

November 2004

VETERANS BENEFITS

VA Needs Plan for Assessing Consistency of Decisions



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Abbreviations

BDN	Benefits Delivery Network
STAR	Systematic Technical Accuracy Review
VA	Department of Veterans Affairs

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United States Government Accountability Office Washington, DC 20548

November 19, 2004

The Honorable Henry E. Brown, Jr. Chairman Subcommittee on Benefits Committee on Veterans' Affairs House of Representatives

The Honorable Mike Simpson House of Representatives

In the past, we have reported concerns about possible inconsistencies in the disability decisions made by the 57 regional offices of the Department of Veterans Affairs (VA). In 2002, we reported that VA did not systematically assess the consistency of decision making for any specific impairments included in veterans' disability claims.¹ We recommended that VA conduct such assessments to help reduce any unacceptable variations that VA might find among regional offices. VA agreed that decision-making consistency is an important goal and concurred in principle with our recommendation. However, VA did not discuss how it would measure consistency.

In January 2003, in part because of concerns about consistency, we designated VA's disability program, along with other federal disability programs, as high-risk.² In fiscal year 2005, VA estimates it will pay about \$25 billion in disability compensation benefits to about 2.7 million disabled veterans. In this context, you asked us to determine (1) the actions that VA has taken to assess the consistency of regional office decisions on disability compensation claims and (2) the extent to which VA program data can be used to measure the consistency of decision making among regional offices.

To address these issues, we (1) identified key data fields in VA's Benefits Delivery Network system—such as the level of benefits awarded for each claimed impairment—which VA uses to manage the delivery of disability

¹GAO, Veterans' Benefits: Quality Assurance for Disability Claims and Appeals Processing Can Be Further Improved, GAO-02-806 (Washington, D.C.: Aug. 16, 2002).

²GAO, *High-Risk Series: An Update*, GAO-03-119 (Washington, D.C.: Jan. 2003).

benefits to veterans; (2) obtained from VA an electronic file of these key data fields for all veterans receiving compensation benefits as of March 2004; (3) conducted electronic testing of key data fields to determine their reliability for identifying indications of possible inconsistency in regional office decisions; and (4) reviewed VA records and documents and interviewed VA officials. We conducted our review from November 2003 through October 2004 in accordance with generally accepted government auditing standards. On October 28, 2004, we briefed your office on the results of our work. This letter formally conveys the information provided during that briefing. Appendix I contains the briefing slides.

In summary, we found that VA still does not systematically assess decision-making consistency among the 57 regional offices. We also found that data contained in VA's Benefits Delivery Network system, which was designed for the purpose of paving benefits, do not provide a reliable basis for identifying indications of possible decision-making inconsistencies among regional offices. However, according to VA officials, as of October 2004, a newly-implemented nationwide information system (known as RBA 2000) could provide VA such an opportunity if the system proves over time to reliably collect data needed to determine each regional office's denial rates and average disability ratings for specific impairments. VA will need to collect several years of data with RBA 2000 in order to have sufficient data to reliably identify indications of impairment-specific inconsistencies among regional offices. Still, even if the RBA 2000 system permits VA to identify indications of such inconsistencies, VA will need to systematically study and determine the extent and causes of such inconsistencies and identify ways to reduce any variations among regional offices that VA may consider unacceptable.

We recommend that the Secretary of Veterans Affairs develop a plan, and include it in VA's annual performance plan, that contains a detailed description of how VA will (1) use data gathered through the new RBA 2000 system to identify indications of possible inconsistencies among regional offices in the award and denial of disability compensation benefits for specific impairments and (2) conduct systematic studies of consistency for specific impairments for which RBA 2000 data reveal indications of possible decision-making inconsistencies among regional offices.

In oral comments on a draft of this report, VA agreed with our findings and conclusions and concurred with our recommendation. We also made technical revisions as appropriate.

