines, traumatic brain injury, anxiety, and pain in his ankles, arms, and back. He waited a year before finally getting a rating from the VA.

During that year, he was able to receive medical treatment from the local VA hospital, but said that the claim decision delay put a financial strain on him and his wife. He had to take extra work shifts while his wife put in longer hours at her job.

As of December 2013, Jonathan had received his initial disability rating, and the regular compensation check allowed him to cut back to a 9-5 job, but he is now appealing part of the VA's decision.



# THE VA DISABILITY COMPENSATION BENEFIT

**V**A disability benefits are designed to address the impact of service-connected injuries or illnesses, whether sustained during or aggravated by service.<sup>21</sup> The benefit compensates veterans for an expected loss of income based on the severity of the disability and provides long-term health care for the injury through the VA.<sup>22</sup>

The level of cash benefit is based on a ratings schedule, the Veterans Affairs Schedule for Rating Disabilities (VASRD).<sup>23</sup> According to this schedule, a claims rater assigns the veteran a disability rating in increments of 10 percent based on the severity of the injury or illness and its effect on earning potential. A zero percent rating recognizes that a disability exists and provides a guarantee of VA care for the injury, but does not provide a cash benefit. A ten percent disability or greater warrants some compensation.<sup>24</sup> The final rating represents the sum total of all injuries/illnesses considered. At the close of FY 2012, 3.5 million veterans were receiving disability benefits. The majority receiving a claim have been rated as zero, 10 or 20 percent disabled.<sup>25</sup> A 10 percent rating earns \$129/month, and 20 percent warrants \$225/month.<sup>26</sup>

**"We've got to attack this claims backlog... And we're not going to let up until we eliminate the backlog once and for all...After years of military service, you shouldn't have to wait for years for the benefits you have earned."**  
President Barack Obama<sup>20</sup>

In addition to compensation, a veteran with a disability claim rating may be eligible for other government benefits based on their disability status. These benefits may include housing grants, loan assistance, and employment preference ratings for government employment.

## DISCHARGES AND BENEFITS: A COMPLEX INTERPLAY

For the purposes of this report, we've defined the eligibility requirement for disability benefits as discharged under favorable conditions. In order to understand the eligibility requirements, it's important to understand the categories under which a service member can be discharged, and how that affects eligibility for benefits.

### **Administrative Discharges:**

- 1) Honorable is given if the service member exceeded standards for performance and personal conduct. They are entitled to receive full benefits.
- 2) General Discharge is given if the service member showed satisfactory performance but did not meet the military standards of conduct. It does not affect access to disability benefits, but does impact education benefits under the Montgomery or Post 9/11 GI Bill.
- 3) Other than Honorable is the severest form of administrative discharge and often bars the service member from re-enlistment and access to benefits.

### **Punitive Discharges:**

- 1) Bad Conduct is only issued to enlisted members and is given by court martial due to punishment for bad behavior. Service members will not have access to benefits.
- 2) Dishonorable Discharge is given as a result of a general court martial. Those with a dishonorable discharge cannot own firearms, nor will they have access to benefits.

Thus, for all categories except for honorable or general discharge, a service member will likely not be eligible for service connected disability benefits. Once administered, a veteran can appeal the discharge category through a lengthy process. Otherwise, the discharge will remain in the military service record for life.<sup>1</sup>





Jason Ayala is an Army veteran from Sun Valley, California who served two tours in Iraq. During his first deployment, he experienced a number of IED attacks. When he came home, he had a hard time adjusting; he was quick to snap at others, experienced memory loss, and in general was distant and detached even after his second child was born.

He deployed again in 2008, and when he returned home this time, the transition was even harder and he experienced a downward spiral. He couldn't find a job and was collecting unemployment. In December 2011, Jason filed a disability claim for his lower back, neck, headaches and PTSD.

It took over six months for him to receive a response from the VA confirming that they had received his claim. In February 2013, he received a follow-up notice informing him that his claim had been moved to development stage. Eighteen months after filing, the VA hadn't scheduled a single exam for Jason to determine his service-connected injuries.

The lack of benefits affected his family financially; he was scraping to make due. Those benefits make a difference to a single father of two kids. Luckily, Jason was finally seen by a VA doctor on November 12, 2013. On November 23, 2013, almost 2 years after he filed his claim, he received his disability rating and 23 months of back pay to his bank account. A happy ending for Jason and his kids, but one that they waited too long to have.



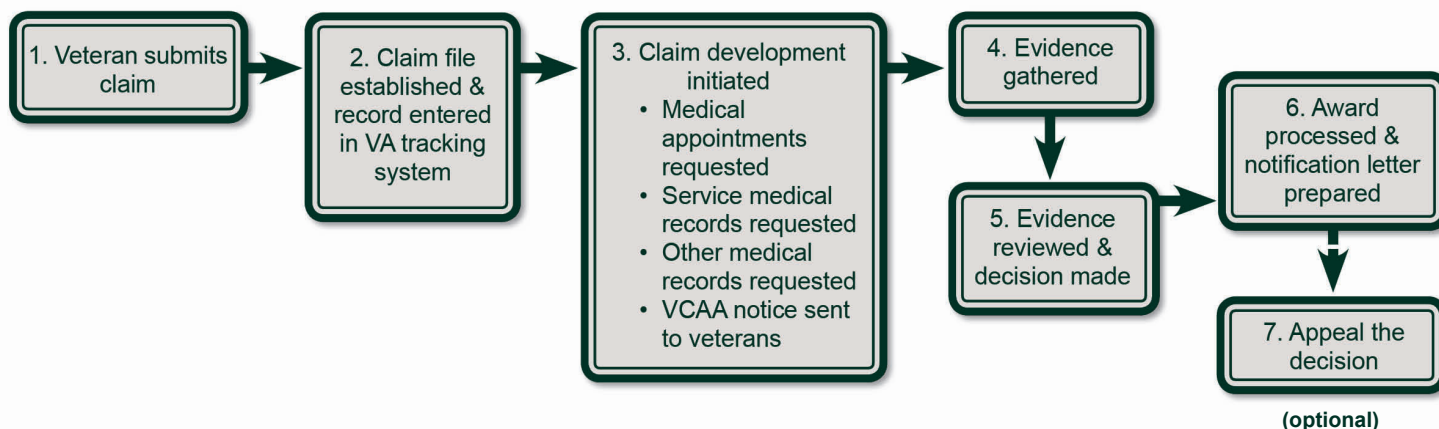
## JASON'S STORY

## Applying for the VA Disability Benefit

In order to be eligible for compensation, veterans must meet three primary criteria: (1) served on active duty or inactive duty training, (2) discharged under favorable conditions<sup>27</sup> and (3) the illness or injury claimed must be connected to their military service.<sup>28</sup> These qualifications are largely established through medical and service records.

The process to apply for a disability benefit has multiple steps:

Chart 1. Understanding the Disability Claims Process - A Simplified Look



**1. Veteran submits claim:** Veterans are responsible for initiating disability claims and can do so at any point in their life. A veteran can submit a claim for one or more disabilities, depending on their condition. At any point, if a previously rated condition worsens, the veteran can also apply to have that condition reassessed for a higher rating.<sup>29</sup> As a result, there are two types of disability claims: original claims, representing first time filers, and supplemental claims, representing veterans already receiving disability benefits and requesting further consideration of an existing disability or consideration of a new or previously denied disability. Original claims represent 33 percent of the total pending claims, while supplemental claims represent 67 percent of the total pending claims.<sup>30</sup>

**2. Claim file established:** A veteran can establish a start date for their disability benefits by filing an informal claim where they indicate an intent to file with the VA. The VA must then send a formal application to the veteran if one has not yet been filed, and the veteran must file this within one year.<sup>31</sup> If compensation is awarded, the veteran will receive retroactive benefits to the date of the initial informal claim.<sup>32</sup>

The VA disability system can be complex to navigate, making it frustrating for veterans. Luckily, there are multiple Veteran Service Organizations (VSOs), agents and attorneys that offer help. According to a VA source, in FY 2013 74 percent (over 800,000) of disability claims submitted to VA were from veterans working with VSOs and their Veteran Service Officers. These individuals are trained specifically to help other veterans navigate this complex system. They help veterans understand their benefits, put together a disability claim, and then file it.

Once a veteran initiates a claim, it is received by one of 56 Regional Offices (ROs) nationwide and the VA's processing begins.

