



September 2020

VA DISABILITY BENEFITS

VA Should Continue to Improve Access to Quality Disability Medical Exams for Veterans Living Abroad

Accessible Version

GAO Highlights

Highlights of [GAO-20-620](#), a report to the Chairman, Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

Of the roughly 1 million disability claims VBA processed in fiscal year 2019, 18,287 were for veterans living abroad. Veterans living abroad are entitled to the same disability benefits as those living domestically, but GAO previously reported that veterans living abroad may not be able to access disability medical exams as readily as their domestic counterparts. VBA uses medical exam reports to help determine if a veteran should receive disability benefits. GAO was asked to review the disability claims and exam processes for veterans living abroad.

Among other things, this report examines disability claims trends for veterans living abroad and these veterans' ability to access quality disability medical exams. GAO analyzed VBA claims data for fiscal years 2014 to 2019; assessed data reliability; reviewed relevant federal laws, regulations, policies, and contract documents; and interviewed employees of VBA, State, and other stakeholders.

What GAO Recommends

GAO is making five recommendations, including that VBA assess the quality of embassy-referred exams, VBA and VHA assess whether to reimburse beneficiaries for travel to disability medical exams in foreign countries, and that VBA and VHA pay examiners located by embassy staff electronically. The Department of Veterans Affairs concurred with GAO's recommendations.

View [GAO-20-620](#). For more information, contact Elizabeth Curda at (202) 512-7215 or curdae@gao.gov.

VA DISABILITY BENEFITS

VA Should Continue to Improve Access to Quality Disability Medical Exams for Veterans Living Abroad

What GAO Found

The number of disability claims for veterans living abroad—in foreign countries or U.S. territories—increased 14 percent from fiscal years 2014 to 2019. During this time period, claims processing time frames improved. In fiscal year 2019, the Veterans Benefits Administration (VBA) of the Department of Veterans Affairs (VA) approved comparable percentages of disability claims for veterans living abroad and domestically—63 percent and 64 percent respectively. However, for a subset of these claims—those where veterans likely received a disability medical exam scheduled by Department of State (State) embassy staff—approval rates were often lower.

Veterans' access to disability medical exams abroad improved as VBA has increasingly relied on contracted examiners, rather than embassy-referred examiners, to conduct these exams. According to VBA, this shift expanded the pool of trained examiners abroad and increased the frequency and depth of VBA's quality reviews for contract exams. These quality reviews help VBA and its contractor identify and address common errors, according to VBA and contractor officials. However, several factors continue to limit some veterans' ability to access quality disability medical exams (see figure).

Factors That Impair the Access of Veterans Living Abroad to Quality Disability Medical Exams



Source: GAO analysis. | GAO-20-620

Unknown quality of certain exams: A subset of veterans living abroad receive disability medical exams from an embassy-referred provider. VBA does not systematically assess the quality of these exams. Without doing so, VBA cannot determine if such exams affect the approval rates of veterans who receive them or contribute to longer processing times and are unable to make informed decisions about their use.

Travel reimbursement: Under current VA regulations, VA is not authorized to reimburse veterans for travel expenses for certain services incurred in foreign countries as it is for those incurred within the United States, including U.S. territories. Consequently, some veterans living in foreign countries may be unable to afford to travel to exams.

Examiner reimbursement: The Veterans Health Administration's (VHA) Foreign Medical Program reimburses examiners referred by embassy staff via paper checks in U.S. currency. These checks may be slow to arrive and not accepted by foreign banks, according to State and other officials and staff we interviewed. Such payment issues can deter examiners from being willing to conduct disability medical exams and thus limit veterans' access to these exams in foreign countries.

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Abbreviations

BDD	Benefits Delivery at Discharge
COVID-19	Coronavirus Disease 2019
DBQ	Disability Benefits Questionnaire
FBU	Federal Benefits Unit
OGC	Office of General Counsel
QRT	Quality Review Team
RVSR	Rating Veterans Service Representative
RFBO	Regional Federal Benefits Officers
SSA	Social Security Administration
State	Department of State

VA	Department of Veterans Affairs
VBA	Veterans Benefits Administration
VBMS	Veterans Benefits Management System
VES	Veterans Evaluation Services
VHA	Veterans Health Administration
VSO	Veterans Service Organization
VSR	Veterans Service Representative

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September 21, 2020

The Honorable Mark Takano
Chairman
Committee on Veterans' Affairs
House of Representatives

Dear Mr. Chairman:

Over the past 5 years, the Veterans Benefit Administration (VBA) within the Department of Veterans Affairs (VA) has processed roughly 1 million disability claims per fiscal year for veterans seeking disability benefits for service-connected injuries or illnesses.¹ In fiscal year 2019, 18,287 of those claims were for veterans living abroad—in foreign countries or in U.S. territories. Veterans living abroad are entitled to the same disability benefits as domestic veterans, but GAO previously reported that such veterans may have more limited access to disability medical exams than their domestic counterparts.² Access to such exams may be further hindered by the spread of Coronavirus Disease 2019 (COVID-19) throughout the world, potentially slowing the processing of disability claims. Veterans in foreign countries can be assisted with their disability claims by Department of State (State) and Social Security Administration (SSA) employees working at embassies, who may help veterans living abroad with VA disability claims, such as scheduling the disability medical exams needed to assess whether the veteran's disabilities are connected to military service.

You asked us to review the outcomes of disability claims for veterans living abroad and the factors that contribute to those outcomes. This report examines 1) trends over the last 6 fiscal years in VBA's claims processing for veterans living abroad; 2) challenges that VBA faces in

¹VBA is overseen by the Under Secretary of Benefits.

²In limited cases, VA's regulations, policies, or procedures differ for veterans living in foreign countries versus U.S. territories. In such cases, we specify whether the policy or procedure applies to veterans living in foreign countries or U.S. territories rather than using the more comprehensive term "abroad." GAO, *Immigration Enforcement: Actions Needed to Better Handle, Identify, and Track Cases Involving Veterans*, [GAO-19-416](#) (Washington, D.C.: June 6, 2019).

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processing these claims in a timely manner; and 3) veterans' ability to access quality disability medical exams abroad.

To describe trends over the last 6 fiscal years in disability claims processing for veterans living abroad, we obtained VBA program data on disability claims completed from fiscal year 2014 through 2019 aggregated by country and U.S. territory.³ We conducted a number of analyses related to the number of claims abroad, claims processing timeframes, approval rates, and median disability ratings. For these analyses, we calculated results for (1) veterans living in foreign countries other than the Philippines; which we define as foreign countries for this report; (2) veterans living in the Philippines;⁴ (3) veterans living in U.S. territories; and (4) veterans living in the United States. To assess data reliability, we reviewed VBA documentation of methodology and data collection procedures, interviewed officials knowledgeable about the systems used to collect and maintain the data, and tested the data for obvious errors and missing entries. To further assess reliability, we obtained record-level data for fiscal year 2018 and compared our independent calculations to the aggregated data VBA provided by country and U.S. territory. We determined that the data were sufficiently reliable for our purposes.

To review challenges that affect the timeliness of VBA's disability claims processing for veterans living abroad and these veterans' access to quality disability medical exams, we assessed relevant documentation, including relevant laws, regulations, policies, and contract documents and information gathered during interviews with VBA, SSA, and State officials and staff against goals established in VA's strategic plan and federal

³Our analysis included VA disability compensation claims for initial, supplemental, and reconsideration claims. We excluded claims for veterans going through the Benefits Delivery at Discharge (BDD) program, whereby servicemembers can apply for VA disability benefits before separation. We excluded these claims because the process for arranging disability medical exams for servicemembers participating in the BDD program differs from the process used for veterans living abroad.

⁴VBA's Pittsburgh regional office processes disability claims from all foreign countries with the exception of claims for veterans from the Philippines, which the Philippines regional office processes. Because trends for these claims may differ from those for veterans living in the Philippines, we present those trends separately. In this report, we refer to foreign countries other than the Philippines as "foreign countries."

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internal controls.⁵ First, we reviewed relevant VBA and State policies, and VBA documents that outline standard operating procedures. We also reviewed selected portions of selected versions of VBA's contract with Veterans Evaluation Services (VES), which provided disability medical exams in 28 foreign countries and 5 U.S. territories for at least part of fiscal year 2019, to identify requirements that could help ensure veterans living abroad can access quality exams.⁶ Specifically, we generally reviewed selected portions of the most recent modification of the relevant VES contract signed in March 2019.⁷ We did not analyze VES' performance under the contract, and instead relied solely on performance data provided by VBA. Second, we interviewed VBA officials and staff, both within the agency's headquarters and VA regional offices that process claims for veterans living abroad. Specifically, we conducted one in-person site visit to the VA Pittsburgh Regional Office in Pennsylvania—the regional office where claims for veterans living in all foreign countries besides the Philippines are processed. We also conducted telephone interviews with key staff in the other three VA regional offices—in Honolulu, Hawaii; Manila, Philippines; and San Juan, Puerto Rico—where disability claims are processed for veterans living in the Philippines and U.S. territories.

During our site visit to Pittsburgh, Pa. and other regional office interviews, we spoke with (1) regional office managers who provide oversight of and training to claims processors; (2) claims processors;⁸ and (3) the quality review team responsible for ensuring the accuracy of claim decisions.⁹ We randomly selected claims processors to interview who had at least 1-

⁵GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014) and Department of Veterans Affairs, FY 2018–2024 Strategic Plan (Washington, D.C.: May 2019).

⁶In this report a disability medical exam that produces useful information for determining a veteran's level of disability is considered a quality exam. VES is the contractor that currently provides disability medical exams abroad.

⁷In this report, unless otherwise indicated, any references to the VES contract are referring to the most recent modification of this contract signed in March 2019. VBA officials informed us that there have been three contract modifications since the original contract was signed in 2016. However, they explained that other than adding additional countries and U.S. territories to the contract, the various contract modifications did not make substantive changes to the contract.

⁸In this report, we refer to both Veterans Service Representatives, who develop veterans' disability claims and process final award decisions, as well as Ratings Veterans Service Representatives, who determine the rating for a disability claim, as claims processors.

⁹In Pittsburgh, we also interviewed co-located Veterans Service Organization staff.

year of experience in their current position. For SSA, we interviewed SSA officials within headquarters and all six Regional Federal Benefits Officers (RFBOs)—SSA officials who oversee special units within select U.S. embassies to help American citizens apply for federal benefits overseas.

For State, we interviewed officials within the Bureau of Consular Affairs, Directorate of Overseas Citizens Services, who oversee embassies and consulates, which are tasked with assisting U.S. citizens residing abroad. We also interviewed staff in six embassies or consulates. To ensure geographic diversity, we selected one country within each of the six regions overseen by Regional Federal Benefit Officers (RFBO). We also selected countries with relatively large numbers of disability claims processed by VBA in fiscal year 2018. Finally, we selected countries to ensure diversity across additional criteria: whether the embassy within the country had a special unit to help U.S. citizens apply for federal benefits, whether VBA used contract examiners in the country in fiscal year 2018, and the average number of days VBA took to process disability claims for veterans living in the country in fiscal year 2018. Based on these criteria, we selected the following countries in which to interview embassy staff by telephone: Colombia, Germany, Japan, Mexico, the United Arab Emirates, and the United Kingdom. Finally, we interviewed VES staff to learn how they identify qualified examiners abroad and ensure exam quality.

The information and communication component of internal control—the actions management establishes to use quality information—was significant to our objective related to challenges VBA faces in processing disability claims for veterans living abroad, along with the related principle that management should communicate effectively with external stakeholders.¹⁰ We assessed the agency’s statements regarding how it communicates with SSA and State staff and the statements of SSA and State officials and staff against this standard. In addition, the risk assessment component of internal control—the actions management takes to assess the risks facing the entity as it seeks to achieve its objectives—is significant to this review. Also significant is the related principle that management should define its objectives clearly to enable the identification of risks and define risk tolerances, such as by determining whether performance measures for the defined objectives are appropriate for evaluating the entity’s performance. Specifically, we reviewed VBA’s performance targets for staff who process disability

¹⁰[GAO-14-704G](#).

claims for veterans living abroad, as well as VBA's statements regarding these targets.