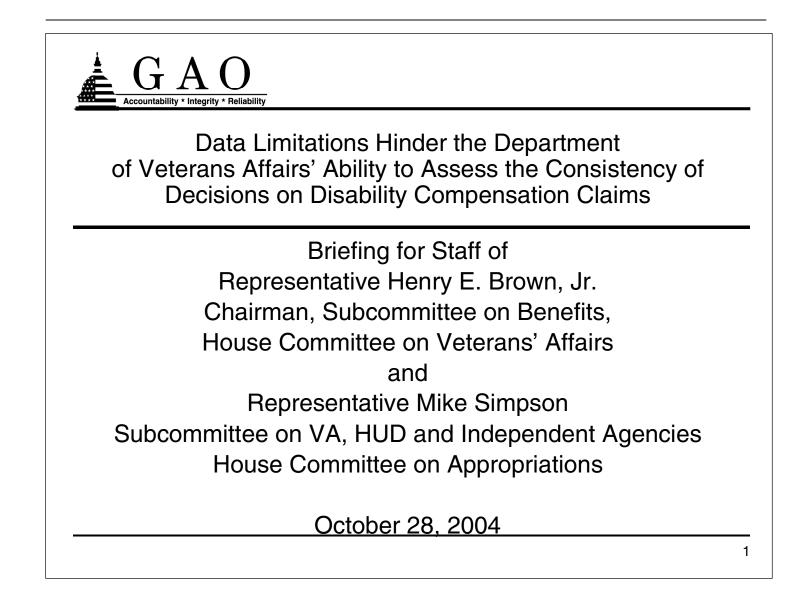
We are sending copies of this report to the Chairman and Ranking Democratic Member, House Committee on Veterans' Affairs; the Chairman and Ranking Democratic Member, Senate Committee on Veterans' Affairs; and the Secretary of Veterans Affairs. We will also make copies available upon request. In addition, the report will be available at no charge on GAO's Web site at http://www.gao.gov.

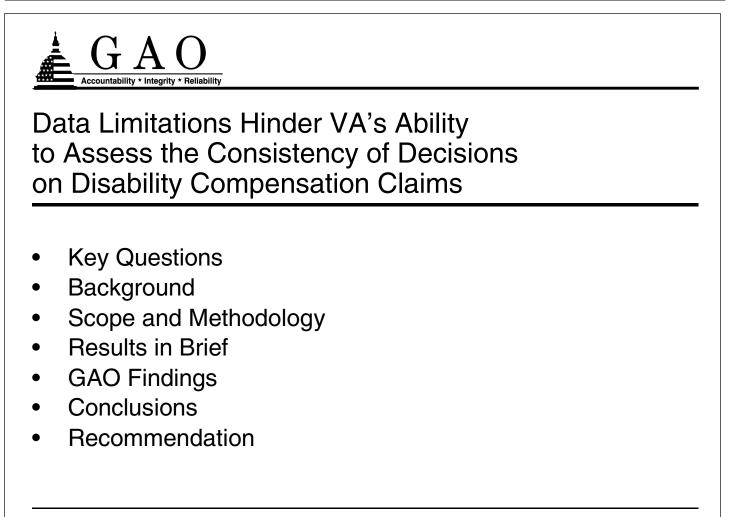
If you or your staffs have any questions about this report, please contact me on (202) 512-7215 or Irene Chu, Assistant Director, on (202) 512-7102. Ira Spears, Joseph Natalicchio, Joan Vogel, Walter Vance, and Vanessa Taylor also made key contributions to this report.