**3. Claim development initiated:** Once received, the main job of the claim processor is to 1) find the connection between veterans' service and injury and 2) assign a rating to that injury. This is done through reviewing military service records, service and private medical records, and any other relevant records. The claims processor is responsible for developing the claim, reviewing it and determining what information is still needed. A letter is then sent to the veteran that specifically breaks down what the veteran needs to provide and what the VA will track down.<sup>33</sup> If medical evidence is lacking, the claims processor will often schedule a compensation and pension (C&P) exam for the veteran, contacting the Veterans Health Administration (VHA) to request an exam with a VHA doctor or contractor.



**4. Evidence is gathered:** By law, the VA has a duty to assist the veteran in developing a claim.<sup>34</sup> The VA is required to obtain any federal records (such as those from the DoD, the Social Security Administration (SSA) or VHA) and make a good faith effort to obtain private medical records identified by the veteran. The process of gathering evidence can be very time consuming.

**5. Evidence reviewed/Decision made:** Once the evidence is gathered, a new claims processor reviews the evidence and assigns a rating to the claim. If the claim is supported, a rating is assigned. The veteran is notified of the finding through a notification letter.

**6. Notification letter:** The notification letter includes the decision on the claim, including the assigned disability rating when applicable, and details outlining the findings. It also includes a start date for any assigned benefits. If the decision does not award benefits and the veteran believes it to be in error, he or she can then file for an appeal.

**7. Appeals:** If the veteran disagrees with part or all of the rating decision, he or she can submit a Notice of Disagreement (NOD) to the Regional Office (RO).<sup>35</sup> The NOD is reviewed and a written explanation, called a Statement of the Case, of the findings is then sent back to the veteran.<sup>36</sup> The veteran can then request further review by a Decision Review Officer at the RO or can file a Substantive Appeal with the Board of Veteran Appeals (BVA). From there, if the veteran disagrees with the finding of the Board, the case can move to the US Court of Appeals for Veterans Claims, the Court of Appeals for the Federal Circuit, and finally, the Supreme Court of the United States. In some cases, rather than appeal, the veteran might opt to resubmit as an original claim. For more on the appeals process, see the following inset.



John Super is a Kansas resident who served in the Marines from 2004 to 2009. He was deployed twice to Iraq, in 2005 and 2006. While he was on active duty in Iraq, he developed a foot problem called prominent metatarsal heads, which causes painful callouses to develop on the soles of both feet. It makes it painful to walk and run and requires consistent care.

After leaving the Marines, John filed for a disability claim with the VA, only to receive a zero percent rating. He filed for his appeal in 2011 and finally received an appeal hearing in January 2013. He called the VA in August 2013 for an update, and was told they were focusing on 2010 appeals.

In late September 2013, after being featured on FOX News, John's wait came to an end when the VA contacted him with a decision on his appeal after nearly two years of waiting.

JOHN'S STORY



## THE APPEALS PROCESS

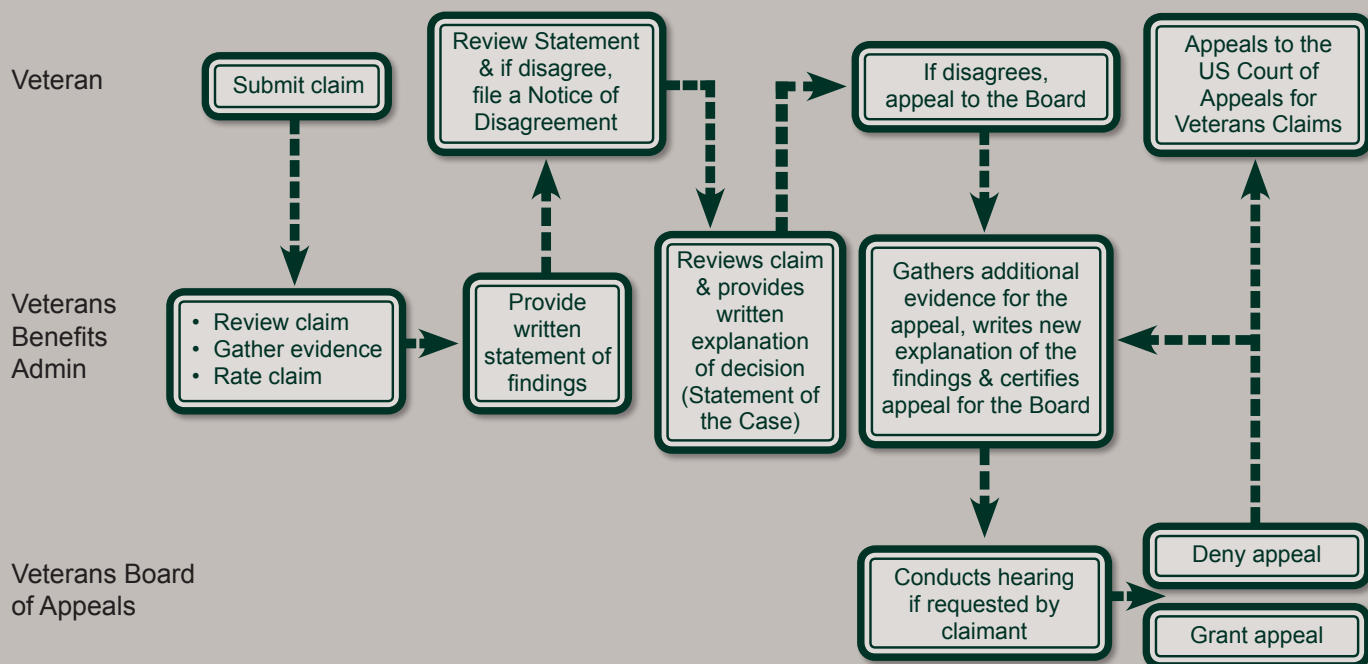
As of December 2013, over 265,000 appeals were waiting for a decision.<sup>i</sup> Annually, the number of appeals submitted represent about one percent of the total submitted disability claims. And although a small proportion of overall claims, these numbers still represent thousands of veterans annually whose claims warranted reconsideration. In FY 2012 alone, 46 percent of submitted appeals were remanded back to the RO for a re-look. An additional 28.4 percent were granted an appeal.<sup>iii</sup> Looked at another way, only one of four claims submitted for appeal was rejected.

Given the complexity of the appeals system, it can take years for a veteran entering that process to emerge with a decision. Between 2000 and 2012 the total time to appeal a claim to Board of Veterans' Appeals increased by 50%, from 1131 days to 1698 days,<sup>iv</sup> translating to a four or five year wait time for a final decision on an appeal. This can be longer if the veteran chooses to continue beyond the BVA.

Veterans are able to appeal a disability decision if they disagree with the initial findings of the Regional Office. However, the appeals process is lengthy and complex (Chart 2). To initiate the process, they must first file a Notice of Disagreement with the RO.<sup>v</sup> The NOD initiates a review of the claim by the RO, and if the RO does not find in favor of the appeal, will send the veteran a Statement of the Case outlining why.<sup>vi</sup> If the veteran then decides to move forward with an appeal, it will move to the RO, which reviews the appeal again, considers any new evidence, writes a new explanation of the decision if new evidence is added and then certifies it is ready for the Board of Veterans' Appeals (BVA) for decisions. The veteran can choose to withdraw the appeal at any time.<sup>vii</sup>

In part, the large number of pending appeals is due to the lengthy process in considering an appeal and the increase in the number of veterans filing for disability. Before it even reaches BVA, it returns to the RO twice for review.

**Chart 2. Understanding the Appeals Process – A Simplified Look**





However, the backlog and efforts to decrease the backlog have had an unintended effect on the number of claims pending appeal. The need for more staff to review backlogged claims was satisfied in part by redistributing staff normally designated to work on appeals.<sup>viii</sup>

This one action raises concern as to the long-term planning driving the entire process for VA disability benefits. It should cause the public to ask whether the VA has done a true manpower analysis to determine what their needs are for claims processors and how those positions should be distributed to ensure that all claims, including those in the appeals process, are being given equal consideration. The last thing the public wants is to solve the backlog by creating a new backlog of appealed claims. For a plan to be effective and sustainable, it should not require progress in one area at the expense of another.

While BVA is coming on-line with an automated, paperless system (VBMS) to increase its efficiency, it will be hard-pressed to do so without the staff required to support it. Additionally, as VBMS continues to be updated, it's critical to ensure that the functionality supports the needs of the BVA. Certainly their needs are slightly different than those of the ROs and this should be worked in to the capability of VBMS.