We conducted this performance audit from January 2019 to September 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

VBA Disability Claims Process for Veterans Living Abroad

VA pays monthly disability benefits to veterans with service-connected disabilities (i.e., injuries or diseases incurred or aggravated while on active military duty) according to the severity of their disability.¹¹ Regardless of where veterans live, VA's disability claims process starts when a veteran submits a claim to VA. A claims processor then reviews the claim and helps the veteran gather the relevant evidence needed to evaluate the claim.¹² In addition to a veteran's military service records, such evidence includes: 1) medical treatment records obtained from the Department of Defense, the Veterans Health Administration (VHA), and private medical service providers; and 2) the results of any disability medical exams deemed necessary by claims processors to evaluate the claim.

To help determine a veteran's entitlement to disability benefits, VBA staff may request that the veteran undergo a disability medical exam to obtain additional medical evidence. VBA claims processors use exam results to assess whether a veteran has disabilities that are connected to military

¹¹38 U.S.C. § 1101 et seq. VA's ratings are awarded in 10-percent increments up to 100 percent. For example, for 2020, basic monthly payments are \$142.29 for a veteran with 10-percent disability rating, and \$3,406.04 for a veteran with a 100-percent disability rating, a spouse and one child.

¹²VA refers to this type of claims processor as a Veterans Service Representative (VSR).

service.¹³ For veterans living in the United States, VBA claims processors schedule disability medical exams either with a VHA examiner or one of VBA's contractors that provide these exams.¹⁴ For veterans living abroad, how disability medical exams are scheduled depends on where the veteran lives. The primary methods for scheduling exams for veterans living abroad include:

- **Contract exams.** For veterans living in U.S. territories or foreign countries covered by the VES contract, VBA claims processors submit exam requests electronically to VES and VES schedules exams with subcontracted examiners.
- **Embassy-referred exams.** In all other foreign countries, VBA claims processors email exam requests and evaluation guidelines to the U.S. embassy or consulate whose jurisdiction is responsible for the location in which the veteran resides. Per State policy, embassy staff should locate an examiner and schedule the exam. According to State officials, physicians are generally selected from the embassy's list of doctors who provide medical exams required to obtain a travel visa.¹⁵

In addition, according to VBA officials, some veterans living abroad receive VHA exams—exams conducted by VHA examiners at a VHA medical facility. Specifically, some veterans living abroad have received VHA exams at VA Medical Centers in Manila and San Juan, according to VBA regional office officials. However, the Philippines and Puerto Rico are now covered by the VES contract, which has decreased the number of veterans in those locations who receive VHA exams, according to VBA regional office staff.¹⁶ Finally, veterans living abroad may ask to schedule disability medical exams in the United States, according to VBA officials.

¹³VA refers to this type of claims processor as a Rating Veterans Service Representative (RVSR).

¹⁴Claims processors use a VBA scheduling program to determine where veterans receive their exams.

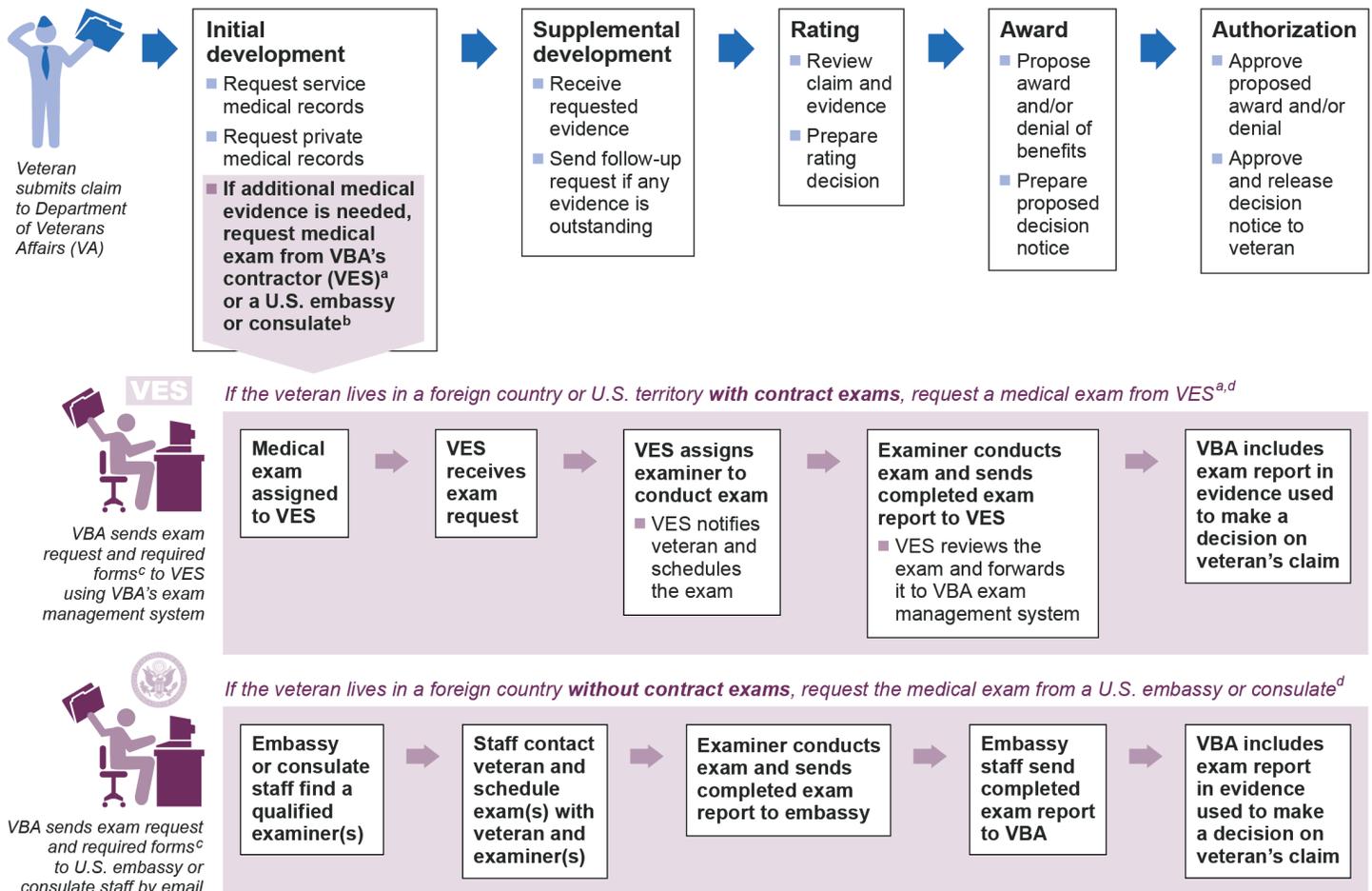
¹⁵The Department of State, in collaboration with the Centers for Disease Control and Prevention (CDC), has a process for identifying and developing this list of providers, known as panel physicians. Although these providers' primary purpose is to conduct embassy services and exams, they are generally qualified to perform the disability medical exams VA requests, according to State officials.

¹⁶Until recently, disability medical exams in the Philippines and San Juan were generally provided by VHA examiners at the VA Medical Center and smaller VA facilities. VES subcontractors began conducting contract exams for veterans living in the Philippines and Puerto Rico in fiscal year 2017, although some disability medical exams in Puerto Rico continue to be provided by VHA examiners, according to VBA regional office staff.

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For an overview of the disability claims process for veterans living abroad, see figure 1.

Figure 1: Overview of VBA Disability Claims Process for Veterans Living Abroad and Processes for Completing Contract and Embassy-Referred Exams



Source: GAO analysis of Veterans Benefits Administration (VBA) procedures. | GAO-20-620

Notes:

^aVeterans Evaluation Services (VES) is the contractor that provides disability medical exams in U.S. territories and some foreign countries. In other foreign countries, exams are arranged by embassy or consulate staff. In this report, we refer to exams conducted by VES contractors as contract exams and those arranged by embassy or consulate staff as embassy-referred exams.

^bIn addition, according to VBA officials, in fiscal year 2019, exams for veterans living in Guam, the Philippines, and the U.S. Virgin Islands could be requested from a Veterans' Health Administration clinic as well as from VES.

^cVA refers to these forms as Disability Benefits Questionnaires.

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^dAfter claims processors have requested all necessary records and disability medical exams, supplemental development of the claim begins.

To help ensure examiners who conduct disability medical exams provide the information claims processors need to decide the claim, VBA requires examiners to perform specific tests on veterans and complete detailed VA forms, called Disability Benefits Questionnaires (DBQ). VBA uses DBQ exam reports to decide a disability claim, with claims processors using the information as part of the evidence to evaluate the claim and determine whether the veteran is eligible for benefits. For each medical issue a veteran claims, VBA staff assign a rating of 0 to 100 percent in increments of 10, with a larger percentage indicating a more severe disability. To calculate an overall measure of the severity of a veteran’s disabilities—a combined disability score—the rating for each issue is aggregated using a method established in VA policy. This score, among other factors, affects benefit payment amounts; higher scores generally result in higher benefit payments.

Staff in four VBA regional offices process disability claims for veterans living abroad (see table 1). Staff in these four regional offices also process domestic claims.

Table 1: Department of Veterans Affairs (VA) Regional Offices That Process Disability Claims for Veterans Living Abroad, by Countries and U.S. Territories They Cover

Regional office	Countries and U.S. territories
Honolulu, Hawaii	American Samoa, Guam, and the Northern Mariana Islands
Manila, Philippines	Philippines
Pittsburgh, Pa.	All foreign countries besides the Philippines
San Juan, Puerto Rico	Puerto Rico and the U.S. Virgin Islands

Source: Veterans Benefit Administration information. | GAO-20-620.

State and the Social Security Administration (SSA) play a role in providing assistance with VA disability claims to veterans living abroad.

- **State:** Veterans living abroad can receive assistance with their disability claim from employees at the embassy or consulate in the country where they reside. Staff in all embassies can provide copies of relevant forms and, in countries without contract exams, embassy staff are responsible for helping veterans to schedule their disability medical exams.¹⁷ In this report we refer to these exams as embassy-referred exams. In addition, 21 embassies include federal benefits

¹⁷In other countries, VES schedules and provides the disability medical exams.

units that can receive completed disability applications and submit them to VA on behalf of veterans. This service is not available in embassies without federal benefits units, according to State officials.

- **SSA:** SSA officials play a role in managing the 21 federal benefits units.¹⁸ SSA has six Regional Federal Benefits Officers (RFBO) to oversee the federal benefits units in six international regions, with one RFBO overseeing each region. Among other duties, these officials are responsible for providing assistance to embassy and consulate staff to help veterans with the disability claims process.

Since Fiscal Year 2014, Claims Processing Trends Included Decreasing Timeframes, but Approval Rates May Be Lower in Countries with Exams Arranged by Embassy Staff

Disability Claims Processed for Veterans Abroad Increased From Fiscal Years 2014 to 2019

The number of disability claims VBA processed for all veterans living abroad—in all foreign countries and U.S. territories—rose 14 percent (from 16,082 to 18,287 claims) from fiscal year 2014 to fiscal year 2019 (see fig. 2).¹⁹ Almost all of this increase came from veterans living in foreign countries, which we define as all foreign countries other than the Philippines.²⁰ The number of domestic claims VBA processed during the same time period increased 17 percent (from 970,139 claims to 1,137,594 claims). In fiscal year 2019, claims for veterans living abroad represented less than 2 percent of all disability claims VBA processed.

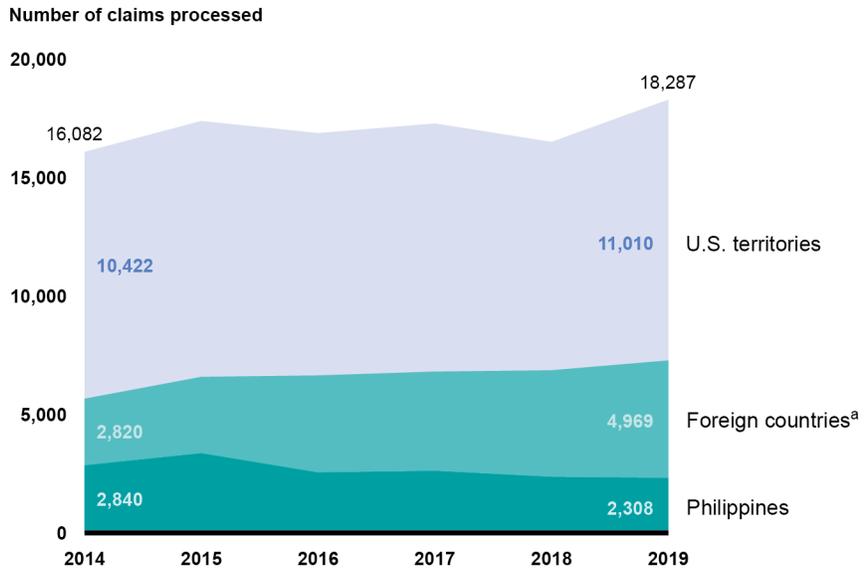
¹⁸While serving as RFBOs, these SSA officials are temporarily appointed to State positions.