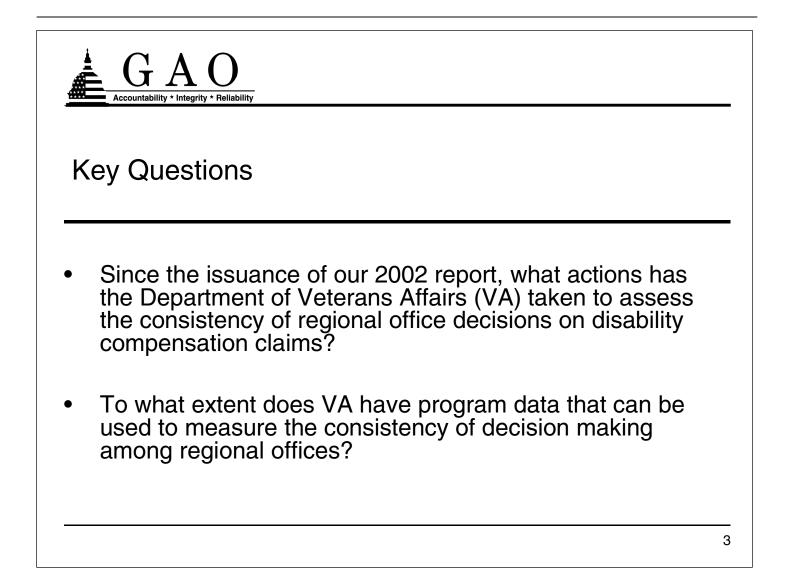
Conthia Bascetta

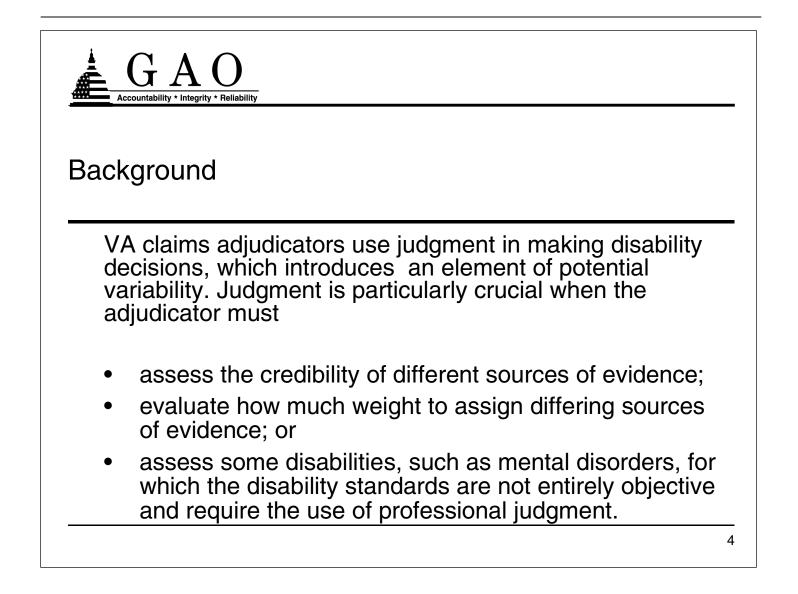
Cynthia A. Bascetta Director, Education, Workforce, and Income Security Issues