To truly get ahead of the appeals process while decreasing the backlog, both areas need to be fully staffed and supplied with tools that will expedite the process based on their needs. That's the functional requirement. But to affect the appeals numbers in the long-term, VA needs to 1) improve the initial claims system so that veterans don't need to appeal as frequently and have a restored faith in the initial process, and 2) consider whether the appeals process overall needs updating to increase efficiencies given its multi-tiered, complex process. Certainly the appeals system is necessary for those claims that inevitably will need reassessment, but 265,000 waiting for an average of four years is too much. The VA needs to multi-task. It must look at the complete system and determine a complete solution.

## TIMELY EVIDENCE COLLECTION

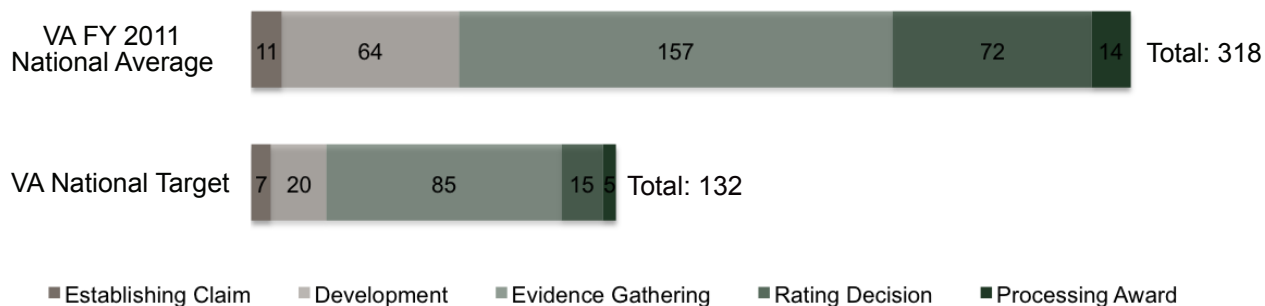
To reduce wait times, the VA must significantly decrease the time it spends developing a VA disability claim without sacrificing the quality of their work. In FY 2011, the VA spent an average of 157 days to complete the just one stage of the process, gathering the evidence. This was twice its established target of 85 days (Figure 5).<sup>37</sup>

The VA relies primarily on medical and service records to determine if a veteran meets the criteria to receive disability benefits. While service records almost uniformly come from the DoD, veterans might seek care from DoD, VA, or private providers throughout their lifetime, leaving a trail of medical records that may or may not be relevant to their VA disability claim. In accordance with their duty to assist, the VA is responsible for tracking down any relevant medical records not provided when the claim is filed (as permitted by the veteran). Yet, this duty to assist can lead to delays in processing the claim, especially when other agencies or providers do not produce requested records in a timely manner.

To reduce the time spent gathering evidence for a disability claim, the VA should streamline its processes of collecting evidence from outside partners, while providing incentives for veterans and their providers to submit existing evidence.

### The Department of Defense: A Partner for VA Success

**Figure 5: In FY 2011 it took an average 318 days to complete a claim, as opposed to the 132 day target**



The DoD is a critical partner to the VA in its efforts to end the disability claims backlog and timely data sharing is the key to success. The VA relies heavily upon DoD medical and service records to establish that an injury or illness is the result of a veteran's service. DoD medical records will often demonstrate when a service member began treatment for an injury or show a history of care consistent with the disability now claimed. Without evidence demonstrating that an injury is service-connected, the VA cannot grant disability compensation.

The VA's duty to assist thus requires the VA to exhaust all efforts to determine whether an injury or illness is connected to a veteran's service, leaving the VA spending countless days tracking down military medical records. It is for this reason that it is vital that the VA have access to all DoD medical records to ensure a seamless transition of care and expedited benefits. While the VA and DoD have undergone significant efforts to improve information flow between the agencies, persistent challenges in sharing information continue to significantly impact the VA disability backlog.



## THE INTEGRATED DISABILITY EVALUATION SYSTEM (IDES)

In July 2007, the President's Commission on Care for America's Returning Wounded Warriors issued a report focusing on a number of items related to the transition from military to civilian life.<sup>ix</sup> A major focus of this report was the disability compensation system. One of the major recommendations from this report was to completely restructure the disability and compensation systems and streamline what at the time were two disjointed systems (DoD and VA), into one integrated system for wounded, ill and injured service members whose service was cut short by service-related disabilities received in the line of duty. The intent was to reduce the amount of time it takes these service members to progress through the system by streamlining the process.

The Integrated Disability Evaluation System (IDES) pilot began in FY 2008 at three military treatment facilities (MTFs) and gradually expanded between FY 2008 and FY 2011. The IDES program has been fully implemented at 139 sites since September 2011.<sup>x</sup>

Through this initiative, the DoD and VA have created a system by which these service members receive one comprehensive physical by a DoD medical evaluation board (MEB) to determine whether they can return to duty or should proceed to the DoD's Physical Evaluation Board (PEB). The PEB then makes a fitness determination for each of the service member's conditions, both individually and in combination. Those with unfitting conditions are then transitioned to the VA and assigned a disability rating. The intent is for these injured service members to transition out of the military with no gap in services and no delay in receiving benefits. The target processing time is 295 days for active duty and 305 days for reserve component service members respectively.<sup>xi</sup>

From FY 2008 through FY 2011, processing times for IDES cases had consistently increased and were continually higher than the targets set for the program. The system also continued to build a backlog of cases. In FY 2011 alone 18,651 cases entered the system and only 7,106 were completed. Further, it took on average 394 days to process active component cases and 420 to process Reserve Component.<sup>xii</sup>

In FY 2012 Army senior leadership committed additional resources to the Physical Disability Agency (PDA) resulting in the elimination of the DoD case backlog by the second quarter FY 2013. However, a December 2013 briefing to the VA/DoD Joint Benefits Executive Committee shows that the average case processing time remains over 400 days.<sup>xiii</sup> While DoD has vastly improved its processing times and eliminated its case backlog, the VA continues to delay the process. The transition time to the VA and the VA processing time averaged 82 days and 256 days respectively in October 2013. The VA stated goal is to transition the service member in 45 days and process the claim in 100 days. So whereas the VA has committed to a total transition and processing time of 145 days, it is currently taking 338 days on average.

There is no indication as to how the VA assigns these claims for processing. Currently only two ROs (Baltimore and Seattle) receive IDES claims and are responsible for processing these in addition to claims submitted by veterans through the VA disability compensation program. The VA needs to re-assess how these claims are handled and establish a priority category and a dedicated staff to focus on these claims and moving these service members through the IDES in a timely manner as promised by both the DoD and VA.

While the IDES process represents a relatively small population of service members, it also represents some of our most severely injured. More attention needs to be paid to this program. Specifically, the VA needs to acknowledge its role in causing a backlog of claims for this population and for thousands of transitioning service members, who are then left in limbo while their disability claims are seemingly deprioritized. These numbers are not counted as part of the VA disability backlog, and yet the delay affects thousands of veterans and their families. When we talk about the disability backlog, and those who have been waiting too long, we can't afford to forget about this population. The numbers waiting might be overall fewer, but their need is no less important. It's time to hold the VA accountable for its commitment to the IDES.

The most comprehensive solution to ensuring that all medical records are transferred to the VA is to develop a system to share electronic health records. Currently, the DoD and VA each maintain separate electronic health records systems that were not developed to share information across agencies.<sup>39</sup> Current initiatives between VA and DoD are focused on allowing VA to view DoD health records and improve electronic transfer capabilities between agencies,<sup>40</sup> but this is still not as efficient as a truly integrated record that takes the middle man out of the process and allows access to records no matter where a service member seeks care, or in this case, when he or she applies for benefits. Establishing a system to easily and quickly share electronic health records is probably the single most important initiative for DoD and VA to implement.

Since 1998, the VA and DoD have been pursuing mechanisms to share data. Provisions were included in the National Defense Authorization Act of FY 2008 to mandate that the DoD and VA develop a joint, fully integrated electronic health information system.<sup>41</sup> In 2013, the agencies announced that after spending over a billion dollars on the initiative, they were abandoning it to pursue separate, interoperable technologies.<sup>42</sup> Achieving even this will be delayed for years given DoD will not be launching its new electronic health record until FY 2017 at the earliest.<sup>43</sup>

**"Our service members and veterans, and their families, expect and deserve a seamless system to administer the benefits they have earned. Secretary Shinseki and I will continue to work closely together, in partnership with Congress, to deliver on that promise."**  
Secretary of Defense Chuck Hagel<sup>38</sup>

In the meantime, the DoD can provide critical information by electronically transferring service treatment records (STRs), which are a synopsis of the medical treatments a service member has received throughout military service. These records can often be vital in the consideration of a disability claim because they can establish when a veteran began treatment for an injury or illness. Although the DoD requires that certified complete service treatment records are transferred to the VA within 45 days of separation or retirement from the services,<sup>44</sup> a recent report to the House Veterans Affairs Committee showed this process was taking an average of 175 days.<sup>45</sup> An initiative to automate the process by which STRs are transferred from the DoD to the VA system was scheduled to be fully operational by December 2013.<sup>46</sup> If properly implemented, this initiative can significantly contribute to ending the VA backlog.