¹⁹Our analysis included VA disability compensation claims for initial, supplemental, and reconsideration claims. We excluded claims for veterans going through the Benefits Delivery at Discharge (BDD) program, whereby servicemembers can apply for VA disability benefits before separation.

²⁰VBA's Pittsburgh regional office processes disability claims for veterans living in all foreign countries with the exception of claims for veterans living in the Philippines, which the Manila regional office processes. Because trends for these claims may differ from those for veterans living in the Philippines, we present these trends separately. We refer to foreign countries other than the Philippines as "foreign countries."

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Figure 2: Number of Disability Claims Processed for Veterans Living Abroad, for Claims Completed in Fiscal Years 2014-2019



Source: Veterans Benefits Administration data. | GAO-20-620

Notes: This figure excludes cases for which the location was unknown. For each year from fiscal years 2014 through 2019, the location of some veterans living abroad who filed disability claims was unknown, either because the location field was blank or because the address provided was a military or diplomatic address that could not be linked to a specific foreign country or U.S. territory. The average number of unknown cases a year for fiscal years 2014 through 2019 was 318.

^aWe use the term foreign countries to refer to all foreign countries other than the Philippines. We separated the Philippines from all other foreign countries because disability claims for veterans living in the Philippines are processed by a different regional office than where all other foreign claims are processed.

VBA Has Improved Disability Claims Processing Timeframes for Veterans Living Abroad, but Many Take Longer Than VBA’s Stated Goal

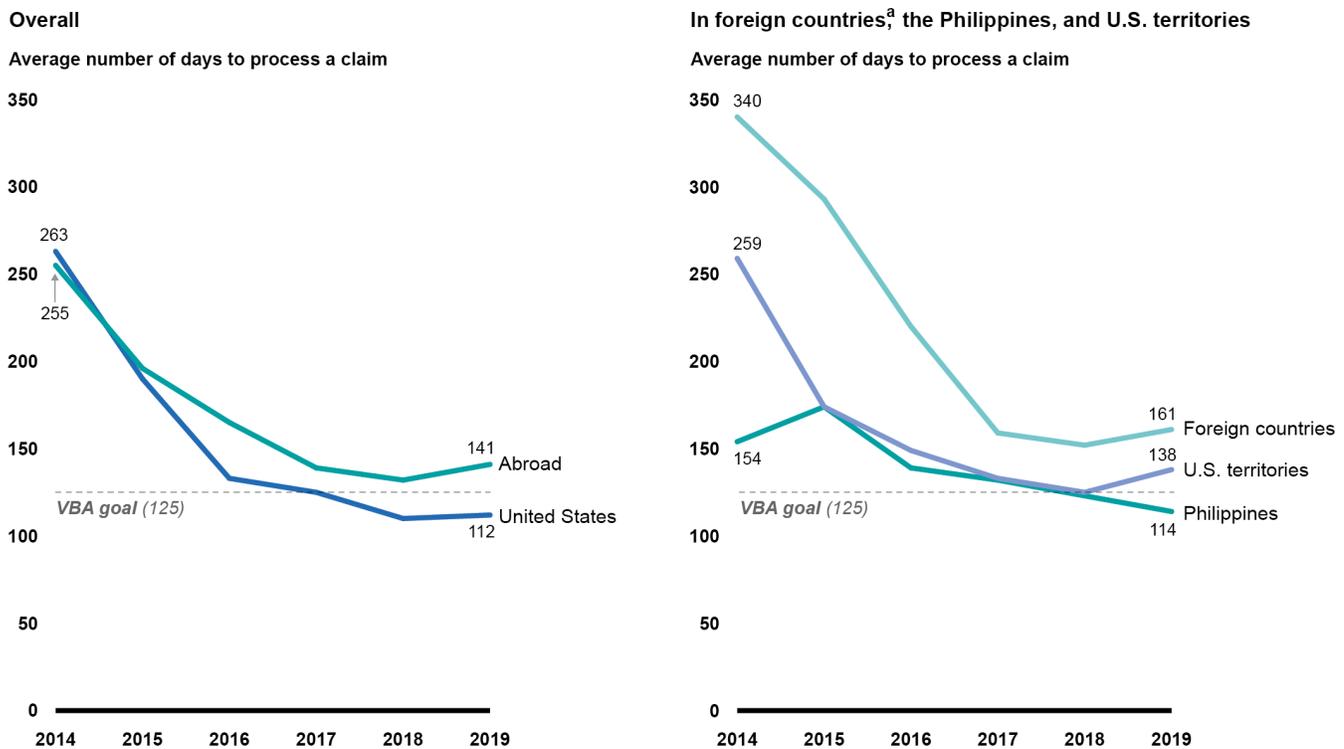
The average number of days VBA took to process disability claims for all veterans living abroad decreased 44 percent from fiscal years 2014 to 2019. In fiscal year 2019, the average number of days it took VBA to process such claims was 141, down from 255 in fiscal year 2014 (see fig. 3). Disability claims processing for veterans living in the United States also improved during this timeframe—from 263 days to 112 days (57 percent).²¹ During this time period, VBA took steps to decrease disability

²¹In calendar year 2020, disability claims processing timeframes started to increase, in part, because of COVID-19.

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claims processing timeframes overall, consistent with VA’s strategic goal to process disability claims in 125 days or fewer, which was established in fiscal year 2010, according to VBA officials. For example, during this timeframe VBA expanded its use of contract exams—including those for veterans living abroad—and continued its shift to a paperless claim process, according to VBA officials. Despite decreases in claims processing timeframes, on average in fiscal year 2019, VBA took 26 percent longer to process claims for veterans living abroad than those for veterans living in the United States.

Figure 3: Average Days to Process Disability Claims for Veterans Living Abroad by Location, for Claims Completed in Fiscal Years 2014-2019



Source: GAO analysis of Veterans Benefit Administration data. | GAO-20-620

Note: This figure excludes cases for which the location was unknown. For each year from fiscal year 2014 through fiscal year 2019, the location of some claims was unknown, either because the location field was blank or because the address provided was a military or diplomatic address that could not be linked to a foreign country or U.S. territory. The average number of days it took to process these claims from fiscal years 2014 to 2019 was 214 days.

^aWe use the term foreign countries to refer to all foreign countries other than the Philippines. We separated the Philippines from all other foreign countries because disability claims for veterans living in the Philippines are processed by a different regional office than where all other foreign disability claims are processed.

Among claims for veterans living abroad, VBA consistently took longer, on average, to process claims for veterans living in foreign countries than for those in the Philippines, U.S. territories, or the United States (see fig. 3). In fiscal year 2019, it took an average of 161 days to process claims for veterans living in foreign countries compared to 138 for U.S. territories, 114 for veterans living in the Philippines, and 112 days for those in the United States. The average processing timeframes were even higher for a subset of foreign claims—those for veterans who live in countries with exams arranged by embassy staff, which we refer to as embassy-referred exams. We found that the average processing time in those countries was 188 days in fiscal year 2019—29 days longer than for veterans living in foreign countries with contract exams.²²

In fiscal year 2019, disability claims processing timeframes for different countries and U.S. territories varied widely, and typically exceeded VBA's 125 day timeliness target. In that year, the average number of days to complete processing of claims for veterans living in foreign countries and U.S. territories with at least 10 disability claims ranged from 123 days in the Federated States of Micronesia to 230 days in Iraq. Moreover, in 30 of the 31 foreign countries and U.S. territories with 10 or more disability claims in fiscal year 2019, the average number of days to process disability claims exceeded VBA's 125 day timeliness target. VBA officials acknowledged that it typically takes longer to process foreign claims than domestic ones, and said that while they considered changing the timeliness goal for complicated claims such as foreign claims, they retained the single goal for simplicity. We discuss challenges VBA faces in processing disability claims for veterans living abroad in depth later in the report. For country-specific disability processing timeframes data, see appendix I.

In Fiscal Year 2019, Overall Approval Rates Were Comparable for Veterans Living Abroad and Domestically,

²²Because complete data on the type of examiner conducting the disability medical exam were not available, we based our analysis on the primary examiner type (VBA contract examiner or embassy-referred examiner) within the country where the veteran lived. Consequently, these numbers may include claims for some veterans who travelled to another country or U.S. territory for a contract or VHA exam in lieu of an embassy-referred exam.

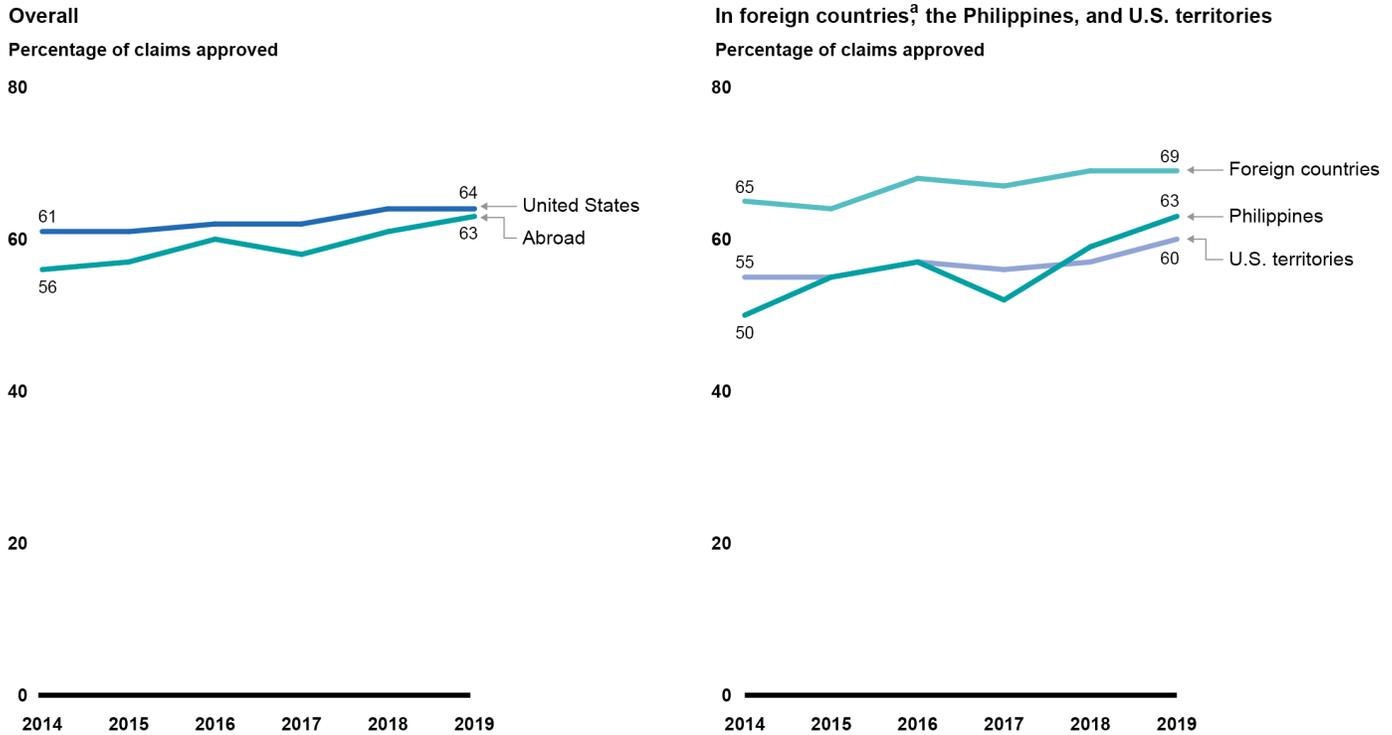
but Approval Rates Were Lower in Countries with Embassy-Referred Exams

In fiscal year 2019, VBA approved comparable percentages of disability claims for veterans living abroad and domestically—63 percent and 64 percent respectively. In fiscal year 2014, VBA approved a lower percentage of disability claims abroad than domestic claims (56 versus 61 percent). Between fiscal years 2014 and 2019, this gap in approval rates between veterans living abroad and in the United States narrowed. From fiscal years 2014 through 2019, the highest approval rates were for veterans living in foreign countries (see fig. 4).²³ In fiscal year 2019, the approval rate for veterans living in foreign countries was 69 percent compared to 60 percent in U.S. territories, 64 percent in the United States, and 63 percent in the Philippines.