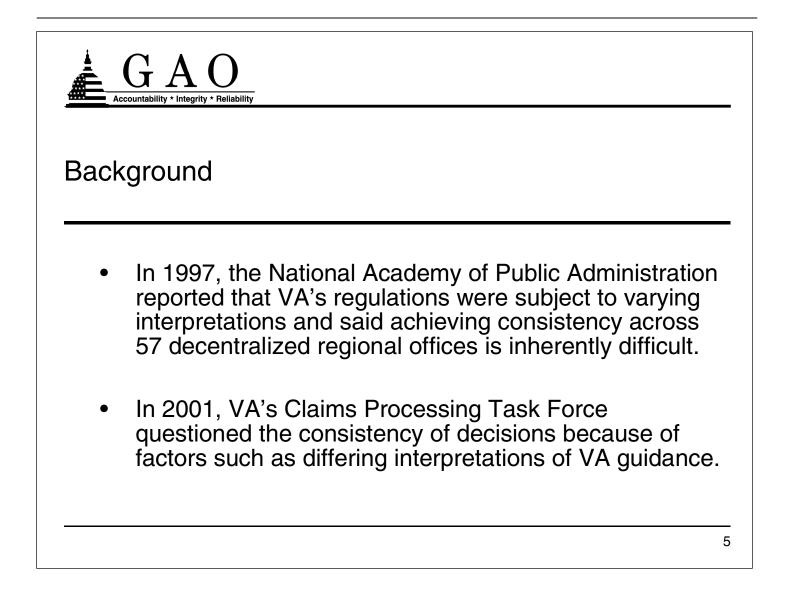
Appendix I: Briefing Slides

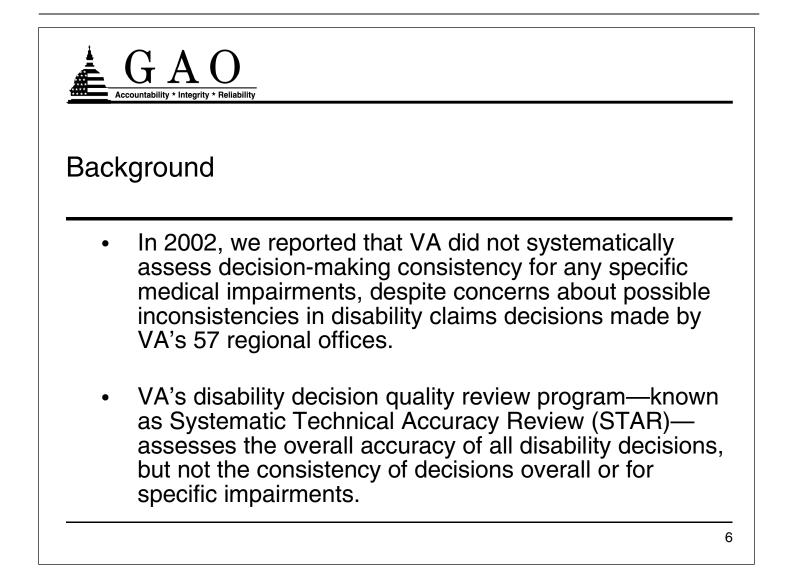


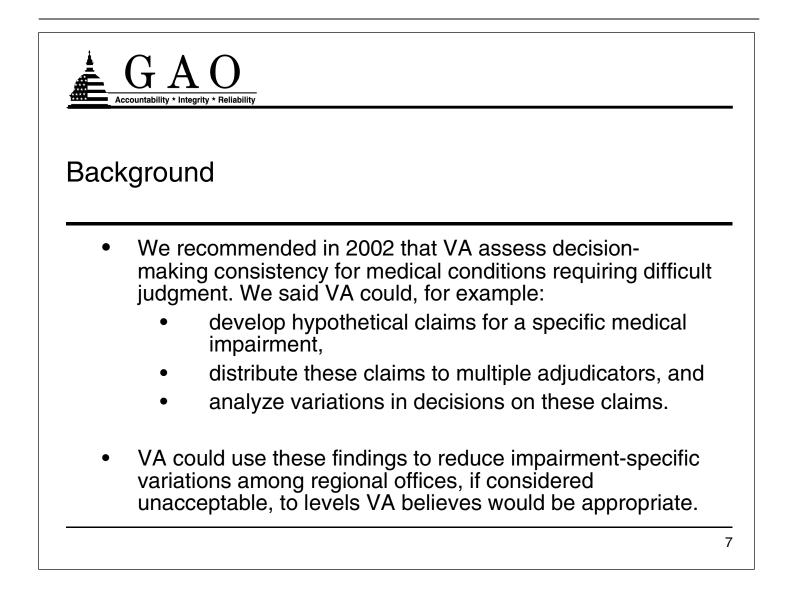


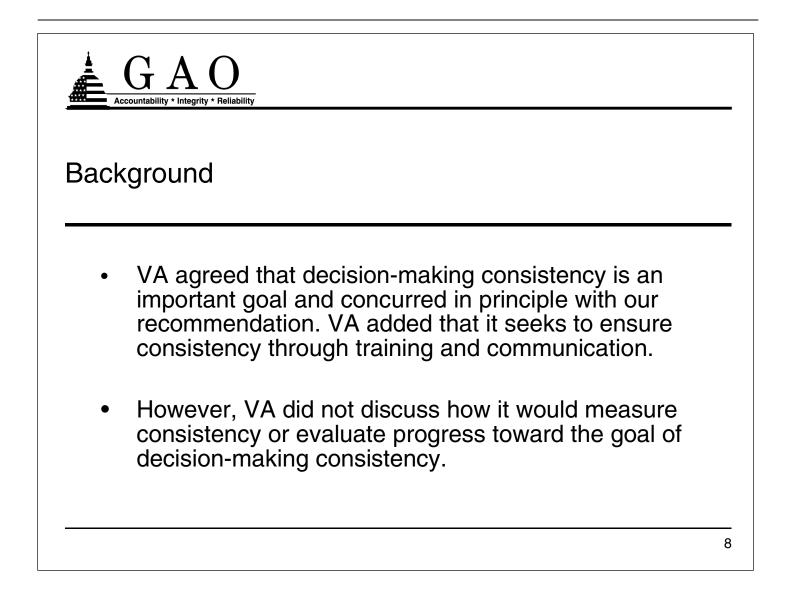


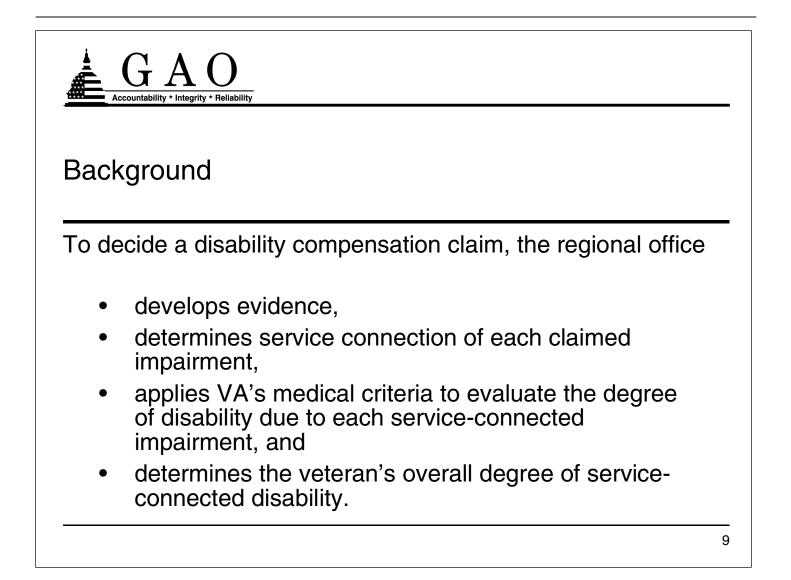