The DoD can further help the VA understand the health status of a separating service member by establishing a baseline when the service member leaves the service. To do so, the DoD has pledged to provide medical exams, called Separation Health Assessments (SHAs), to all servicemembers before separating to the VA. Once the service member opts to either use VA health services or benefits, these records will be available and should make it easier to establish service-connected injuries or illnesses.<sup>47</sup> Set to be fully implemented in FY 2014, this is an initiative to watch as pending budget cuts within the DoD could delay its development, impacting the VA's ability to meet its goals.

The DoD is working to enhance its communication with the VA. As it works towards an interoperable system of electronic health records, the key will be in the implementation and surveillance of these other initiatives to ensure that their purpose (to streamline communication between the departments and thus enhance customer service to veterans) is met.

## **Governing Partners: Accountability is a Two Way Street**

The VA at times requires records from other federal agencies beyond DoD, such as the Department of Health and Human Services (HHS), Social Security Administration (SSA), and Internal Revenue Service (IRS). The VA is required to "make as many requests as necessary to obtain the relevant records" from federal agencies and can end its search for these records only "if VA concludes that the records sought do not exist or that further efforts to obtain those records would be futile."<sup>48</sup> However, there is nothing mandating federal agencies to recognize and respond to the VA's request for records. So based on current language, if an agency does not respond either with the requested records or with a statement acknowledging the request and affirming that the records don't exist, the VA can be stuck in an endless loop requesting those records. This can add a lot of time to the claims development process.

It is unclear how delays in receiving records from other federal agencies contribute to the VA backlog. No data is publicly available showing this. However, a recent GAO report demonstrates in part the challenges to obtaining non-VA records and cites VA employees reporting it as one reason for delays in the claims development stage.<sup>49</sup> Making this data available is a first step to understanding the problem. Updating the federal regulation (Title 38)<sup>50</sup> to more specifically define the expectation for the VA to obtain these records will also help to expedite processing of claims.

## Meeting Its Mission: Customer Service and the VA

Veterans continue to have trouble scheduling and receiving notification of medical exams for disability benefits. While the VA's Veteran Benefits Administration (VBA) is primarily responsible for disability claims, VBA relies on the Veterans Health Administration (VHA) to administer medical exams for disability benefits. Clear communication between these agencies and to veterans is critical for the timely processing of disability claims. Breakdowns in communication between VBA and VHA lead to longer wait times for veterans' appointments and delays in the delivery of the final examination report to VBA for consideration in the claims file.<sup>51</sup> Administrative errors and lack of follow-up with veterans notifying them of scheduled appointments are also problematic and a major cause of "incomplete" compensation and pension (C&P) appointments captured in the VA records.<sup>52</sup> Without a basic and reliable level of customer service, veterans will continue to experience delays and frustration when claiming a disability compensation benefit. Providing customer service to the veteran is the main mission of the VA. The VA needs to assess how it incorporates basic customer service into scheduling and conducting C&P exams and whether staffing levels are appropriate to meet the demands for these processes.

Staffing challenges among clinicians are also a likely contributor to delays in appointment times. For example, post-traumatic stress disorder (PTSD) is one of the most common wounds of this generation of veterans and the third most prevalent disability receiving compensation in FY 2012.<sup>53</sup> VA disability claims for PTSD rely on mental health providers for assessment, and shortages in mental health providers at the VHA can not only affect care for these conditions, but may also slow the disability compensation process. VA has made a great effort to hire more mental health providers, announcing on November 5, 2013, that they had surpassed the goal set by the August 31, 2012 Executive Order: *Improving Access to Mental Health Services for Veterans, Service Members, and Military Families*<sup>54</sup> with 850 peer specialists and support and 1,600 mental health professionals hired.<sup>55</sup> However, staffing shortages in certain regional areas and for certain professions, such as psychiatrists, still exist.<sup>56</sup>

Although it seems easy enough for the veteran to be seen by a clinician once scheduled, even this can be challenging. With 153 VA hospitals, 773 outpatient centers and 260 vet centers that serve nearly nine million veterans, the VA has an extensive network of care.<sup>57</sup> However, particularly for veterans located in rural areas, the closest VA facility may be hours away. For example, the entire state of Montana, which spans 147,000 square miles, has one VA hospital.<sup>58</sup> Although the VA has begun expanding mobile clinics and is expanding community partnerships to overcome some of these geographic challenges, challenges to access VA services persist. It is particularly frustrating for these veterans to learn of scheduled appointments after the fact or have to reschedule as a result of communication breakdowns between the VA and the veteran.

Natalie Johnson served in the US Air Force from 2003 – 2009. In July 2004, she was in a car accident while on active duty and injured her neck, shoulder, hip, and spine. She continued her training and eventually deployed to Iraq and then a humanitarian mission to Cypress.

Throughout her career, she battled severe pain as a result of the car accident while remaining committed to her mission. Although she sought treatment, her pain persisted and got so bad that Natalie was no longer allowed to fly. She was eventually medically discharged with a 10 percent DoD rating for her back injury.

In 2009, Natalie filed her VA disability claim. At first she received letters and an appointment to get her hearing and eyes checked. Natalie received her 10 percent rating for tinnitus, but was denied for the back injury that caused her to leave the military. The VA said it was because she never attended her appointment. Natalie told them she was never informed of said appointment, so she filed an appeal. Natalie finally saw a doctor in November 2012 and she has yet to hear back after that exam for an update as to her appeal status.

NATALIE'S STORY



## Taking the Guesswork Out: Standardizing Submissions

The more the VA can standardize how it collects information for disability claims, the easier the process should be for all involved parties.

### **Standardized Claim Form**

A veteran can inform the VA of an intent to file for a disability benefit at any point and in theory, in any way. However, the VA needs certain basic information up front so that it doesn't spend extra time going back to request it or track it down. Requiring a standardized claim form will help the VA to expedite the development phase of the claim. This will require Congressional action.

### **Fully Developed Claims**

At any point during the processing of a claim, a veteran can submit more information to the VA. The processor is required by law to consider this evidence, which often adds to the timeline for processing a claim. In some instances the new information might warrant a re-examination of evidence already considered, or might trigger the need for further evidence gathering, including medical appointments. A claim that is fully developed upon arrival to the VBA is more likely to be processed quickly, because submission via this route stipulates that the claim development period is already completed.<sup>59</sup>

Fully developed claims (FDC) is a relatively new program that is intended to provide a faster decision on a claim given that veterans submit all relevant paperwork at the time of claim submission and certify that they will not submit further evidence. By certifying that all records are submitted, the VA can move forward without risking delay due to additional paperwork once the rating process has begun.

Further, the VA announced a new initiative on August 1, 2013 to provide retroactive benefits of up to one year for veterans filing FDCs. The retroactive benefits went into effect August 6, 2013 and are effective through August 5, 2015. This was a provision of the Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012<sup>60</sup> and intended to incentivize veterans to use the FDC process.

According to a VA source, 12 percent of claims received by VBA were FDCs as of October 1, 2013. The goal for FY 2013 was 20 percent.

### **Disability Benefit Questionnaires**

Submitting evidence that diagnoses a condition only to be told that another exam is needed can be extremely frustrating for veterans. The challenge is in making sure that the information submitted to the VA is the right information to establish the disability. The information from the exam must be transferred to the VBA in a way that can be used by a claims rater to move a claim forward. In March 2012 the VA introduced Disability Benefits Questionnaires (DBQs) to standardize the medical information being submitted in support of disability claims and expedite the amount of time being spent processing medical documents.<sup>61</sup> These can be used both by VHA doctors performing exams directly for a claim, or by VHA doctors documenting the regular health care for a veteran. Feedback from VA claims processors on these forms are mixed, stating that challenges still remain to cut down time spent processing medical information because the forms can be long and some of the medical terminology used on the forms is outdated.<sup>62</sup>

In January 2013, the VA introduced the Acceptable Clinical Evidence (ACE) initiative in an effort to expedite the evidence gathering process even further. Under ACE guidelines a VA provider can review medical evidence and complete a DBQ without requiring the veteran to schedule an in-person exam. This evidence can also be supplemented through a phone interview with the veteran.