²³Differences in approval rates and trends in approval ratings could be due to many factors, and we did not assess what led to these differences or trends.

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Figure 4: Approval Rates for Disability Claims for Veterans Living Abroad by Location, for Claims Completed in Fiscal Years 2014-2019



Source: GAO analysis of Veterans Benefit Administration data. | GAO-20-620

Note: This figure excludes cases for which the location was unknown. For each year between fiscal year 2014 and fiscal year 2019, the location of some claims was unknown, either because the location field was blank or because the address provided was a military or diplomatic address that could not be linked to a foreign country or U.S. territory. The average approval rate for unknown cases for fiscal years 2014 through 2019 was 67 percent.

^aWe use the term foreign countries to refer to all foreign countries other than the Philippines. We separated the Philippines from all other foreign countries because disability claims for veterans living in the Philippines are processed by a different regional office than where all other foreign disability claims are processed.

However, it appears that for a subset of veterans living in foreign countries, approval rates were substantially lower. Specifically, when we analyzed the approval rates of veterans living in foreign countries with different primary types of disability medical exams, we found that 49 percent of claims for veterans living in countries with embassy-referred exams were approved compared to 70 percent for veterans living in

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countries with contract exams in fiscal year 2019.²⁴ A similar difference occurred from fiscal years 2014 through 2018. While not conclusive, the magnitude of the gap suggests that factors specific to embassy-referred exams, rather than differences in the service-connected disabilities of veterans living in foreign countries, could influence approval rates. For country-specific approval rates, see appendix I.

For fiscal years 2014 to 2019, for veterans living abroad whose claims were approved, VBA typically awarded comparable levels of benefits to those living in the United States. In particular, their claims received comparable combined disability ratings (see table 2).

Table 2: Median Combined Disability Ratings for Veterans Living Abroad by Location, for Claims Completed in Fiscal Years 2014-2019

Location	2014	2015	2016	2017	2018	2019
Abroad						
Foreign countries ^a	60	60	70	70	70	70
Philippines	60	80	80	80	80	80
U.S. territories	60	60	60	60	60	70
Overall	60	60	70	70	70	70
United States	60	60	60	60	70	70
Unknown	50	50	60	70	70	70
Total	60	60	60	60	70	70

Source: GAO analysis of Veterans Benefit Administration data. | GAO-20-620.

^aWe use the term foreign countries to refer to all foreign countries other than the Philippines. We separated the Philippines from all other foreign countries because disability claims for veterans living in the Philippines are processed by a different regional office than where all other foreign disability claims are processed.

Similarly, veterans living in foreign countries generally received comparable ratings and benefit payments compared to those living in the United States and U.S. territories. This appears to be the case regardless of the primary type of disability medical exam in the foreign country where the veteran lived. In fiscal year 2019, the median disability rating was 70

²⁴Because complete data on the type of examiner completing the disability medical exam were not readily available, we based our analysis on the primary type of examiner (contract examiner or embassy-referred examiner) within the country where the veteran lived. Consequently, these numbers may include claims for some veterans who travelled to another country or U.S. territory to attend a contract or VHA exam. To some extent, the average number of days to process claims for veterans living in foreign countries with embassy-referred and contract exams may have been affected by outliers. Both average and median figures by country are presented in appendix I.

percent both for claims filed by veterans living in foreign countries with embassy-referred exams and those living in countries with contract exams.²⁵

VBA and Embassy Staff Cited Challenges That Slow Claims Processing for Veterans Living Abroad, Some of Which VBA is Taking Steps to Address

Embassy Staff Reported Gaps in Information Dissemination That Can Hinder Disability Claims Processing for Veterans Living Abroad

Staff in VBA central offices said that they work closely with SSA officials in the Office of Earnings and International Operations and State officials within the Bureau of Consular Affairs to ensure relevant policy changes are communicated to U.S. embassies and consulates. However, our interviews with RFBOs and select embassy staff suggest gaps exist in the current system for disseminating such information. Although VBA has taken steps to communicate needed information to SSA and State central office officials, many RFBOs and embassy staff we interviewed told us they were not always aware of important process changes ahead of time, hampering their ability to efficiently help veterans living abroad with VA's disability program.

According to VBA and SSA staff, RFBOs are expected to disseminate information about the VA disability program, including policy and procedure changes, to embassy staff within the regions they oversee. According to VBA officials, a program manager within VBA's Office of Outreach and Engagement serves as a liaison between VBA staff and RFBOs. This individual works one day a week at SSA, is available to answer questions from RFBOs or embassy staff, and sometimes provides training to RFBO officials during their annual SSA training. While RFBOs

²⁵These numbers are not necessarily the actual medians for veterans who received embassy-referred exams because we based our analysis on the primary exam type within the country where the veteran lived. Consequently, the numbers may include claims for some veterans who travelled to another country or U.S. territory for a VHA or contract exam.

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and the liaison said that they are available to assist embassy staff, VBA does not mention this in the exam requests it sends embassy staff, and staff in one embassy we interviewed said they were unaware they could reach out to the liaison for help. Staff in four of six embassies we interviewed said they would like a direct VA point of contact.²⁶ Including contact information for RFBOs and Federal Benefits Unit (FBU) staff in emails requesting exams might bolster embassy staff's awareness of these resources. According to VBA officials, embassy staff can also send questions about disability claims to a dedicated VBA email address, which is monitored by regional office staff. However, staff in three of six embassies we interviewed told us sometimes it can take a long time to receive a response, and staff in two embassies said they sometimes do not receive a response at all.

State Consular Affairs officials notify embassies of VBA policy and procedure changes, according to VBA and Consular Affairs officials.²⁷ VBA officials told us they have not considered sending VA policy updates directly to embassy staff because State and SSA program officials who oversee embassy staff have requested that they be the primary conduit for disseminating information from VBA. VBA already includes information about the VA disability claims process in emails requesting embassy exams. These emails could potentially provide an opportunity for VBA to communicate recent policy changes to embassy staff.

While State Consular Affairs officials said that VBA's communication efforts are efficient and timely, several staff we interviewed noted instances when they did not receive timely information on important VBA policy and process changes. All six RFBOs we interviewed said they were unaware of some VA policy changes in advance, as did staff we interviewed in four of six embassies, which may slow processing times for veterans living in foreign countries. For example, some RFBOs and embassy staff did not know that VBA had reduced the expected timeframe for completing disability medical exams from 90 to 60 days. Some RFBO and embassy staff also stated that they were not told in advance that a contractor would begin providing disability medical exams in their region. Staff at one embassy said they learned of the switch to

²⁶According to the liaison, he introduces himself to RFBOs, but relies on them to notify embassies within their regions that he is available to help.

²⁷Moreover, State Consular Affairs officials said they incorporate VBA policy changes regarding embassies' role in implementing the VA disability program into State policies outlined in the Foreign Affairs Manual.

contract exams from a veteran who was contacted by the contractor to schedule an exam. The embassy staff person said that they and the veteran initially thought it could be a scam. According to VBA officials, the embassy staff contacted VBA about the situation and VBA then communicated directly to RFBOs and embassy staff about the use of contract examiners and how the change to contract exams would affect embassies' role in scheduling examinations. However, the initial lack of communication likely delayed the claim. An RFBO we interviewed said that being copied on the emails VBA sends to embassy staff could help him keep track of which exams need to be scheduled and better support embassy staff, who might not be familiar with VBA's disability claims process.

Because staff at one embassy we interviewed said they became aware of some process changes only after they took effect, these staff told us they were forced to be reactive instead of proactive, which decreased the level of service they could provide to veterans. According to federal internal control standards, agencies should communicate quality information to external parties to help achieve their objectives.²⁸ Unless VBA identifies strategies to ensure that embassy staff are aware of updates regarding relevant changes in VA policy and standard operating procedures in a timely and consistent manner, disability claims processing for veterans living abroad may be delayed, and some veterans may wait longer than necessary to receive benefits to which they are entitled. Such strategies could include summarizing policy changes in the boilerplate email VBA claims processors send to embassy-staff when requesting exams, including the contact information for RFBOs, FBU staff, or VA's benefits liaison to SSA, and copying RFBOs and FBU staff on emails requesting embassy-referred exams.

Poor Contact Information for Veterans Living Abroad Can Slow VBA's Processing of Claims

According to VBA staff we interviewed, incorrect or incomplete contact information limited claims processors' ability to quickly process disability claims for some veterans because some data fields, such as those for foreign addresses, may not have the capacity to capture all necessary contact information. State officials, VBA claims processors, Veterans Service Organization staff, and others said contact information for veterans living abroad is sometimes inaccurate, which may have slowed

²⁸[GAO-14-704G](#).

disability claims processing. According to claims processors, VBA's claims processing system—the Veterans Benefits Management System (VBMS)—does not include enough spaces to accommodate telephone numbers and addresses in some foreign countries and U.S. territories, which sometimes makes contacting veterans difficult. For example, claims processors told us they sometimes have to truncate information to make it fit in the spaces provided, and they noted that this incomplete information can lead to difficulties contacting veterans via phone and mail. Agency officials we interviewed said that the limited space is because VBA's claims processing system was primarily developed for domestic claims.

Further, incomplete information can affect timeframes for receiving exam reports, which can affect overall claims processing timeframes. Embassy staff we interviewed in countries that primarily relied on embassy-referred exams said that receiving inaccurate veteran contact information from VBA had sometimes complicated their ability to schedule disability medical exams in a timely manner. VES officials said that the quality of the contact information they receive from VBA varies by location and they sometimes need to take additional steps to obtain complete information. For example, they said that when contact information is inaccurate or incomplete, they search veterans' files for additional information, contact VBA staff for updates, and sometimes ask VBA to resubmit the exam request once more complete information has been secured.

As a workaround to truncated data fields, some claims processors said they enter more complete contact information for veterans living abroad in a notes section within VBMS. In addition, some claims processors said they search veterans' files to see if more complete information is available. However, despite VBMS' current limitations, VBA lacks a requirement for claims processors to record contact information that has not been truncated within VBMS. For example, VBA's standard operating procedures for foreign claims does not establish a uniform approach to recording complete contact information within veterans' files, such as by specifying that staff should document complete addresses or telephone numbers in a particular location. According to internal control standards, agencies should use quality information to achieve their objectives. Among other things, the standards state that quality information should be complete.

VBA officials recognize the challenges created by incomplete contact information for some veterans living abroad, and told us that they requested updates to VBA's claims processing system be completed by

the Office of Information Technology (OIT). Officials from VA's OIT explained that implementing such changes would have to be part of a long-term effort because many systems throughout VA would also need to be updated simultaneously. Given competing priorities and budgetary restraints, OIT does not have immediate plans to make the changes, according to VA officials. In the meantime, unless VBA identifies and implements ways to consistently document complete contact information in VBMS, veterans may not receive VA correspondence or disability medical exams in a timely manner, and claims processing may be delayed.

Claims Processors Cited Additional Factors That Limit Their Ability to Process Claims for Veterans Living in Foreign Countries in a Timely Manner

According to VBA claims processors we interviewed, several other factors also make processing claims for veterans living in foreign countries more time-consuming than processing claims for veterans living in the United States or U.S. territories—especially for veterans who live in countries with embassy-referred exams. These factors include: the number of medical issues claimed by veterans living abroad, the complexity of ordering embassy-referred exams, timeframes for translation services, and timeframes for receiving exam results.

- **Number of medical issues claimed:** Regarding foreign claims, staff said that, on average, veterans living in foreign countries claim more medical issues than veterans in the United States. Consequently, it can take longer to gather and review the necessary medical evidence than for domestic claims. Our analysis of fiscal year 2019 VBA data shows that on average veterans living in foreign countries claimed six medical issues compared to four for those living in the United States.²⁹
- **Complexity of ordering embassy-referred exams:** Staff also said that ordering embassy-referred exams for veterans—a step necessary for some foreign claims—is more complex and time-consuming than ordering contract exams or VHA exams. For example, claims processors told us that to order embassy-referred exams, they must

²⁹Similarly, according to VBA officials, the average number of medical issues for foreign claims completed in fiscal year 2020 as of March was 6.7 issues compared to 4 issues for other claims.

manually download and attach the most recent versions of each relevant DBQ, determine to which embassy to send the exam request, and upload copies of all correspondence into VBMS.³⁰ In contrast, these steps are largely automated for contract exams through a contractor-provided system and for VHA exams through a VBA system.

