THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

July 18, 2013

The Honorable J. Randy Forbes
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Forbes:

Thank you for your letter regarding Department of Veterans Affairs (VA) disability claims processing. Veterans, their family members, and Survivors have earned and deserve our very best performance, and we are committed to delivering benefits and services faster, more accurately, and with greater efficiency. I regret the delay in responding.

I share your concern about the timeliness and quality of service we are providing to our Nation's Veterans; however, I am confident in the ability of our dedicated workforce, many of whom are Veterans themselves, to transform the benefits delivery system. The Veterans Benefits Administration (VBA) completed over one million claims per year in fiscal years 2010, 2011, and 2012 but was not able to keep up with the unprecedented increase in incoming claims. Over these same 3 years, VA has identified, developed, and is now implementing many of the critical fundamental changes necessary to meet our goal to process all disability claims within 125 days of receipt with 98-percent accuracy in 2015.

The transformation to new tools and techniques is a massive and complex undertaking. It requires retraining and retooling of our workforce and perseverance as our employees work through the steep learning curve normally experienced with major changes in business practices. Key to VBA's transformation is ending its reliance on outmoded and paper-intensive processes. VBA is developing technology solutions that improve access, drive automation, reduce variance, and enable faster and more efficient operations.

The enclosed fact sheet addresses the specific questions raised in your letter. We are progressing in the right direction, as demonstrated by an 87,000 claim decrease in the number of backlogged claims (those pending over 125 days) from the peak in March 2013. As we continue to improve claims processing speed and accuracy, we recognize the diverse population we support and the varied circumstances and needs of each Veteran, family member, and Survivor. I assure you that I am committed to providing timely and accurate services to all Veterans.

The Honorable J. Randy Forbes

If you have additional questions or would like a briefing, please have your staff contact Mr. John Kruse, Director, Benefits Legislative Service, at (202) 461-6467 or John.Kruse3@va.gov.

Thank you for your continued support of our mission.

Sincerely,

Eric K. Shinseki

Enclosure

Department of Veterans Affairs (VA)
Fact Sheet
Responses to the Honorable J. Randy Forbes
Regarding the Disability Claims Backlog

1. Please provide in detail the benchmarks, metrics and deadlines your Department established to measure the progress and help you achieve your goal of eliminating backlog by 2015?

VA Response: The *Strategic Plan to Eliminate the Compensation Claims Backlog* outlines VA's robust plan to address the backlog of claims and supports building a paperless, digital disability claims system that will allow VA to transform how we operate and ensure we achieve the Secretary's goal of eliminating the claims backlog and improving decision accuracy to 98 percent in 2015.

VBA is tracking execution of its transformation initiatives against our key measures of performance, including pending and completed ratings, timeliness, accuracy, and the impact on the backlog. The measures are tracked on a daily, weekly, monthly, and fiscal year basis. The quality of the transformation initiatives is measured through a 3-month rolling average accuracy metric that is reported in ASPIRE and can be seen online by anyone inside or outside VA. The ASPIRE Web site can be found at http://www.vba.va.gov/reports/aspiremap.asp.

Another Veterans Benefits Administration (VBA) tool to monitor RO progress and analyze and manage performance more effectively is the Stat Review. This process involves in-depth performance metric reviews with each RO and is led by the Under Secretary for Benefits. The reviews also allow VBA leadership to more easily identify what improvements are needed to produce desired performance results and understand what is or is not working. As a monthly event, the Stat Review identifies patterns occurring at various RO, and every RO participates either in person or by teleconference.

2. What additional measures are you taking to prepare for the aforementioned surge in disability claims this year?

VA Response: On May 15, 2013, VA mandated 20 hours of overtime per month for claims processors in every RO. This surge, which will continue through the end of fiscal year (FY) 2013, will help eliminate the backlog with an emphasis on those claims pending for 1 year or more and with continued emphasis on high-priority claims for homeless Veterans and those facing financial hardship, the terminally ill, former Prisoners of War, Medal of Honor recipients, and Veterans filing fully developed claims.

VA is working very closely with multiple partners in conjunction with completing the oldest cases and in support of all disability claims processing. The Under Secretaries for Health and for Benefits have worked together to provide additional support to ROs

not only by expediting needed examinations, but also by providing medical providers in the ROs to assist with exam clarifications and opinions. VA continues to work closely with the Veterans Service Organizations to increase their submission of fully developed claims, a key component of VA's ability to reduce the amount of time spent gathering evidence on claims. Collaborative efforts also continue with the Department of Defense to obtain complete service records and to receive them electronically.

3. What obstacles remain in the process to make all disability claims paperless? What is the projected end date of that conversion? Does the VA plan to continue using the paper files until those present paper claims are completed?

VA Response: VBA is developing technology solutions that improve access, drive automation, reduce variance, and enable faster and more efficient operations. Key to VBA's transformation is ending the reliance on the outmoded paper-intensive processes that currently limit timely and accurate claims processing. The Veterans Benefits Management System (VBMS) dramatically reduces the amount of paper in the current disability claims process and employs rules-based claims development and decision recommendations utilizing rating calculators where possible. In addition, VBA will have the ability to broker claims electronically to any VA RO, allowing fluid movement of pending work and workload balancing.