To fully understand the benefit of these initiatives, the VA must continue to solicit user feedback on DBQs and make improvements as necessary. Additionally, it needs to track metrics to determine the impact of DBQs, including the number submitted, the number that are submitted as complete versus incomplete and quantitative performance measures to determine the level of impact they are having on the processing timeline, both when used in-person and through the ACE initiative. It will also need to collect measures on the ACE program itself, including usage, effectiveness in decreasing the need for in-person C&P exams and how this translates to decreasing the time spent developing the VA disability claim.

## Expanding Networks: The Role of Private Providers

A majority of veterans seek care outside of the VA; in FY 2011, approximately 40 percent of veterans were enrolled for VA healthcare.<sup>63</sup> The VA often struggles to obtain private medical records when they are not provided by the veteran. The VA's duty to assist mandates that it attempt to obtain the records at minimum two times,<sup>64</sup> yet private providers are not required to provide them. The VA also cannot directly pay providers for these records, limiting their ability to provide incentives for cooperation. The VA has hired private contractors to try and get around this obstacle.<sup>65</sup> The theory is that more providers will be willing to expend resources on submitting records to the VA if they are receiving compensation for it. To show this is indeed the case, the VA needs to establish and track metrics to see whether the incentives increase the number of responses and the response rate of private providers from whom they request records.

In cases where the private clinicians do provide requested medical records, there is a separate set of challenges. Those records may not include the information necessary to make a decision on the disability claim or may be in a format unfamiliar to the VA claims rater, causing them to be found as insufficient to support the claim. In either case, the claims processor may then request a VA medical appointment to obtain further supporting evidence for a condition, which can add additional time and frustration for the veteran who rightfully believes they have already had the condition examined and supported by their private provider.

Some DBQs are available to private providers and can coach private providers to record the information necessary for supporting a disability claim. However, for certain conditions, like PTSD, DBQs are not available to private providers and require assessment by a VA clinician specifically. This likely delays the evidence gathering process by increasing demands for VA based C&P exams. Offering a certification program for doctors outside the VA might help alleviate some of the demand on the VHA for these specific conditions.

### Recommendations for Evidence Collection

- ▶ In lieu of a joint, integrated electronic health record, the DoD and VA must deliver on the long overdue initiative to develop an interoperable electronic health record to expedite record sharing.
- ▶ DoD must adhere to its timeline to develop and fully implement an automated system to transfer service treatment records.
- ▶ DoD must deliver on its promise to require a service health assessment for all separating service members.
- ▶ The VA should analyze and publish data demonstrating the response rate of other federal agencies when contacted to provide veterans' records for the claims development process.
- ▶ Congress should consider legislation requiring federal agencies to provide a response to VA upon receipt of request for veterans' records.
- ▶ Congress should consider legislation to amend US Code, Title 38 to align requests for federal records outside of the VA system with similar requests for private records.
- ▶ The VA needs to re-assess the protocols in place to provide customer service to veterans. Including mechanisms for requesting, scheduling, and notifying veterans of compensation and pension exams.
- ▶ The VA must define metrics to measure the effectiveness of the programs to incentivize private providers to furnish medical records, the acceptable clinical evidence initiative, and disability compensation questionnaires and develop and implement a plan for continual assessment and process improvements.
- ▶ The VA must analyze whether requirements that certain conditions are only assessed by VA clinicians are roadblocks to expediting the VA claims process and consider alternatives (such as a VA certification program for private providers outside of the VA) to train outside providers to provide these assessments.

# AUTOMATING A PAPER-BASED SYSTEM

**A**t its worst, the VA disability compensation system conjures images of stacks of papers or walls of files overflowing in an otherwise empty room. Each claim file can be hundreds of documents, each multiple pages, resulting in files of thousands of pages. A claims processor is required to review each piece of evidence in consideration of the claim. This phase of processing is the second longest in the system, taking an average of 72 days for FY 2011.<sup>66</sup>

The paper-based claims system has long presented significant challenges to speeding up decisions on disability claims. When based in paper, VA employees have to move a physical file to each person or office that needs to handle the claim. It has hampered efforts to share workloads across employees and regional offices. The paper-based system has also limited the VA's ability to work directly with its customers and their representatives. Recognizing this, a large part of the VA strategic plan to end the backlog hinges on the development of automated processes to streamline claim processing.

## Veterans Benefit Management System

A major initiative to end the paper-based claims system is the Veterans Benefits Management System (VBMS), a web-based, paperless claim processing system deployed to all ROs as of June 2013.<sup>67</sup> As VBMS was piloted, the VA also worked to scan its pending paper claims into electronic format. The VA now prefers electronic claims submissions and continues to scan paper submissions as they are received. As of December 2013, nearly 75 percent of all current claims had been digitized.<sup>68</sup>

The VA anticipates that the new e-system will increase efficiencies in the system,<sup>69</sup> including:

- 1. Streamlining receipt of documents through electronic submissions:** The paper-based claims system required a lot of mailing and faxing of documents whenever a new employee was put in charge of the case. The use of electronic rather than paper copies is intended to better ensure paperwork is not lost when moving files between individuals or ROs.
- 2. Redistribution of the workload:** In recent years, recognizing that certain ROs were more inundated with pending claims than others, the VA instituted a system of redistributing the workload by mailing files to less inundated ROs. Paper-based systems required the RO that received the claim to review it, or else literally ship the file to another RO. Electronic files allow the division of labor to become more balanced; a claim can be processed by any processor nationally and can be assigned based on pending workload. This is expected for the third generation of VBMS, set to launch in FY 2014.<sup>70</sup>
- 3. Allow claims raters to specialize:** Some injuries have unique characteristics that may present challenges to claims raters, particularly less experienced raters. With VBMS, the VA can better assign cases to raters that have a more developed understanding of those injuries or illnesses (see Segmented Lanes initiative, page 19).
- 4. Auto-generated findings letters:** Standardizes the information in the notification letters to veterans once a claim has been rated and decreases the time spent preparing these letters.

VBMS launched with some initial challenges with the system itself (system slow downs for example) and the change in work protocols from paper-based to paperless. It appears as though the VA is working through these issues as it plans for future generations of VBMS. As VBMS is built upon, the VA must develop processes to assess its impact on the claims processing timeline and solicit feedback from its users regarding functionality and ease of use. Given that technology is outdated as soon as it's developed, the VA must have a mechanism to continually assess the needs of the system and a process for updating to keep pace with current technology.



## Automation for VA partners

In FY 2009 the VA and DoD launched the eBenefits portal as the information source and management tool for service members and veterans regarding all benefits, health and support services.<sup>71</sup> Service members and veterans can now submit a claim electronically through eBenefits. This portal not only serves as a mechanism to begin a claim, but also allows the veteran to view the status of the claim, improving customer service throughout the process. The customer service capabilities of eBenefits should be a main focus of the system and continuously built upon. Not only should it act as a mechanism to track the status of benefits, but should provide support in filing for those benefits. Future versions of eBenefits should have a link to a live claims specialist to assist the veteran in real time.

VSOs are also a great resource for veterans beginning the disability claims process, and the VA developed the Stakeholder Enterprise Portal to provide a platform for these organizations to continue to assist veterans with the claims process via electronic submissions. Although still fairly new, the system offers promise in helping to streamline claims through the assistance of VSOs. The VA must continue to work with the VSOs to receive input on the system for further improvements.

## Segmented Lanes

The Segmented Lanes initiative is one in which disability claims are grouped into one of three lanes: express (an FDC or has one to two conditions for consideration), core lanes (three or more conditions or doesn't meet express or special ops requirements), and special operations (claims that require special handling because of their nature, for example military sexual trauma, PTSD, or TBI). Claims processors are assigned to lanes based on their skill and experience. Now fully operational, the VA needs to define its metrics and make publicly available the data collected to track these metrics to determine the effectiveness of this new initiative and integrate plans for process improvements as needed.

These initiatives are still very new and it will take some time to truly see the successes and pitfalls of each of these. It is more important than ever that the VA develop, track and continually analyze metrics to determine the effectiveness of all of these initiatives and improve upon them as needed.

### Recommendations for Improved Automation

- ▶ The VA must develop a plan to solicit continual feedback from users of their electronic systems, build improvements into the system and incorporate mechanisms by which it will determine future demands on the system and plan for system upgrades accordingly.
- ▶ The VA must improve customer service widgets in future upgrades of their electronic systems, including a live help application for the eBenefits portal.
- ▶ The VA must develop, track, and analyze metrics to determine the effectiveness of the segmented lanes initiative and continuously solicit process improvement recommendations from the users (the VA employees).

