

Highlights of [GAO-19-715T](#), a testimony before the Subcommittee on Disability Assistance and Memorial Affairs, Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

VBA has increased the use of contractors in conducting veterans' disability medical exams. From fiscal year 2012 through mid-September fiscal year 2019, VBA reported that the number of exams completed by contractors rose from about 178,000 to nearly 958,000, which is more than half of all exams completed to date in fiscal year 2019. The remaining exams were completed by medical providers from the Veterans Health Administration. According to VBA, its contracts are worth up to \$6.8 billion over 10 years.

In light of issues GAO identified with VBA's oversight of contracted examiners in its October 2018 report ([GAO-19-13](#)), this testimony provides updates on VA's efforts to 1) improve its oversight of contracted examiners to ensure quality and timely exams and proper invoicing, and 2) ensure that examiners are properly trained.

What GAO Recommends

GAO made four recommendations in 2018, including that VBA (1) develop a plan for using its new data system to monitor contractors' quality and timeliness performance, (2) analyze overall program performance, (3) verify that contracted examiners complete required training, and (4) collect information to assess the effectiveness of that training. VA agreed with and initiated actions on all of these recommendations but has not yet fully implemented them.

View [GAO-19-715T](#). For more information, contact Elizabeth Curda at (202) 512-7215 or curdae@gao.gov.

VA DISABILITY EXAMS

Opportunities Remain to Improve Oversight of Contracted Examiners

What GAO Found

The Veterans Benefits Administration (VBA) has not fully resolved issues regarding how it oversees the quality and timeliness of and invoicing for disability compensation medical exams that are completed by contracted examiners. VBA uses medical exam reports from both VHA and contract examiners to help determine if a veteran should receive disability benefits. GAO reported in October 2018 that VBA was behind in completing quality reviews of contracted exams and did not have accurate information on contractor timeliness. VBA's lack of quality and timeliness data hindered its oversight of contractors' performance. In 2018, GAO made recommendations for VBA to address these issues. VBA has begun to implement GAO's recommendations, but continued action is needed to:

- Develop and implement a plan for using data from its new medical exam management system to (1) assess contractor timeliness, (2) monitor time spent correcting exams, and (3) verify proper exam invoicing. According to VBA, the agency has not fully implemented its plan for using this new system to resolve challenges with oversight of contractors' performance. For example, due to system issues, VBA has not been able to implement an automated invoicing system it planned to use to validate the accuracy of contractors' invoices. Further, VBA has not yet completed quarterly performance reviews of contracted exams under its new contracts, including any reports for fiscal year 2019. As a result, VBA still is unable to ensure that it is paying contractors the correct amounts based on its contract terms.
- Monitor and assess aggregate performance data and trends over time to identify higher-level trends and program-wide challenges. VBA officials stated that as the agency makes improvements to the exam management system data it will be able to implement this recommendation, but officials could not provide a target completion date.

VBA has taken steps to address issues GAO identified with its oversight of contracted examiner training requirements but has not yet fully addressed them. Having properly trained examiners who can provide high quality exam reports is critical to ensuring that claims processors can make timely and accurate disability determinations for veterans. In 2018, GAO recommended that VBA improve its training oversight by:

- Implementing a plan to verify that all contracted examiners have completed required training. In response, VBA began conducting random audits of training completed by contracted examiners, but it is still in the process of developing a centralized training system that will collect this information. Such a system could help ensure that contracted examiners complete training and, ultimately, conduct high-quality exams.
- Collecting information from contractors or examiners on training and use this information to assess training and make improvements. VBA has since developed a feedback tool for examiners to complete following training and plans to use it to improve the training, where needed.