Generation One of VBMS (our baseline system) has been deployed to all 56 VA ROs as of June 2013. Under our accelerated deployment schedule, all 56 ROs and the Appeals Management Center are now using VBMS and have the capability to process disability claims in the VBMS paperless environment. Approximately 25 percent of VBA's rating workload is now pending in VBMS, with all new claims scanned into the system rather than processed at ROs as paper documents. VBA's current oldest claim priority processing initiative will allow VA to complete a majority of the paper claims in approximately 8 months. VBA will also continue to improve the VBMS system, allowing it to accept all types of rating workload claims.

In support of the continued development and deployment of VBMS, VA executed contracts in FY 2012, with two contractors providing document conversion services that account for 98 percent of VA's current document conversion requirements. The contracts focus on populating the electronic claims folder (eFolder) in VBMS with images and data extracted from paper and other source materials. VA is leveraging technology to ensure that the specific information needed to process claims can be identified, extracted, and quickly utilized by claims processors. The document-conversion contractors are converting both printed and handwritten content from source materials (including paper, photographs, and medical images) to standardized, indexed, image-only PDF and searchable PDF (PDF image plus text) electronic documents. Additionally, optical character recognition and intelligent character recognition technologies are leveraged for data extraction. These technologies recognize characters, form numbers, and patterns in the image and automate the assignment of the correct indexing values. In addition, they allow the extraction of data from the paper image for use in automated processing.

We are continuing to enhance the automated functionalities and build additional system capabilities in three future generations of VBMS to be deployed over the next 2 years. As we move into future generations of VBMS, our focus is on leveraging more complex automation features and more extensive data exchange and system integration capabilities so that our employees can process claims electronically from receipt to payment.

4. The VA has potentially made more than 400,000 errors in rating claims over the past three years. What is being done to reduce the time veterans are waiting to have their claims reviewed and re-adjudicated?

VA Response: Over the last 24 months, VA has implemented several "process" initiatives such as disability benefits questionnaires, simplified notification letters, evaluation builders, rules-based calculators, and fully developed claims. In addition, VA established local quality review teams to provide timely and responsive quality assurance and training to its workforce.

VBA also developed Station Enrichment Training (SET) to specifically focus on improving decision accuracy and raising the technical skill levels of employees working in lower-performing ROs. SET is intensive, instructor-based training built on VBA's highly successful Challenge training platform for compensation claims processors. The curriculum for each of the SET sessions is based on the needs of each station. STAR quality error trends, skill certification results, and local quality review team findings are analyzed to develop the station's SET curriculum. First-line supervisors are provided with workload management training. The curriculum is adjusted on-site as instructors discover knowledge gaps among the students. Over the last 12 months, VBA has conducted SET at three ROs and is in the planning stages for conducting additional training sessions in FY 2014.

Implementation of these initiatives with a continued emphasis on the training of both new and journey-level claims processors has resulted in a national accuracy improvement from 83.8 percent in FY 2011 to 87.3 percent in FY 2013 to date. It is important to recognize that under the existing quality review system, any one error on the claim, no matter how many medical conditions must be developed and evaluated, makes the entire claim in error – the claim is therefore counted as either 100 percent accurate or 100 percent in error, no matter how many conditions are evaluated. Given that the average number of claimed issues for our recently separated Servicemembers is now in the 12 to 16 range, this all-or-nothing measure does not reflect the actual level of decision accuracy achieved. The current 12-month measure further improves to over 90 percent when looking at just the last 3 months. When we measure the same claims based on assessments of the individual medical conditions rated ("issue-based accuracy"), the accuracy of our decisions is over 95 percent. This issue-based accuracy approach also affords VBA the opportunity to target with precision those medical issues where we make the most errors with dedicated training –

and improve employee level medical issue accuracy. In the 3-year period from FY 2010 through FY 2012, VBA decided over 11 million claimed medical issues.

5. The VA has recently announced a program to expedite claim decisions for Veterans who have waited a year or more. How exactly will the program improve the Department's claims processing efforts?

VA Response: On April 19, 2013, VA announced an initiative to expedite compensation claims decisions for Veterans who have waited 1 year or longer for a decision. Provisional decisions are being completed on the oldest claims in the inventory, which allows Veterans to begin collecting compensation benefits immediately, if eligible. Veterans are able to submit additional evidence to support their claims for a full year after the provisional rating decision, before VA issues a final decision. In addition, this initiative protects the Veteran's right to appeal the decision. VA will continue to prioritize claims for Veterans who are homeless, terminally ill, former Prisoners of War, Medal of Honor recipients, those facing financial hardship, and our most seriously injured. We also continue to expedite claims that come to us fully developed – with all of the evidence needed to decide the claim.

To accomplish this initiative, VA assessed RO's capacity to complete their oldest cases and brokered cases as needed to offices that could assist. Approximately 19,000 old claims were brokered in support of this initiative to ensure that the oldest claims pending for all Veterans nationwide will be completed under this initiative. VA has completed nearly all claims that were pending over 2 years – more than 65,000 nationwide. We are now focused on completing the disability claims of Veterans who have been waiting over 1 year for a decision, while completing the final batch of the oldest claims in progress.

Veterans Benefits Administration
July 2013