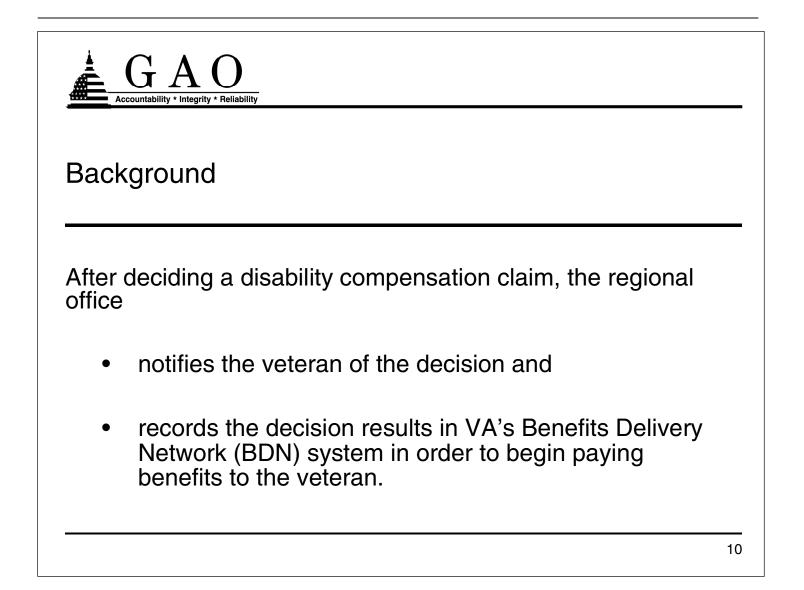


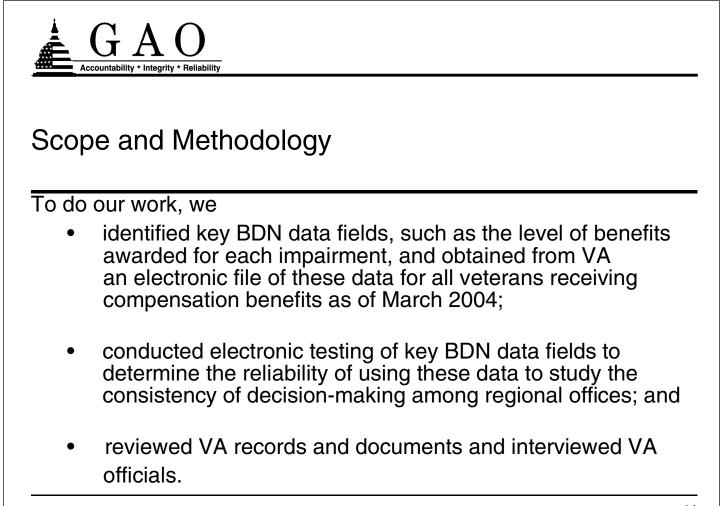




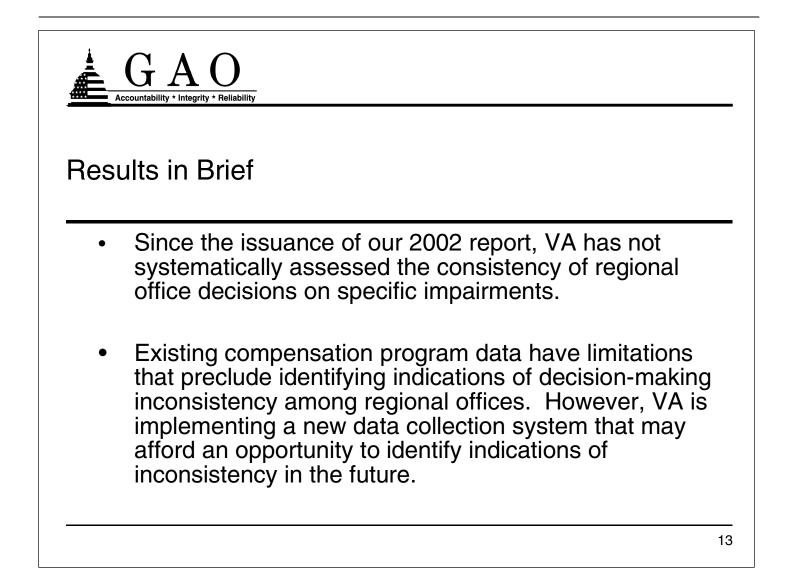


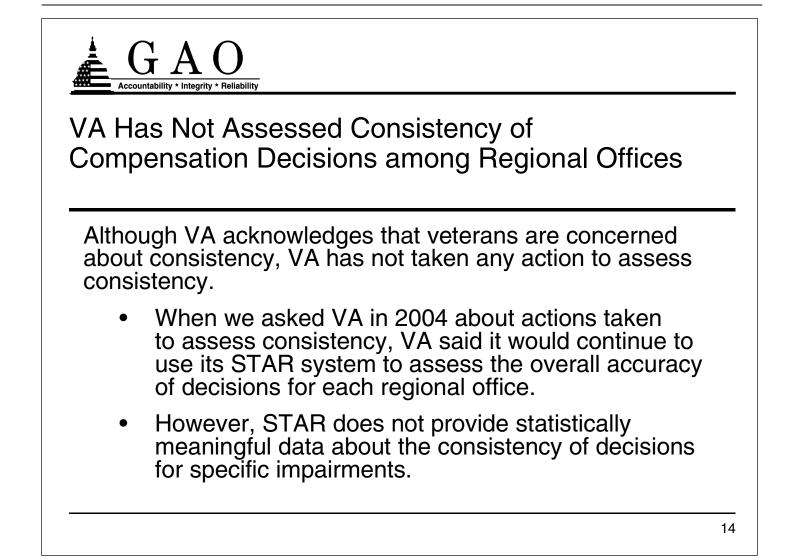


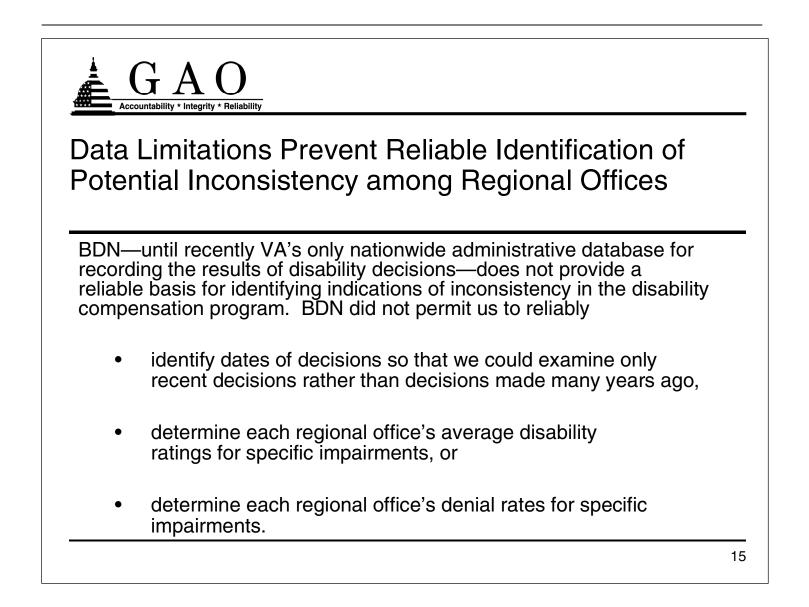