## GETTING IT RIGHT THE FIRST TIME— ACCURACY MATTERS

It's all too easy to focus on timeliness when looking at the challenges to the VA disability benefits program. But without consideration of accuracy, timeliness is a moot point. There must be faith in the system such that once a decision is rendered, it's the correct one. If not, then the appeals system will become overrun with claims. As of December 2013, over 265,000 appeals were waiting to be considered.<sup>72</sup> Once the veteran files a notice of disagreement requesting an appeal, the claim can languish in the system for years while veterans wait for closure. Notably, these claims represent thousands annually that are not accounted for when considering the number of backlogged claims. This is why accuracy is so vital – veterans don't care where in the system they are, they just feel stuck. It's challenging to balance accuracy with speed, but the processes built into the VA disability compensation system must do exactly that.

### Evaluating Accuracy: The Need for Clarity in an Unclear System

As of December 2013, the national accuracy rate was 89.7 percent. Secretary Shinseki established a goal of 98 percent by FY 2015.<sup>73</sup> The Systematic Technical Accuracy Review (STAR) program is the quality control assurance program meant to ensure veterans receive accurate and consistent compensation and pension benefits and review rating consistency across all 56 ROs. Essentially, it's the checks and balances of the disability compensation system.

The VA has developed specific protocols requiring ROs to submit requested claims to the STAR reviewers, who then review these claims for administrative, benefit entitlement or notification errors. The outcomes from these reviews are quantified into an accuracy rating for the individual RO and the national average. However, there is continued question as to the extent to which this system actually works. A 2009 report found a number of flaws in its execution that resulted in the VA reporting a higher national accuracy rating than calculated by the report.<sup>74</sup> This included lack of oversight of the program, lack of training of STAR reviewers, and lack of compliance by the ROs in submitting requested documents for review. More recently, The American Legion challenged the VA's accuracy rates, stating that their numbers show a much lower rating,<sup>75</sup> continuing to call into question the validity of the VA processes and calculations. So, while the national accuracy number for VA disability claims has climbed from 83 percent in February 2011<sup>76</sup> to 89.7 percent as of December 2013,<sup>77</sup> it's hard to have faith in the system when there's a lack of transparency as to how these numbers are generated.



Travis Lamoureux is an Army and Iraq War veteran from Colorado. He filed his claim in March 2012. The VA representative helping him was very helpful and he thought he was on track for a fast and easy claim. Unfortunately, they could not get him in for C&P exams until March 26, 2012—one day after he was supposed to get on a plane to reunite with his family. The woman informed him she would forward the claim to the Denver Regional Office.

In June 2012 Travis called the Denver RO and they could not find his claim nor did they have a record of it. Later that month, Travis called the VA and was told they would put a trace his file, which later appeared in the Salt Lake City RO. In September of that same year, the VA awarded one contention of sleep apnea due to clear evidence, but other conditions were still pending.

From September 2012 to June 2013 there was no movement on Travis' claim. There were no exams scheduled and no requests for evidence. Travis made multiple inquiries as to what he needed to do and was told: "We have everything we need" and "we are reviewing your file."

In June 2013, Travis was finally contacted to schedule C&P appointments. When he called back, there were no weekend appointments available and given his job, a pregnant wife and a pending move, he couldn't afford the time off from work. So as of now Travis will have to wait even longer until he can get time off of work to attend an appointment.

Further, the accuracy ratings of each individual RO continue to vary. In 2011, thirteen ROs measured below 79 percent and only six rated above 90 percent.<sup>78</sup> At end FY 2013, these numbers had improved but still show large variation (79 percent-100 percent) with only two of three ROs reporting accuracy ratings over 90 percent.<sup>79</sup> Veterans are concerned that their final decision is in part a result of which RO their claim is processed through. There are high performing offices and lower performing offices; this can certainly have an impact on the disability finding for each veteran.

To add more rigor to the quality control process, the VA has also recently established local quality review teams (QRTs) that are charged with on-site spot checks of claims at the ROs. Thus local QRTs review claims at three different points during processing, allowing on the spot corrections, and the STAR program continues to conduct end of process reviews at a national level. This, along with a recent initiative to implement focused training on poor performing ROs, was implemented to improve regional variation as well as improve the accuracy of claims processing overall. As these programs move forward, continual assessment will be necessary to validate the programs and improve them as needed. More importantly, the VA must ensure that lessons learned by the QRTs and STAR findings are integrated into training to ensure mistakes are not repeated.

While there have been improvements, there is still a lot of work to be done to meet Secretary Shinseki's target to have a national claims accuracy rating of 98 percent. Further, while this is an admirable goal, a more challenging one will be to ensure that variations in accuracy ratings between individual ROs remain small so that output becomes more consistent nationwide. But in the end, these numbers won't mean much if there's no faith in the system that produces them. The VA must increase transparency in tracking accuracy ratings and the first step should be to review and update the VA manuals that provide guidance on quality control.

## Training Employees to Succeed

The VA claims processors are the difference between success and failure. VA staff must be equipped and incentivized to do their jobs efficiently and effectively. An incentive system that rewards speed while marginally considering accuracy is one set up to fail. And when mistakes are recognized, measures need to be implemented to ensure these mistakes are not repeated.



VBA currently requires its employees to attend 80 hours of training a year, yet its own employees continue to criticize the quality of this training. VA personnel are concerned that too much time is spent away from processing claims in training modules that do not meet their needs for career development.<sup>80</sup> In its 2013 Issues Paper, the American Federation of Government Employees (AFGE) whose membership includes VA claims processors, states:

*Our VBA members continue to report problems with the quality of training for the increasingly complex jobs of developing and deciding claims for disability, pensions and other benefits. New employees are rushed into production without adequate on-the-job mentoring. VBA continues to overemphasize online training in lieu of classroom training that deprives new and experienced employees of sufficient time and guidance to fully comprehend new complex concepts. In addition, many of the managers who provide training and mentoring at the VBA regional offices (ROs) lack the experience or expertise to train and mentor front line employees.<sup>81</sup>*

An ideal training system should allow employees to confidently and accurately review current claims while enhancing their knowledge base. VBA employees should feel that their time is used efficiently and effectively to allow them time to do their job well while growing their professional knowledge to handle more complex conditions. Further, it adapts and expands on the knowledge base of personnel as this new generation of veterans with multiple complex injuries ages and likely sees the disability system grow to cover additional conditions not yet integrated in the rating schedule.

The *VA Manual M21-4 Manpower Control and Utilization in Adjudication Divisions* was last updated in 2007/2008. This manual describes the tools available to field managers to assess the level of service afforded to veterans filing claims, and includes chapters on evaluating quality processing timelines, workflow, and productivity. *VA Manual M20-2 Quality Control* was last updated in 1966. Given the recent and vast number of updates to the disability compensation system and advances in quality control methods since 1966, both manuals should be reviewed and updated.

## Incentivizing Quality, Not Quantity

The best way to increase accuracy is to incentivize it. Right now VA claims processors aren't incentivized for accuracy, but rather for the number of claims they process.<sup>82</sup> This system rewards processors for focusing on easier claims that can be quickly adjudicated because of the pressure to meet quota. VA employees themselves have expressed frustration with the system because of how it is set up; stating that in order to meet production quotas, they can't devote enough time to adjudicating claims and attending needed training.<sup>83</sup>

Revising this system to reward for a combination of accuracy and numbers is the first step to meeting the goal of 98 percent accuracy by 2015. However, in order to have faith in the accuracy rating, it's certainly worth reexamining the protocols for quality control, the data that results, and how that data is being interpreted and used to improve upon accuracy, both nationally and across ROs.

### Recommendations to Improve Accuracy:

- ▶ The VA must define metrics to measure the effectiveness of the Challenge Training, QRTs and Segmented Lanes initiatives; develop and implement a plan for continual assessment and process improvements.
- ▶ The VA should review the current incentive program for VBA employees and revise to integrate accuracy as a valued part of the disability claims process.
- ▶ The VA must review and update as appropriate the *VA Manual M21-4 Manpower Control and Utilization in Adjudication Divisions* and *VA Manual M20-2 Quality Control* to provide current guidelines to review and assess timelines, accuracy, workflow and productivity for VA disability claims adjudication.