- **Timeframes for translation services:** VBA staff said having documents translated from a foreign language to English can also be a challenge and delay disability claims processing. According to embassy and VBA staff, finding examiners who can complete the necessary medical paperwork in English can be difficult. A request for translation services can slow claims processing. This is particularly true for embassy-referred exams, as all contract exams must be written in English, according to VBA staff. In fiscal year 2019, the timeframe for completing translation requests ranged from 1 day to 158 days, with an average of 26.5 days, according to VBA officials. According to VBA officials, translation processing timeframes for that year were affected by the addition of new translation contractors. VBA officials said that in fiscal year 2020, translation processing timeframes fell to 17.9 days and they expect to see average processing times decrease further now that three translation contractors are processing translation requests.³¹
- **Timeframes for Receiving Exam Results:** VBA officials and staff said that it generally takes longer to obtain exam results for embassy-referred exams than for contract exams conducted abroad. VBA asks embassy-staff to submit veterans' completed exam results within 60 days, but staff at one embassy we interviewed said that they often cannot meet that goal. In contrast, each quarter, VES is expected to complete disability medical exams in U.S. territories and foreign countries under its contract within an average of 30 days. VBA-determined quarterly timeliness scores for fiscal year 2019 ranged from 24.5 to 31 days for these contract exams.

Some claims processors who gather evidence for the claims of veterans living in foreign countries with embassy-referred exams expressed concerns that being held to the same performance targets as staff who do not process claims for veterans living in foreign countries puts them at a

³⁰In April 2020, VBA discontinued the use of public facing DBQs for embassy-referred examiners and private providers.

³¹These data reflect processing timeframes for translation requests completed in fiscal year 2020 as of January 31, 2020.

disadvantage. However, VBA officials told us they are taking steps that will help address these concerns. As part of its performance assessment system, every two weeks each claims processor receives an output score based on VBA's calculation of the amount of work completed during that time period.³² VBA uses this score to determine if claims processors met or exceeded performance goals.³³ According to VBA officials, under VBA's current performance system, output scores for claims processors who gather evidence are calculated by counting the number of higher-level tasks they complete in 2 weeks, regardless of how many steps each task required. As a result, a claim with five medical issues earns the same score as a claim with one medical issue, despite the need to gather more evidence with each issue. Because claims for veterans living in foreign countries generally include more medical issues than domestic claims (six medical issues compared to four for those living in the United States), under the current performance system the additional work typically involved in processing these claims is not reflected in the completed-work scores of the staff who gather evidence for these claims.

VBA officials told us they have re-evaluated how they will measure claims processors' performance on completed work in the future to take into consideration the complexity of the tasks they complete. Officials said that in October 2020, VBA will implement changes so that all claims processors will receive incremental increases in credit towards their output score for each additional medical issue included in a claim they process. According to VBA officials, this will better account for the additional work required to complete complex claims, such as claims for veterans living in foreign countries.

³²VBA refers to this element of its performance system as "output." Staff are also assessed against standards for quality and timeliness.

³³According to VBA officials, the specific thresholds for the level of work completed depends on claims' processors tenure and whether they gather evidence or decide claims. For example, claims processors who gather evidence and have under a year of experience are expected to achieve an output score of at least 86 every 2 weeks while those with over 2 years of experience are expected to achieve an output score of at least 109. Claims processors who rate disability claims are required to achieve an output score of at least 51, while those with over 2 years of experience are expected to achieve an output score of at least 79. In contrast to VBA's current performance system for claims processors who gather medical evidence, the output scores for processors who rate claims receive incremental increases in credit based on the number of medical issues rated.

Although Improvements Have Been Made, Several Factors Constrain Veterans' Access to Quality Disability Medical Exams Abroad, Including Limited Information and VA Reimbursement Policies

Veterans' Access to Quality Disability Medical Exams Abroad Has Improved as VBA Expanded Use of Contract Exams

Over the past several years, veterans' access to quality disability medical exams abroad has improved as VBA expanded its contract with VES to provide disability medical exams in additional foreign countries and U.S. territories. This was done, in part, to help address concerns about veterans' access to quality disability medical exams abroad. In fiscal year 2014, VES operated a VHA pilot to provide disability medical exams in three countries, according to VBA officials.³⁴ By the end of fiscal year 2019, VBA's VES contract covered 28 countries and five U.S. territories. As a result, VA's reliance on embassy-referred exams has decreased over time. In fiscal year 2019, 7.9 percent (393) of foreign disability claims were for veterans living in countries with exams by embassy-referred examiners, down from 40 percent (1,129) in fiscal year 2014. According to VBA officials, increasing the number of foreign countries and U.S. territories covered by the VES contract has expanded the pool of trained examiners abroad, improved veterans' ability to access quality disability medical exams outside of the United States, and enhanced VBA's ability to obtain exam results in a timely manner, which has improved overall claims processing timeframes for veterans living abroad. As previously discussed, our analysis of VBA data shows that claims processing timeframes for veterans living abroad decreased 44 percent from fiscal years 2014 to 2019.

³⁴In fiscal year 2016, VBA established a contract with VES to provide disability medical exams in 15 locations abroad (13 foreign countries and two U.S. territories). Prior to that, VES operated a VHA pilot to provide disability medical exams in three foreign countries, according to VA officials.

VBA's contract with VES includes a provision that requires regular quality assessments and other provisions that could help ensure that veterans living abroad can access quality exams.³⁵ Such provisions include:

- **Quarterly exam quality assessments:** VA is expected to review VES' performance four times a year and VES is expected to meet quality targets.³⁶
- **Examiner licensing requirements:** All VES examiners must maintain current and valid licenses, and VES is expected to provide quarterly reports to VA that list all subcontractors' names, license numbers, specialties, and accreditations.
- **Examiner training requirements:** VES examiners must complete the same training as VHA examiners before conducting disability medical exams, according to VBA officials.

VA is expected to assess exam quality for a sample of contract exams each quarter. VBA-determined quarterly quality scores for fiscal year 2019 ranged from 85.7 to 88.1 percent.³⁷ According to VBA officials, the shift towards contract exams has increased the frequency and depth of quality reviews for disability medical exams abroad. In addition, these quality reviews help VBA and VES identify and address common errors, according to VBA and contractor officials. VES officials said their

³⁶For the purposes of this report, we did not assess the extent to which these provisions have been implemented or their effectiveness in helping ensure quality.

³⁶Prior GAO work identified issues with VBA's oversight of contractors and recommended that VBA should regularly assess performance data and implement processes to verify that contracted examiners have completed required training, among other things. GAO, *VA Disability Exams: Improved Performance Analysis and Training Oversight Needed for Contract Exams*, [GAO-19-13](#) (Washington, D.C.: October 2018). According to VBA officials, VBA takes additional steps to ensure quality beyond what the contract requires. For example, VBA officials said they provide performance feedback monthly rather than quarterly. In addition, officials said that VES contractors submit monthly, rather than quarterly, reports regarding hired examiners, which helps VBA more frequently assess the quality of examiners.

³⁷VBA refers to this percentage as a quality score. VBA calculates quality scores for each contractor based on a sample of exam reports that VBA's quality office selects for review on a quarterly basis for each contract. According to VBA documents, the quality score represents the percentage of exam reports reviewed that had no errors as measured against specific criteria. Under the VES contract, a quality score of 92 percent in a given quarter is the expected standard of performance; a score of 90 percent or less indicates unsatisfactory performance; and a score of 94 percent or greater indicates exceptional performance. We did not analyze VES' performance under the contract, and we relied solely on performance data provided by VBA.

performance scores during this time period were affected by temporary difficulties they encountered when adding new countries to the contract.

While use of contractors has improved access to exams, veterans may still face challenges finding examiners who practice certain specialties or who have VA-approved medical equipment to conduct disability medical exams. It can be particularly difficult to find specialists to conduct disability medical exams for conditions that are not typically treated within the country, such as sleep apnea or post-traumatic stress disorder, according to staff in two embassies or consulate offices we interviewed. To improve veterans' access to disability medical exams performed by specialists, VES officials said they sometimes fly examiners to other countries to conduct disability medical exams. VES officials also told us they have purchased and shipped equipment to some examiners in countries covered by their contract with VBA. However, even in countries where VES has taken this step, veterans may still lack access to examiners with VA-approved medical equipment. Specifically, VES officials said veterans in some countries may have to travel farther for ophthalmology exams than for other exams because the number of examiners who have the necessary equipment for such exams is limited. VBA officials have also taken steps to address the shortage of specialists abroad. For example, according to VBA staff in one regional office, VBA allows veterans to receive telehealth disability medical exams for mental health evaluations, which must be performed by specialists.

VBA Lacks Information on the Quality of Exams Arranged by Embassy Staff

VBA regional office staff identified issues with the quality of information provided by embassy-referred examiners. VBA regional office staff we interviewed said that disability medical exam results provided by embassy-referred examiners are often not comprehensive, and even small pieces of missing evidence can affect a veteran's disability rating. For example, staff in one regional office said that embassy-referred examiners do not always fully complete VA's DBQs. Embassy-referred examiners primarily focus on medical services or exams for people seeking visas to travel to the United States; they may not be familiar with how VBA uses the evidence collected from the exam reports and thus may submit lower quality reports. All six RFBOs we interviewed said that developing a tip sheet for examiners might improve the quality of information from embassy-referred exams.

As previously discussed, our analysis of approval rates based on the type of examiner likely conducting the exam—contract examiners or embassy-referred examiners—suggests a potentially sizeable quality difference, as approval rates in fiscal year 2019 were 70 and 49 percent respectively. While this analysis is not conclusive, the difference raises a question of whether there may be problems with the quality of embassy-referred exams.³⁸

The way VBA conducts its quality reviews does not give the agency enough information to assess embassy-referred exams. Each month, VBA conducts a Systematic Technical Accuracy Review (STAR) to evaluate the accuracy of disability claim decisions on a random sample of claims, which may include claims for veterans living in foreign countries and U.S. territories, according to VBA officials.³⁹ However, VBA does not take steps to ensure that claims for veterans living abroad are regularly selected for review. Less than 2 percent of disability claims processed in fiscal year 2019 were for veterans living abroad, making it unlikely that many claims for veterans living abroad are selected for review. As part of this review, the quality of disability medical exams is also assessed, according to VBA officials. However, because VBA does not sample enough disability claims from veterans living abroad as part of its review—including claims from veterans living in foreign countries that rely on embassy-referred examiners—it lacks reliable information on the quality of embassy-referred exams. VBA officials said they have considered conducting a special review of disability claims for veterans living abroad, but have not developed plans to do so because of competing priorities. VA's Strategic Plan states that VA employees should have access to information needed for effective decision-making and that VA should assess how its services affect veterans. By not systematically assessing the quality of embassy-referred exams, VBA may miss the opportunity to determine the extent to which exam quality affects approval

³⁸Low approval rates do not necessarily indicate an issue with a claim or that VBA made the wrong decision.

³⁹According to VBA officials, the review of exam quality conducted during STAR reviews is not as in-depth as those conducted as part of the quality review process for the VES contract. The STAR review has two major components. The benefit entitlement review assesses whether the correct steps were followed in addressing all issues in the claim and collecting appropriate evidence, and whether the resulting decision was correct, including establishment of effective dates and payment rates. Accuracy performance measures are calculated based on the results of the benefit entitlement review. The STAR review also assesses whether claims processors appropriately documented the decision and notified claimants. STAR reviews are conducted to assess both national and regional office performance.

rates or contribute to longer processing times for veterans who receive these exams. Thus, it may not be well positioned to make informed decisions about the use of these exams or to identify any common barriers embassy-referred examiners may experience and develop tailored technical assistance.

VBA's Practices for Reimbursing Veterans and Examiners May Hinder Access to Quality Disability Medical Exams for Veterans Abroad

Two of VA's reimbursement practices may hinder veterans' access to quality disability medical exams abroad: 1) not reimbursing veterans who live in foreign countries for the cost of traveling to disability medical exams, and 2) reimbursing embassy-referred examiners via paper checks, which can deter them from conducting disability medical exams for veterans.