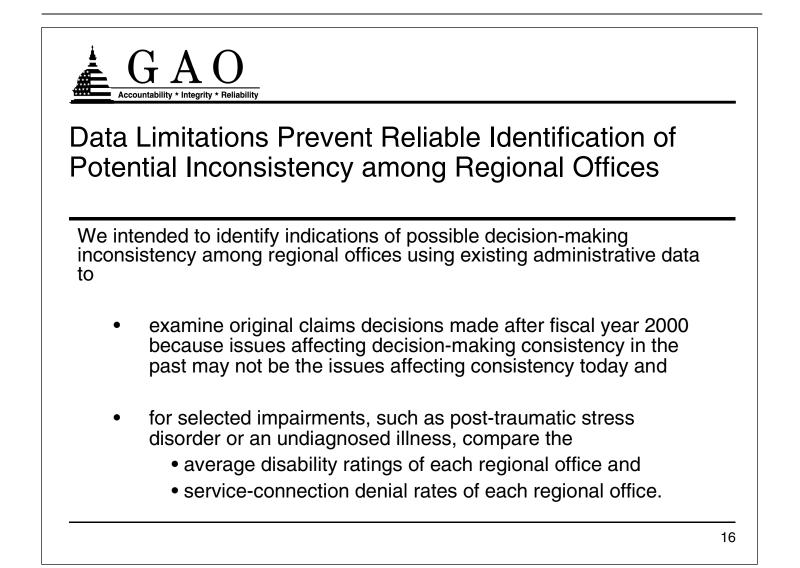


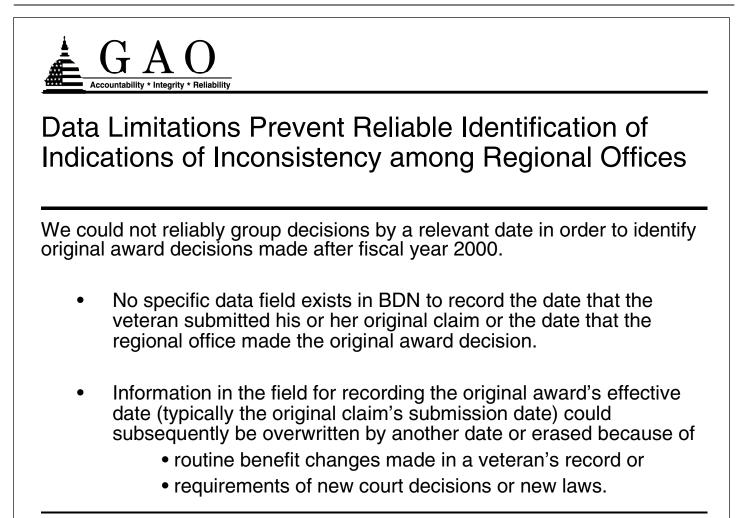
Accountability * Integrity * Reliability	
Scope and Methodology	
 We did not assess how well BDN supports the payment of benefits. 	