## VSOs Lead the Way for Reform

The VSO community has been deeply involved with the VA claims process since its inception and has played a vital role in pushing reforms to the system. The story of 2013's 36.5 percent decline in the backlog can most recently be traced to direct action by the 110th Congress. In 2008 the VSO community successfully advocated for the passage of a comprehensive bill that created many of the initiatives that we have seen implemented in 2013.<sup>xiv</sup> The digital claims process, fully developed claims, temporary ratings, and enhanced training for claims processors were all part of that legislation. In 2010 the VSO community came together to push VA to show progress developing the programs mandated in the 2008 law. In 2010, the VA rolled out the Fully Developed Claims process, simplified the benefits application and conducted the first tests of the current digital claims process. In subsequent years, the VA improved training for processors, launched eBenefits, and developed the disability benefits questionnaires among many other smaller reforms.

However, by the end of 2012, the backlog was at record levels. In early 2013, the VSO community once again stepped in to make VA's lack of progress on the backlog an issue of national concern. In the spring, IAVA held its Seventh Annual Storm the Hill event where veterans from around the country came to Washington D.C. to demand an end to the backlog. Veterans met with Congressional leaders and their staff to express their concerns on the wait times. Storm the Hill put the VA backlog firmly in the national spotlight.

With mounting pressure from Congress and the VSO community, the VA implemented several initiatives that have been key to reducing the backlog. In April 2013 the VA transitioned its entire claims intake to a digital process and fully fielded the digital claims process in June. In May of 2013, the VA announced that it would continue to mandate overtime for claims processors. In addition, the VA shifted focus to the 60,000 claims that were pending for over two years. For these claims, the VA issued either temporary ratings, or worked with the Veterans Health Administration to fully develop the claim. This surge operation has been successful and they have made great progress completing all one and two year old claims.

Throughout the year, the VA has continued to emphasize fully developed claims; including partnering with several VSOs such as Disabled American Veterans to help veterans through this new, expedited process. While there has been notable progress throughout 2013, the VA is still far from its goal of eliminating the backlog in FY 2015. In order for the VA to be successful it will take the continued attention and cooperation of the entire VSO community and the public.



# PREVENTING THE NEXT DISABILITY CLAIMS BACKLOG

**A**s the VA moves forward with its initiatives to end the VA backlog, it must learn from the past. The VA backlog grew dramatically because of a lack of continual updates to the disability compensation process. A system left to function for decades with no major maintenance is like an open sore left to fester; without continued care, it only gets worse. As the VA implements new changes, there must be a plan beyond FY 2015 that outlines how VA will continually assess these processes, improve upon the ones that work, and change or get rid of the ones that don't.

The VA has made significant progress in ending the VA backlog. Between March and December 2013, the backlog decreased 36.5 percent and the number of pending claims was down 24 percent. Time to process claims is declining steadily and accuracy ratings are up.<sup>84</sup> In May, the VA began an initiative to process all claims one or two years and older, and announced on December 11, 2013 that it has completed 96 percent of one year and 99 percent of two year claims.<sup>85</sup> VBMS is fully deployed. The FDC initiative is underway and VA is slowly seeing a rise in submission of these types of claims, likely due to the support of the VSO community. But there is still a long road ahead, one that extends even beyond FY 2015. It's important to remember that the plan to end the VA backlog includes only certain compensation claims. There are others who are waiting that are not a part of this grouping, such as dependents of veterans, those in IDES and those awaiting appeals. Once the VA reaches its goal to end the backlog, it is not done. The work won't be done until there is no one left waiting.

## Evaluate to Keep Processes Current

Ending today's VA backlog will take a herculean effort because the VA neglected to maintain its disability claims process. To succeed in preventing another VA backlog, the VA must establish clear guidelines to evaluate its disability claims process and update it as necessary.

This starts with conducting regular analyses to make sure that current efforts continually address the current VA backlog. The VA must clearly define metrics for success for each initiative and implement processes to continually assess these metrics for successful outcomes. The system itself should have processes in place for improvements based on these continual assessments. Secretary Shinseki took the first step in defining a backlogged claim and setting a goal for FY 2015. Confidence that the VA will reach this goal would increase if the VA was able to demonstrate intermediate markers that show its path towards success.

But even before taking this step, there needs to be recognition that the disability compensation system is comprised of two types of claims, each of which might require different protocols for expediting. Many of the efforts to address the VA backlog have focused on veterans submitting an original claim. Yet, original claims make up only 33 percent of pending claims, while supplemental claims make up 67 percent.<sup>86</sup> There is virtually no public data that shows whether these two types of claims have different challenges in proceeding through the adjudication process, and yet it stands to reason that they probably do. Specific analyses to determine the challenges in processing each type of claim is vital to both decreasing the backlog now and planning for future needs later.

Detailed, regular analysis is necessary because trust in the VA disability compensation system is broken. While over the last few years the VA has increased transparency, its reputation is damaged. The only way to repair it is to continue to increase transparency and demonstrate continued steps toward ending the backlog.

### Recommendations for Evaluation:

- ▶ The VA must expand data access in regards to the effectiveness of all VA disability initiatives, including Challenge Training and the Systematic Technical Accuracy Review program that monitors quality control.
- ▶ The VA should conduct separate analyses of original and supplemental claims to determine the processing time, cause for delays in processing and needs to expedite each type of claim if the data show challenges to completing these claims differ.



## Project Rising Demand Before it Creates the Next Backlog

Today's disability claims backlog was created in part by the failure to plan for predictable increases in workload. In 2010, the VA opened up disability benefits for PTSD and Agent Orange claims, re-opening a system that had left many veterans without the benefits they earned for service-connected injuries. As a result of a 2008 Institute of Medicine report, *Veterans and Agent Orange, Update 2008*,<sup>87</sup> Secretary Shinseki in 2010 issued a final rule to add Parkinson's disease, ischemic heart disease, and hairy cell leukemia to the list of conditions presumed to have been caused by exposure to Agent Orange in Vietnam. The move was a welcome step, yet the VA failed to plan for the impact that it would have on the disability claims system.

Today's generation of veterans may face their own Agent Orange. Exposure to toxic fumes from burn pits may impact veterans' health for years to come. The lasting effects of a signature injury of today's wars – TBI – are still largely unknown. The VA must continue to invest in long-term research to identify emerging challenges faced from these and other post-deployment health conditions. Some efforts to conduct long-term research are already underway. In January 2013, the Burn Pits Registry Act was signed into law that establishes a burn pit registry for veterans exposed to burn pits during their military service.<sup>88</sup> Instead of using this information solely for health research, the VA should also use it to project the demand on VA disability claims as new conditions arise.

Other service related injuries and illnesses can take time to appear or the need to file a disability claim can grow. As the new generation of veterans ages, the disability system will continue to be pressed and will need to adapt to increases in influxes of claims. The VA should conduct an analysis of how previous generations' demand on the VA system changed over time, and use this information to inform how the VA prepares for the future.

The veterans' population is also dynamically changing. Today's system of care was largely designed when veterans made up six to 10 percent of every town across America. While it invests in technology that can be more flexible, the VA must also examine where today's veterans are living and whether these localities have the capacity to meet the demands on the VA disability claims system specifically in regards to C&P exams. Special consideration should be given to areas often underserved, such as rural communities.

After establishing processes to consistently predict the need, the VA must provide a long-term plan that demonstrates how it will build the capacity to meet that demand. This should include a rigorous manpower analysis that demonstrates what staff are required to meet the needs of the veteran population. It should ensure that its annual budget requests reflect the requisite resources.

### Recommendations for Future Projections:

- ▶ The VA, DoD, and Congress must continue to fund research, including passage of S. 1302, to better understand the health risks and long-term care needs for this newest generation of veterans.
- ▶ The VA must conduct an analysis of how previous generations' demands on the VA system changed over time and use this information to inform how it prepares for the future.
- ▶ The VA must determine the geographic distribution of veterans and do a manpower analysis of VA staffing needs based on those distributions to ensure that both VBA and VHA are fully equipped to support veterans across the US.