Lack of Travel Reimbursement in Foreign Countries Makes it Difficult for Some Veterans to Attend Exams

Under current regulations, VA is not authorized to reimburse veterans for travel expenses incurred outside of the United States for certain services, including travel to disability medical exams, which may limit the ability of veterans living in foreign countries to access quality exams.⁴⁰ In contrast, VA regulations authorize the reimbursement of veterans' travel expenses for certain services incurred within the United States, which includes the U.S. territories.⁴¹

Many staff we interviewed mentioned hardships that the lack of travel reimbursement presents for veterans living in foreign countries. For

⁴⁰Specifically, under regulatory changes that took effect in July 2008, VA can make payments "for travel expenses incurred in the United States." See 38 C.F.R. § 70.1(a). However, according to VA's Office of General Counsel (OGC), VA continued to make beneficiary payments for travel related to disability medical exams that occurred in foreign countries after these new regulations took effect. On January 29, 2016, VA's OGC issued a memorandum stating that the relevant regulatory Part "authorizes only 'travel expenses incurred in the United States'" and that "[a] regulatory change would be required in order for VA to pay beneficiary travel for travel expenses incurred outside the U.S."— including travel to disability medical exams. According to VA's OGC, in 2016, VBA and VHA stopped paying for travel related to disability medical exams in countries other than the Philippines and in 2017, VHA did the same in the Philippines.

⁴¹Relevant VA regulations define "United States" to include U.S. territories and possessions as well as the Commonwealth of Puerto Rico. 38 C.F.R. § 70.2.

example, senior management and staff in the regional office that processes claims for veterans living in foreign countries said that the lack of travel reimbursement for disability medical exams is problematic, as did staff at another regional office that processes claims for veterans living abroad. Lack of travel reimbursement was also cited as a challenge by two of six RFBOs, and staff from four of our six selected embassies and consulates, as well as VES officials. For example, VES officials and staff in one regional office said that veterans living in Australia are often required to travel across the country to meet with a qualified specialist, which requires considerable time or expense. Similarly, staff in another regional office said that veterans living in some parts of the Philippines may need to fly or travel long distances for disability medical exams. For example, travel in the Philippines—a country that consists of over 7,000 islands—may require flying, traveling by ferry, and driving long distances, according to these staff. In addition, staff we interviewed in two embassies and consulates said that many veterans living in remote areas are without access to specialists qualified to perform requested disability medical exams because these veterans cannot afford to travel to locations where specialists are available. The challenges three of six embassy and consulate staff identified suggest that reimbursing veterans' travel costs would improve veterans' ability to access quality exams.

In 2016, VA's Office of the General Counsel (OGC) issued a memo communicating that under current regulations veterans cannot be reimbursed for travel expenses incurred outside of the United States for disability medical exams. While travel for disability medical exams was historically regulated by VHA, VA has largely shifted the provision of disability medical exams from VHA to VBA over the last 5 years, according to agency officials we interviewed. In light of this shift, VA's OGC recommended that VBA and VHA work together to develop regulations governing travel reimbursement for disability medical exams regardless of whether the exam is furnished by a VHA provider or a VBA contract provider. In addition, on the issue of travel reimbursement for such exams in foreign countries, VA's OGC suggested that VA has the authority to make such expenses reimbursable, and offered to assist VBA and VHA if they decide to pursue such regulatory changes. VA does cover travel reimbursement incurred outside of the United States for another program that provides vocational rehabilitation and education benefits.

VBA officials told us that they agree with the rationale supporting regulations to reimburse beneficiary travel outside the United States for disability medical exams, and VA's Strategic Plan states that "VA must

change so that veterans get the best benefits, care, and services possible, wherever they live or work.” In January 2020, VBA officials said that the associated cost of reimbursing such travel would be approximately \$15 million a year. In May 2020, VBA revised this estimate to \$11 million a year. According to officials and staff we interviewed, not reimbursing veterans living in foreign countries for travel to disability medical exams can result in limited access to quality exams since some veterans may not have the financial means to travel to them. As VBA and VHA consider implementing VA OGC’s recommendation to develop regulations related to travel reimbursement for disability medical exams, they have an opportunity—in concert with VA’s OGC—to carefully assess and decide whether the issue of reimbursement for such travel in foreign countries should be addressed. This issue, which has been raised by VA’s OGC and numerous other stakeholders, can greatly impact veterans living in foreign countries and their access to quality medical exams.

Examiner Reimbursements Via Paper Checks for Disability Medical Exams Can Deter Examiners from Offering Exams, Limiting Veterans’ Access

Another VA practice that may affect access to quality exams for veterans living in foreign countries is VA’s method of reimbursing embassy-referred examiners. VHA’s Foreign Medical Program issues paper U.S. Treasury checks to pay embassy-referred examiners for conducting VA disability medical exams in foreign countries, according to VBA, SSA, and State officials.⁴² Because these payments are issued in the form of paper checks, rather than electronic payments, the paper checks are sent to examiners via postal mail. State officials, a group of RFBOs, and three of six embassy and consulate offices said this reimbursement practice is inefficient. A State official said that the reliability of foreign mail services varies, and that some paper checks might never be delivered. A VA liaison to SSA who coordinates with RFBOs and embassy staff, staff in three embassies and consulate offices we interviewed, and a group of veteran service organization staff with whom we spoke expressed similar concerns, with some noting that it can take over half a year for examiners to receive paper checks after they are issued in some countries. In some instances, examiners may even receive the paper check after the expiration date and, as a result, the paper check is void. Moreover, many banks in foreign countries will not cash paper checks that are issued in U.S. currency, according to State officials, two embassy and consulate

⁴²In this report we refer to paper U.S. Treasury checks as paper checks.

staff members, and a group of veteran service organization staff we interviewed.

Potential delays in payment have resulted in some examiners being unwilling to conduct VA disability medical exams, according to State and SSA officials, all six RFBOs, and four of six embassy and consulate staff we interviewed, which could limit veterans' access to quality exams. VA's practice of reimbursing examiners via paper checks in U.S. currency has also burdened some veterans, according to State officials, VA's liaison to SSA, a group of RFBOs, and staff in all six embassy and consulates we interviewed. According to some of these staff, some embassy-referred examiners only conduct VA disability medical exams if the veteran pays in advance. The reimbursement challenges staff identified suggest using direct deposit to pay examiners electronically and in the examiner's local currency would be more efficient and appealing to examiners. This could increase the number of potential examiners willing to perform VA disability medical exams. Moreover, fewer examiners might require veterans to pay for services up-front if they knew they would be paid in a timely manner.

VHA Foreign Medical Program officials said that they lack funding to update their information technology system to accommodate direct deposit due to competing priorities. However, according to its strategic plan, VA should strive to quickly adopt best practices from internal and external sources to improve how it serves veterans.⁴³ Exploring how other agencies reimburse examiners abroad to identify best practices, and assessing the feasibility of adopting such practices, could help VA weigh options for improving how it serves veterans. For example, SSA's practice of reimbursing its disability examiners via direct-deposit in local currency might serve as a model that VBA and VHA could explore. SSA participates in a free Department of Treasury program—International Treasury Services—whereby SSA purchases foreign currency to pay examiners electronically in foreign countries. Through this program, embassy staff can authorize electronic payments for SSA disability medical exams. By not exploring options to modernize the way it reimburses embassy-referred examiners so they can be paid in an efficient and timely manner, assessing their cost-effectiveness, and

⁴³The goal indicates that agencies should identify best practices to help it improve operational functions. See: Department of Veterans Affairs, FY 2018–2024 Strategic Plan (Washington, D.C.: May 2019).

implementing the method they select, VA may miss an opportunity to reduce barriers to quality exams for veterans abroad.

Conclusions

All veterans—regardless of where they live—should receive decisions on their disability claims in a timely manner and have access to quality disability medical exams. While VBA has improved claims processing timeframes for veterans living abroad, additional actions are needed to further reduce processing timeframes, especially for veterans living in foreign countries. For example, unless VBA addresses communication gaps between VBA, RFBOs, and embassy staff, veterans may receive outdated or incorrect information and claims processing may be delayed. Potential strategies for improving such communication could include VBA summarizing recent policy changes in emails to embassy staff requesting disability medical exams; providing contact information for RFBOs and FBU staff in these emails; and copying RFBOs and FBUs on these requests, among others. In addition, unless VBA identifies and implements a consistent interim strategy to more completely document these veterans' telephone numbers and addresses until VA makes agency-wide changes to its data management systems, disability claims processing for veterans living abroad may be delayed.

While COVID-19 may create new obstacles in providing certain supports to some veterans seeking to file a disability claim, veterans living abroad will continue to need access to exams that produce useful information for disability claims processing. While VBA has improved veterans' access to disability medical exams abroad, additional actions could help ensure that exams are of high quality. For example, examining the quality of embassy-referred exams could help VBA determine if exam quality affects approval rates for veterans who live in countries that rely on these exams. Moreover, such an assessment could help VBA identify common problems with these exams and, if necessary, develop tailored technical assistance for embassy-referred examiners. This could improve the quality of exam reports for veterans living in some foreign countries and support timely and accurate decisions on their claims.

Some veterans living in foreign countries do not have access to disability medical exams because they cannot afford the cost of traveling for the exam, and under current regulations, VA cannot offer reimbursement for such travel in foreign countries as it does for veterans living in the United States and U.S. territories. In light of VA's shift to having VBA, rather than

VHA, oversee the provision of disability medical exams, VA's OGC recommended that VBA and VHA coordinate to develop regulations governing travel reimbursement for these exams. In considering whether to implement this recommendation, VBA and VHA have an opportunity to assess whether to allow veterans to receive travel reimbursement for disability medical exams outside of the United States. Addressing this issue could greatly impact veterans' access to quality disability exams in foreign countries, according to many stakeholders we interviewed. Finally, developing a mechanism to reimburse embassy-referred examiners via direct deposit in the local currency could increase veterans' access to quality exams.

Recommendations

We are making the following five recommendations to VA regarding the disability claims process for veterans living abroad:

The Under Secretary for Benefits should work with State and SSA to identify and implement ways to help ensure that embassy staff and RFBOs are made aware of relevant changes in VA policy and standard operating procedures in a timely and consistent manner and can more readily identify available resources so they can efficiently help veterans living abroad with VA's disability claims process. (Recommendation 1)

The Under Secretary for Benefits should identify and implement an interim strategy to consistently document the complete contact information for veterans living abroad within VBMS, while OIT and VBA continue to explore a long-term solution. (Recommendation 2)

The Under Secretary for Benefits should systematically assess the quality of embassy-referred exams and use the results of this review to identify whether there are common problems related to the use of these exams, and, if necessary, take steps to address those problems, such as by developing tailored technical assistance for embassy-referred examiners. (Recommendation 3)

The Under Secretary for Benefits and Under Secretary for Health—in concert with the General Counsel—should assess and decide whether to reimburse beneficiaries for travel to disability medical exams in foreign countries. (Recommendation 4)

The Under Secretary for Health, working with the Under Secretary of Benefits, should identify ways to reimburse examiners who conduct disability medical exams via direct deposit in the local currency, assess the cost-effectiveness of these options, and implement the method it selects. (Recommendation 5)

Agency Comments and our Evaluation

We provided a draft of this product to the Departments of Veterans Affairs (VA) and State (State), and the Social Security Administration (SSA). We received comments from VA and SSA that are reproduced in appendixes II and III, respectively. State officials told us they had no comments on the draft report. VA concurred with all of our recommendations and generally described the Veterans Benefits Administration's (VBA) plans for taking action to address them.

Regarding our first recommendation, VA outlined actions VBA has taken to provide relevant policy changes to the State, Bureau of Consular Affairs program staff who provide support to the embassies and SSA, and steps to help embassy staff readily identify available VBA resources. VA also reported that VBA recently communicated with points of contacts at State and SSA to ensure shared lines of communication remain open and work continues with these agencies to identify and implement improvements to the process as needed. Based on these steps, VBA requested that GAO consider this recommendation complete. However, we believe that VBA should take additional actions to meet the intent of our recommendation. Specifically, it will be important for VBA to demonstrate that it has taken steps to more systematically and consistently improve the flow of important policy change information to Regional Federal Benefits Officers and embassy-staff and increase embassy staff's awareness of available resources.

Regarding our second recommendation, VA officials stated that VBA will provide guidance on a uniform approach to record contact information that has been truncated within the Veterans Benefits Management System, which will help standardize the process until system updates can be made to the data fields.