 We conducted our review from November 2003 through October 2004 in accordance with generally accepted government auditing standards. 	
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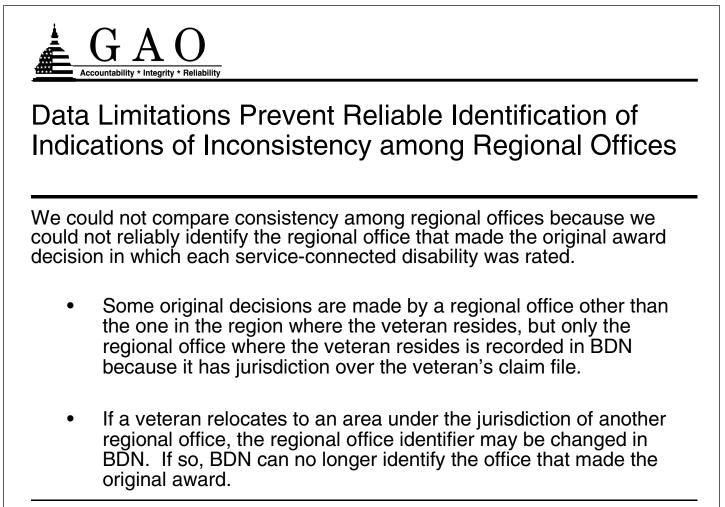