## THE GOVERNMENT SHUTDOWN

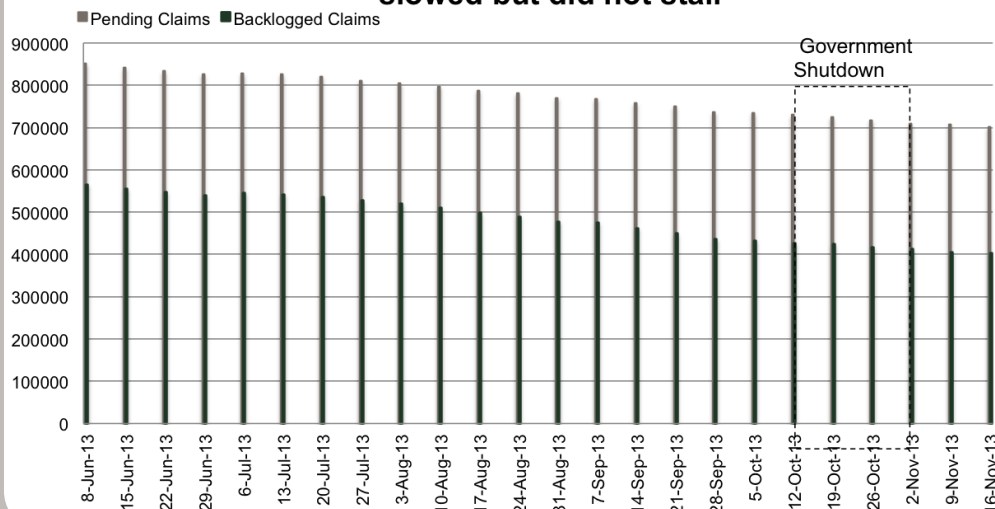
On October 1, 2013, the federal government shut down after Congress failed to pass legislation appropriating funds for FY 2014 or enact a continuing resolution to authorize interim funds while it continued to debate the FY 2014 budget. During the shutdown, veteran health services were protected due to the passage in FY 2009 of legislation allowing for advanced appropriations for veteran health services (largely due to the VSOs pushing this initiative in 2009). However, veteran benefits do not have this same advanced support, and because of that, the veteran community (including the VA) was concerned and unclear about how VA benefits would be affected.

During the shutdown, the VA issued guidance outlining what services would or would not continue.<sup>xv</sup> Initially, it seemed veterans' benefits would be minimally impacted. However, one week into the shutdown, the VA announced that funds for benefits checks might not last through the end of October 2013. It was also unclear how furloughs at DoD and other government agencies would affect the ability of VA claims processors to move claims forward, since they in part rely on these agencies to provide records in support of disability claims. By the second week, VA announced that its employees, including claims processors, would be furloughed, again raising concerns that the shutdown would impact the momentum the VA had shown in recent months to decrease the backlog.

Overall, the forecasting for the effects of the shutdown was worse than the actual effects. While progress was interrupted, overall the backlog continued to go down, just at a slower pace (see figure below).<sup>xvi</sup> Had the shutdown lasted longer, there certainly would have been more pronounced effects.

On October 16, 2013, President Obama signed a bill to end the government shutdown, but only temporarily. Legislation passed by Congress was a continuing resolution to fund the government through January 15, 2014. In December 2013, the House and Senate agreed on a two-year budget deal that largely diffuses the threat of another government shutdown and alleviates some concerns about sequestration and budget cuts over the next two years. However, one provision of the budget deal includes a cut to military pension benefits, calling for a one percent reduction in the annual cost of living adjustment for military retirees. The military and veteran communities have banded together to fight this provision. It's important that Congress pass a budget, but it shouldn't be balanced on the back of service members and veterans.

**During the 2013 government shutdown, progress on backlog slowed but did not stall**



## THE BATTLE CONTINUES

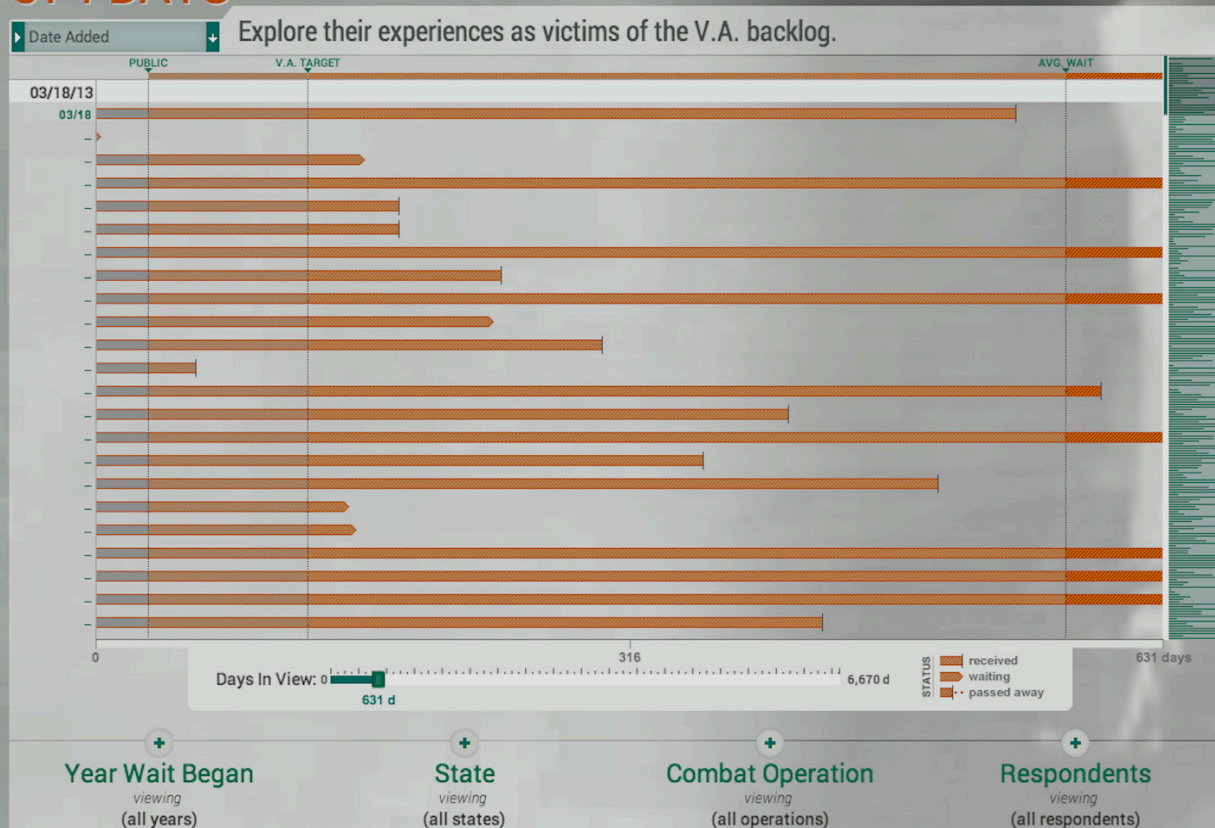
**R**esponding to pressures from the veteran community, in a relatively short period, the VA has implemented over forty initiatives to address the growing problem of the disability backlog. Some of these, like the effort to clear the backlog of all claims outstanding for one year or more and mandatory paid overtime for processors to increase the number of claims processed are temporary fixes to try and get ahead of the numbers. Others were put forward as long-term solutions. There is no doubt that a system overwhelmingly represented by employees and administrators who are themselves veterans is whole-heartedly working for our veteran population. However, in implementing such a large number of initiatives without really making known the long-term plan for assessments, improvements and sustainability, there remains a concern that these initiatives may not meet the end goal.

This isn't just about ending the backlog. It's about ending it and maintaining that steady state; it's about ending it and seeing a decrease in the number of claims appealed because the initial system by which ratings are determined is efficient; it's about restoring faith in the VA.

### THE WAIT WE CARRY

On June 30, 2013, IAVA launched "The Wait We Carry" with support from the Knight Foundation. This website shows the human toll of the disability backlog and gives a voice to the thousands of veterans awaiting outcomes on their disability claims. Visit [www.thewaitwecarry.org](http://www.thewaitwecarry.org) to hear more stories from the claims backlog.

**THESE 1,944 VETERANS HAVE WAITED AN AVERAGE OF 574 DAYS FOR THE SUPPORT THEY NEED.**





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# GLOSSARY OF ACRONYMS

ACE	Acceptable Clinical Evidence	PTSD	Post Traumatic Stress Disorder
AFGE	American Federation of Government Employees	ROs	Regional Offices
BVA	Board of Veterans Appeals	SHA	Separation Health Assessments
C&P	Compensation and Pension	SSA	Social Security Administration
HHS	Department of Health and Human Services	STR	Service Treatment Record
DoD	Department of Defense	STAR	Systematic Technical Accuracy Review
DBQ	Disability Benefits Questionnaires	TBI	Traumatic Brain Injury
FDC	Fully Developed Claim	VA	US Department of Veterans Affairs
GAO	Government Accountability Office	VASRD	Veterans Affairs Schedule for Rating Disabilities
HHS	Department of Health and Human Services	VBA	Veterans Benefit Administration
IDES	Integrated Disability Evaluation System	VBMS	Veterans Benefit Management System
IRS	Internal Revenue Service	VHA	Veterans Health Administration
NOD	Notice of Disagreement	VSO	Veterans Service Organizations







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