Regarding our third recommendation, VA officials stated that VBA will initiate special tracking procedures for embassy-referred examinations, and will conduct an analysis of the tracked data to identify impact and quality of embassy-referred exams.

**Appendix I: Country and U.S. Territory-Level
Data on VA Disability Claims for Veterans
Living Abroad**

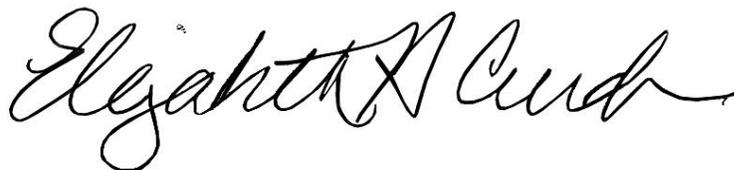
Regarding our fourth recommendation, VA officials stated that VBA, VHA, and VA's OGC will work together to assess whether to amend VA's regulation to allow reimbursement to beneficiaries for travel expenses related to disability examinations in foreign countries.

Regarding our fifth recommendation, VA officials stated that VHA, VBA's Medical Disabilities Examination Program Office, and other relevant offices will work together to determine VA's approach for reimbursing foreign providers who perform disability examinations in response to embassy referrals in foreign countries.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Veterans Affairs, the Secretary of State, the Commissioner of the Social Security Administration, and other interested parties. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-7215 or curdae@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix IV.

Sincerely,



Elizabeth H. Curda, Director
Education, Workforce and Income Security

Appendix I: Country and U.S. Territory-Level Data on VA Disability Claims for Veterans Living Abroad

Table 3 shows fiscal year 2019 data on the number of Department of Veterans Affairs (VA) disability claims, claims processing timeframes, and the percentage of disability claims approved in foreign countries, U.S. territories, and the United States. To present these data, we analyzed country and U.S. territory-level data provided by the Veterans Benefits Administration (VBA). Our analysis included VA disability compensation claims for initial, supplemental, and reconsideration claims. We excluded claims for veterans going through the Benefits Delivery at Discharge (BDD) program, whereby servicemembers can apply for VA disability benefits before separation. We excluded these claims because the process for arranging disability medical exams for servicemembers participating in the BDD program differs from the process used for veterans living abroad. We provide two timeliness measures—the mean (which we refer to as the average) and median number of days to process disability claims.¹ Data are presented in descending order based on the number of disability claims processed in fiscal year 2019. Countries marked with an asterisk (*) were included in VBA’s contract with Veterans Evaluation Services to provide contract exams abroad by the end of fiscal year 2019. We excluded countries with fewer than 10 disability claims from our analysis of the percentage of claims approved.

Table 3: Country and U.S. Territory-Level Numbers of VA Disability Claims, Processing Timeframes, and Percent of Disability Claims Approved, Fiscal Year 2019

Country or U.S. territory	Number of disability claims processed	Average days to process disability claims	Median days to process disability claims	Percent of disability claims approved
Foreign countries				
Philippines*	2,308	114.3	81	63

¹VA’s timeliness performance target is to process disability claims within 125 days.

**Appendix I: Country and U.S. Territory-Level
Data on VA Disability Claims for Veterans
Living Abroad**

Germany*	1,930	164	120	72
Japan*	1,016	145.2	106	74
South Korea*	393	147.3	122	72
United Kingdom*	225	163.2	116	76
Kuwait*	211	146.1	130	45
Canada*	167	165.9	129	64
Thailand*	159	155.7	120	68
Australia*	66	207	158.5	64
Bahrain*	62	179.9	147.5	61
Panama*	57	197.1	181	70
Afghanistan	46	154	142	37
Mexico*	46	167.3	134	54
Dominican Republic*	38	153.1	137	58
United Arab Emirates*	34	156.6	144	59
Spain*	29	168.8	123	55
Italy*	27	159.7	157	63
Costa Rica*	26	192.5	148.5	62
Saudi Arabia	24	192.3	136.5	46
Belgium*	21	178.2	161	81
Netherlands*	21	165.6	99	71
Qatar	21	180.5	128	19
Colombia	19	173.5	154	58
Singapore*	19	157.8	136	68
Federated States of Micronesia	18	123.2	107	44
France	17	169.1	169	53
Iraq	11	229.6	266	64
Brazil	9	219.1	243	—
Cambodia	9	150	127	—
Israel (Tel Aviv) ^a	9	156	134	—
New Zealand	9	142.6	124	—
Hong Kong	8	191	153.5	—
Ireland	8	181.8	146.5	—
Kosovo	8	124.1	126	—
Cuba	7	222.6	220	—
Denmark*	7	233.3	197	—
Honduras	7	227.4	162	—
Peru	7	253.3	211	—
Romania	7	233.1	223	—

**Appendix I: Country and U.S. Territory-Level
Data on VA Disability Claims for Veterans
Living Abroad**

South Africa	7	192.4	106	—
Argentina	6	281	190.5	—
Ecuador*	6	261.7	249.5	—
Luxembourg*	6	200.8	238	—
Marshall Islands	6	279.7	238.5	—
Norway	6	282.5	275.5	—
Palau	6	187.7	151.5	—
Sweden	6	166.5	149.5	—
Greece*	5	297.4	302	—
Taiwan	5	132	164	—
Turkey ^a	5	196.8	183	—
Austria	4	169.8	138	—
Bulgaria	4	160.3	149.5	—
England ^{a, b}	4	172.3	150	—
Israel (Jerusalem) ^a	4	185.3	155.5	—
Jordan	4	401.3	277.5	—
Pakistan	4	156	130	—
Poland*	4	85.3	71	—
Slovakia	4	143.5	91.5	—
Ukraine	4	148.5	70.5	—
China	3	355	359	—
Ghana	3	154.3	198	—
Guatemala	3	159.3	132	—
Hungary	3	146.7	136	—
Indonesia	3	156.6	189	—
Morocco	3	307.7	231	—
Turkey (Except Adana) ^a	3	181.3	104	—
U.S. Minor Outlying Islands ^a	3	157.7	127	—
Vietnam	3	49.3	49	—
Bosnia-Herzegovina	2	106	106	—
Croatia	2	220.5	220.5	—
Cyprus	2	74.5	74.5	—
Czech Republic	2	194	194	—
Egypt	2	60.5	60.5	—
Fuji	2	89.5	89.5	—
Haiti	2	117	117	—
Trinidad and Tobago	2	197	197	—
Uganda	2	94	94	—

**Appendix I: Country and U.S. Territory-Level
Data on VA Disability Claims for Veterans
Living Abroad**

Albania	1	149	149	—
Antigua	1	764	764	—
Bangladesh	1	862	862	—
Belize*	1	176	176	—
British Indian Ocean Territory ^a	1	95	95	—
Burma	1	152	152	—
Chile	1	548	548	—
Cote D'Ivoire ^a	1	204	204	—
Dominica	1	134	134	—
Estonia	1	120	120	—
Finland	1	325	325	—
India	1	254	254	—
Kyrgyzstan	1	553	553	—
Latvia	1	68	68	—
Lesotho	1	351	351	—
Malaysia	1	262	262	—
Malta	1	267	267	—
Namibia	1	48	48	—
Nevis	1	217	217	—
Nicaragua	1	225	225	—
Oman	1	230	230	—
Portugal	1	337	337	—
Serbia	1	263	263	—
Slovenia	1	165	165	—
Sri Lanka	1	580	580	—
Switzerland	1	194	194	—
United States	1,137,594	112.5	91	64
U.S. territories				
Puerto Rico*	9,574	137.7	120	60
Guam*	893	137	106	57
American Samoa*	280	135.5	113.5	61
Virgin Islands of the United States*	196	159.1	125	58
Northern Mariana Islands*	67	137.6	115	52
Unknown	394	153	- ^c	71
Total	1,156,275	113	91	64

Source: GAO analysis of Veterans Benefits Administration data. | GAO-20-620.

Notes: Approval rates are not shown for countries with fewer than ten disability claims. Countries marked with an asterisk (*) were included in VBA's contract with Veterans Evaluation Services to provide contract exams abroad by the end of fiscal year 2019. To keep the number of asterisks

**Appendix I: Country and U.S. Territory-Level
Data on VA Disability Claims for Veterans
Living Abroad**

consistent with the number of foreign countries and U.S. territories covered by the contract, we added an asterisk for the U.K., but not for England. For some claims, the location associated with the claim was unknown, either because the data field was blank or because it included a military or diplomatic postal code that could not be linked to a foreign country or U.S. territory.

^aThis is the location name as it appears in the data VBA provided.

^bData from VBA included figures for England, which is part of the United Kingdom. Consequently, these claims were covered by the VES contract by the end fiscal year 2019.

^cWe did not provide the median days to process claims for unknown locations because the data VBA provided were aggregated by location, such as for military and diplomatic addresses, and it is not appropriate to calculate the median of a set of medians.

Table 4 shows country and U.S. territory-level trend data on the average days to process disability claims for fiscal years 2014 to 2019, which were provided by VBA. We excluded countries with fewer than ten disability claims in each fiscal year from 2014 through 2019 from the table. Data marked with an asterisk (*) indicate that according to VBA officials, Veterans Evaluation Services provided contract exams in the country or territory by the end of the given fiscal year.

Table 4: Trends in the Average Number of Days to Process VA Disability Claims by Country and U.S. Territory, Fiscal Years 2014-2019

Location	2014	2015	2016	2017	2018	2019
Foreign countries						
Afghanistan	395	323	238	195	139	154
Australia	340	279	190	141*	184*	207*
Bahrain	363	276	224	187	173	180*
Belgium	323	287	221	209	162	178*
Canada	270	271	174	165*	164*	166*
Columbia	358	313	233	196	160	174
Costa Rica	357	283	250	182*	180*	193*
Denmark	—	—	—	—	143	—*
Dominican Republic	—	—	179	108	177	153*
England	312	239	203	137 ^a	135 ^a	— ^a
Federated States of Micronesia	218	202	202	195	146	123
France	349	252	212	185	187	169
Germany	361*	325*	237*	157*	147*	164*
Greece	349	—	234	193	151	—*
Honduras	—	—	—	197	122	—
Iraq	—	—	—	—	199	230
Ireland	—	—	253	283	183	—
Italy	276	257	234	166*	166*	160*
Japan	370*	295*	218*	152*	144*	145*

**Appendix I: Country and U.S. Territory-Level
Data on VA Disability Claims for Veterans
Living Abroad**

Kuwait	342	240	201	159	164	146*
Marshall Islands	—	—	145	—	—	—
Mexico	271	310	134	233*	213*	167*
Netherlands	300	307	197	131	141	166*
New Zealand	—	—	—	—	187	—
Panama	283	275	232	177*	188*	197*
Peru	—	281	—	—	—	—
Philippines	154	174	139	132*	123*	114*
Qatar	348	—	203	—	241	181
Romania	—	—	—	121	192	—
Saudi Arabia	—	234	211	194	179	192
Singapore	—	294	183	179	160	158*
South Korea	344*	297*	214*	157*	145*	147*
Spain	288	336	253	148*	156*	169*
Location	2014	2015	2016	2017	2018	2019
Sweden	—	—	—	—	148	—
Taiwan	—	222	—	192	—	—
Thailand	311	267	194	175*	167*	156*
Turkey	286	—	—	—	—	—
United Arab Emirates	402	293	197	151	155	157*
United Kingdom	291	221	205	159*	144*	163*
U.S. territory						
American Samoa	267	214	147	115*	117*	136*
Guam	282	218	142	131*	128*	137*
Northern Mariana Islands	282	240	160	137	160*	138*
Puerto Rico	256	166	150	133*	125*	138*
U.S. Virgin Islands	257	171	150	143	136*	159*
United States	263	190	133	125	110	112

Source: Veterans Benefits Administration data. | GAO-20-620.

Note: Average days to process disability claims in foreign countries are not reported for fiscal years in which VBA processed fewer than ten disability claims. Data marked with an asterisk (*) indicate that according to VBA officials, Veterans Evaluation Services provided contract exams in the country or territory by the end of the given fiscal year. To keep the number of asterisks consistent with the number of foreign countries and U.S. territories covered by the contract, we added an asterisk for the U.K., but not for England. In addition to the 22 foreign countries and five U.S. territories marked with an asterisk in the fiscal year 2019 column above, the VES contract also covered: the Inuit Islands for fiscal years 2017 through 2019, according to VBA, and Belize, Ecuador, Luxembourg, Poland, and Uruguay for at least part of fiscal year 2019. By the end of fiscal year 2019, the VES contract covered 33 foreign countries and U.S. territories.