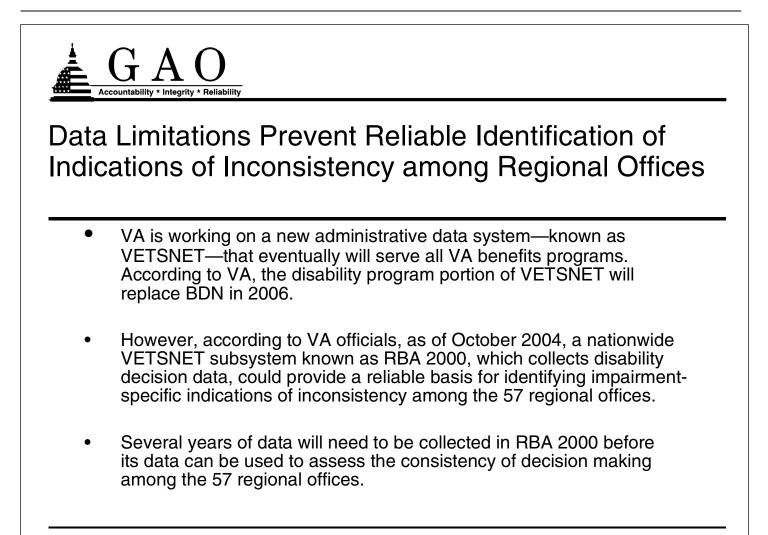




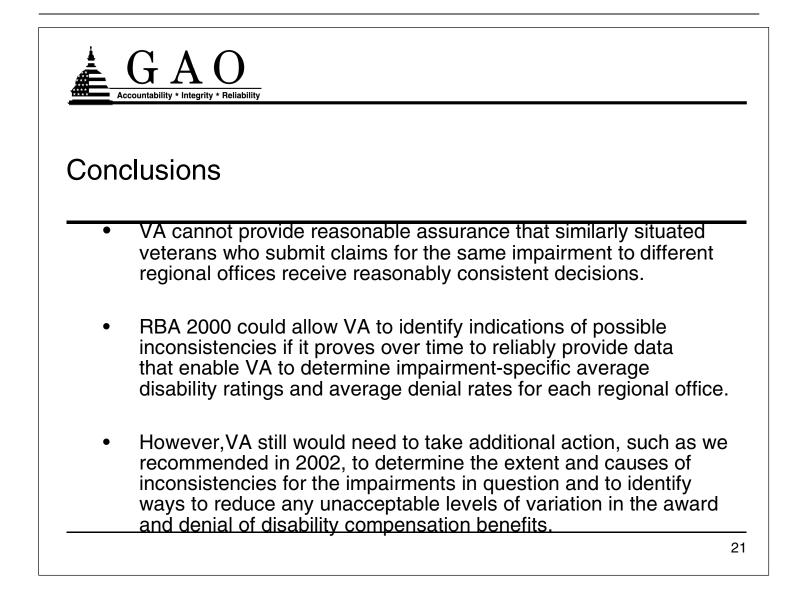
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GAO Accountability * Integrity * Reliability		
Data Limitations Prevent Reliable Identification of Indications of Inconsistency among Regional Offices		
We could not use BDN to determine denial rates for specific impairments because BDN		
 does not maintain impairment-specific data for decisions in which regional offices deny all disability benefits and 		
 does not capture impairment-specific decision data for any more than six impairments per veteran, even though veterans may claim more than six impairments. 		
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GAO Accountability * Integrity * Reliability		
Recommendations for Executive Action		
We recommend that the Secretary of Veterans Affairs develop a plan, and include it in VA's annual performance plan, that contains a detailed description of how VA will		
 use data collected through RBA 2000 to identify indications of possible inconsistencies among regional offices in the award and denial of benefits for specific impairments and 		
 conduct systematic studies of consistency for specific impairments for which RBA 2000 data reveal indications of inconsistencies among decisions made by the regional offices. 		
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