^aData from VBA included figures for England, which is part of the United Kingdom. Consequently, these claims were covered by the VES contract in fiscal years 2017-2019, according to VBA officials.

Appendix II: Comments from the Department of Veterans Affairs



DEPARTMENT OF VETERANS AFFAIRS
WASHINGTON

September 1, 2020

Ms. Elizabeth Curda
Director
Education, Workforce
and Income Security Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Curda:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office (GAO) draft report: ***VA DISABILITY BENEFITS: VA Should Continue to Improve Access to Quality Disability Medical Exams for Veterans Living Abroad*** (GAO-20-620).

The enclosure contains the actions to be taken to address the draft report recommendations. VA appreciates the opportunity to comment on your draft report.

Sincerely,

A handwritten signature in blue ink that reads "Brooks D. Tucker".

Brooks D. Tucker
Acting Chief of Staff

Enclosure

**Appendix II: Comments from the Department
of Veterans Affairs**

Enclosure

Department of Veterans Affairs (VA) Response to
Government Accountability Office (GAO) Draft Report
***VA DISABILITY BENEFITS: VA Should Continue to Improve Access to Quality
Disability Medical Exams for Veterans Living Abroad***
(GAO-20-620)

Recommendation 1: The Under Secretary for Benefits should work with State and SSA to identify and implement ways to help ensure that embassy staff and RFOs are made aware of relevant changes in VA policy and standard operating procedures in a timely and consistent manner and can more readily identify available resources so they can efficiently help veterans living abroad with VA's disability claims process.

VA Response: Concur. The Veterans Benefits Administration (VBA) has been and will continue to provide relevant policy changes to the Department of State (State), Bureau of Consular Affairs program staff who provide support to the embassies and the Social Security Administration (SSA). State and SSA have a dedicated point of contact (POC) within VBA that can be contacted at any time for questions as the need arises. VBA policy information was formally requested and provided to State's Bureau of Consular Affairs on June 12, 2019, and SSA's Federal Benefit Unit on March 29, 2019, for leadership dissemination to staff in the region. On May 20, 2020, VBA provided training to the U.S. Consulate General Embassy staff in Frankfurt, Germany on benefits and services such as disability compensation, Veteran pension, scheduling exams at the embassy, and survivor benefits. As recently as the week of August 24, 2020, VBA communicated with POCs at both agencies to ensure shared lines of communication remain open and that all parties are aware of VBA's continued availability to provide support. VBA will continue to work with State and SSA to identify and implement improvements to the process as needed.

VBA considers this recommendation fully implemented and requests closure.

Recommendation 2: The Under Secretary for Benefits should identify and implement an interim strategy to consistently document the complete contact information for Veterans living abroad within VBMS, while OIT and VBA continue to explore a long-term solution.

VA Response: Concur. VBA's Veterans Benefits Management System (VBMS) holds foreign addresses and this capability has been available for several years. There is also an established protocol in place if there is a new country code that requires establishment in the system. Once the new country code is identified, a request should be submitted so that VBMS can update the system.

VBA will provide guidance to the field on a uniform approach to record contact information that has been truncated within VBMS. This will standardize the process until the data fields can be updated in the system.

Target Completion Date: December 31, 2020.

1 of 2

**Appendix II: Comments from the Department
of Veterans Affairs**

Enclosure

Department of Veterans Affairs (VA) Response to
Government Accountability Office (GAO) Draft Report
***VA DISABILITY BENEFITS: VA Should Continue to Improve Access to Quality
Disability Medical Exams for Veterans Living Abroad***
(GAO-20-620)

Recommendation 3: The Under Secretary for Benefits should systematically assess the quality of embassy-referred exams and use the results of this review to identify whether there are common problems related to the use of these exams, and, if necessary, take steps to address those problems, such as by developing tailored technical assistance for embassy-referred examiners.

VA Response: Concur. VBA will initiate special tracking procedures for embassy-referred examinations. VBA will conduct an analysis of the tracked data to identify impact and resulting quality of embassy-referred exams.

Target Completion Date: March 31, 2021.

Recommendation 4: The Under Secretary for Benefits and Under Secretary for Health – in concert with the General Counsel – should assess whether to reimburse beneficiaries for travel to disability medical exams in foreign countries.

VA Response: Concur. VBA's Medical Disabilities Examination Program Office, the Veterans Health Administration's (VHA) Member Services and VA's Office of General Counsel will work together to assess whether to amend VA's regulation to allow reimbursement to beneficiaries for travel expenses related to disability examinations in foreign countries.

Target Completion Date: March 31, 2021.

Recommendation 5: The Under Secretary for Health, working with the Under Secretary of Benefits, should identify ways to reimburse examiners referred by embassy-staff who conduct disability medical exams via direct deposit in the local currency, assess the cost-effectiveness of these options, and implement the method it selects.

VA Response: Concur. VHA's Office of Community Care, VBA's Medical Disabilities Examination Program Office, and other relevant offices will work together to determine VA's approach for reimbursing foreign providers who perform disability examinations in response to embassy referrals in a foreign country.

Target Completion Date: March 31, 2021.

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Text of Appendix II: Comments from the Department of Veterans
Affairs

Page 1

DEPARTMENT OF VETERANS AFFAIRS WASHINGTON
September 1, 2020

Ms. Elizabeth Curda Director
Education, Workforce
and Income Security Issues

U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

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Sincerely,

Brooks D. Tucker Acting Chief of Staff

Enclosure

Page 2

**Department of Veterans Affairs (VA) Response to Government Accountability
Office (GAO) Draft Report VA DISABILITY BENEFITS: VA Should Continue to**

**Improve Access to Quality Disability Medical Exams for Veterans Living
Abroad (GAO-20-620)**

Recommendation 1:

The Under Secretary for Benefits should work with State and SSA to identify and implement ways to help ensure that embassy staff and RFBOs are made aware of relevant changes in VA policy and standard operating procedures in a timely and consistent manner and can more readily identify available resources so they can efficiently help veterans living abroad with VA's disability claims process.

VA Response:

Concur. The Veterans Benefits Administration (VBA) has been and will continue to provide relevant policy changes to the Department of State (State), Bureau of Consular Affairs program staff who provide support to the embassies and the Social Security Administration (SSA). State and SSA have a dedicated point of contact (POC) within VBA that can be contacted at any time for questions as the need arises. VBA policy information was formally requested and provided to State's Bureau of Consular Affairs on June 12, 2019, and SSA's Federal Benefit Unit on March 29, 2019, for leadership dissemination to staff in the region. On May 20, 2020, VBA provided training to the U.S. Consulate General Embassy staff in Frankfurt, Germany on benefits and services such as disability compensation, Veteran pension, scheduling exams at the embassy, and survivor benefits. As recently as the week of August 24, 2020, VBA communicated with POCs at both agencies to ensure shared lines of communication remain open and that all parties are aware of VBA's continued availability to provide support. VBA will continue to work with State and SSA to identify and implement improvements to the process as needed.

VBA considers this recommendation fully implemented and requests closure.

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The Under Secretary for Benefits should identify and implement an interim strategy to consistently document the complete contact information for Veterans living abroad within VBMS, while OIT and VBA continue to explore a long-term solution.

VA Response:

Concur. VBA's Veterans Benefits Management System (VBMS) holds foreign addresses and this capability has been available for several years. There is also an established protocol in place if there is a new country code that requires

establishment in the system. Once the new country code is identified, a request should be submitted so that VBMS can update the system.

VBA will provide guidance to the field on a uniform approach to record contact information that has been truncated within VBMS. This will standardize the process until the data fields can be updated in the system.

Target Completion Date: December 31, 2020.

Page 3

Recommendation 3:

The Under Secretary for Benefits should systematically assess the quality of embassy-referred exams and use the results of this review to identify whether there are common problems related to the use of these exams, and, if necessary, take steps to address those problems, such as by developing tailored technical assistance for embassy-referred examiners.

VA Response:

Concur. VBA will initiate special tracking procedures for embassy-referred examinations. VBA will conduct an analysis of the tracked data to identify impact and resulting quality of embassy-referred exams.

Target Completion Date: March 31, 2021.

Recommendation 4:

The Under Secretary for Benefits and Under Secretary for Health – in concert with the General Counsel – should assess whether to reimburse beneficiaries for travel to disability medical exams in foreign countries.

VA Response:

Concur. VBA's Medical Disabilities Examination Program Office, the Veterans Health Administration's (VHA) Member Services and VA's Office of General Counsel will work together to assess whether to amend VA's regulation to allow reimbursement to beneficiaries for travel expenses related to disability examinations in foreign countries.

Target Completion Date: March 31, 2021.

Recommendation 5:

The Under Secretary for Health, working with the Under Secretary of Benefits, should identify ways to reimburse examiners referred by embassy-staff who conduct disability medical exams via direct deposit in the local currency, assess the cost-effectiveness of these options, and implement the method it selects.

VA Response:

Concur. VHA's Office of Community Care, VBA's Medical Disabilities Examination Program Office, and other relevant offices will work together to determine VA's approach for reimbursing foreign providers who perform disability examinations in response to embassy referrals in a foreign country.

Target Completion Date: March 31, 2021.

Appendix III: Comments from the Social Security Administration



SOCIAL SECURITY
Office of the Commissioner

August 18, 2020

Ms. Elizabeth H. Curda
Director, Education, Workforce, and Income Security Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Curda:

Thank you for the opportunity to review the draft report "VA DISABILITY BENEFITS: VA Should Continue to Improve Access to Quality Disability Medical Exams for Veterans Living Abroad" (GAO-20-620). We have a longstanding relationship with the Veterans Administration, and will continue to support and assist its efforts to improve service to veterans who live abroad.

If you have any questions, please contact me at (410) 965-9704. Your staff may contact Trae Sommer, Director of the Audit Liaison Staff, at (410) 965-9102.

Sincerely,

A handwritten signature in blue ink that reads "Stephanie Hall".

Stephanie Hall
Chief of Staff

SOCIAL SECURITY ADMINISTRATION BALTIMORE, MD 21235-0001

Text of Appendix III: Comments from the Social Security
Administration

Page 1

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Sincerely,

Stephanie Hall Chief of Staff

SOCIAL SECURITY ADMINISTRATION
BALTIMORE, MD 21235-0001

Appendix IV: Accessible Data

Data Tables

Figure 2: Number of Disability Claims Processed for Veterans Living Abroad, for Claims Completed in Fiscal Years 2014-2019

Year	Philippines	Foreign countries ^a	U.S. territories
2014	2840	2820	10422
2015	3350	3234	10804
2016	2537	4107	10233
2017	2606	4200	10476
2018	2352	4510	9643
2019	2308	4969	11010

Figure 3: Average Days to Process Disability Claims for Veterans Living Abroad by Location, for Claims Completed in Fiscal Years 2014-2019

Average number of days to process a claim

Year	Abroad	United States
2014	255	263
2015	196	190
2016	165	133
2017	139	125
2018	132	110
2019	141	112

Average number of days to process a claim

Year	Philippines	Foreign countries	U.S. territories
2014	154	340	259
2015	174	293	174
2016	139	220	149
2017	132	159	133
2018	123	152	125
2019	114	161	138

Figure 4: Approval Rates for Disability Claims for Veterans Living Abroad by Location, for Claims Completed in Fiscal Years 2014-2019

Percentage of claims approved

Year	Abroad	United States
2014	56	61
2015	57	61
2016	60	62
2017	58	62
2018	61	64
2019	63	64

Percentage of claims approved

Year	Philippines	Foreign countries	U.S. territories
2014	50	65	55
2015	55	64	55
2016	57	68	57
2017	52	67	56
2018	59	69	57
2019	63	69	60

Appendix V: GAO Contact and Staff Acknowledgments

GAO contact

Elizabeth H. Curda at (202) 512-7215 or curdae@gao.gov

Staff Acknowledgments

In addition to the contact named above, Nyree Ryder Tee (Assistant Director), Amy MacDonald (Analyst-in-Charge), Ada Nwadugbo, and Vernetta G. Shaw made key contributions to this report. Also contributing to this report were David Ballard, Jason Bair, Mark Bird, James E. Bennett, Scott Clayton, Daniel R. Concepcion, Alex Galuten, Corinna Nicolaou, Martin Scire, Joy Solmonson, Almeta Spencer, Ann Tynan, and Walter Vance.

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