

GAO Highlights

Highlights of [GAO-19-13](#), a report to the Chairman, Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

In 2016, VBA awarded 12 contracts to five private firms for up to \$6.8 billion lasting up to 5 years to conduct veterans' disability medical exams. Both VBA contracted medical examiners and medical providers from the Veterans Health Administration perform these exams, with a growing number of exams being completed by contractors. Starting in 2017, VBA contracted examiners conducted about half of all exams. GAO was asked to review the performance and oversight of VBA's disability medical exam contractors.

This report examines (1) what is known about the quality and timeliness of VBA contracted exams; (2) the extent to which VBA monitors contractors' performance; and (3) how VBA ensures that its contractors provide qualified and well-trained examiners. GAO analyzed the most recent reliable data available on the quality and timeliness of exams (January 2017 to February 2018), reviewed VBA and selected contract documents and relevant federal laws and regulations, and interviewed agency officials, exam contractors, an audit firm that checks examiners' licenses, and selected veterans service organizations.

What GAO Recommends

GAO recommends VBA (1) develop a plan for using its new data system to monitor contractors' quality and timeliness performance, (2) analyze overall program performance, (3) verify that contracted examiners complete required training, and (4) collect information to assess the effectiveness of that training. The Department of Veterans Affairs agreed with GAO's recommendations.

View [GAO-19-13](#). For more information, contact Elizabeth Curda at (202) 512-7215 or curdae@gao.gov.

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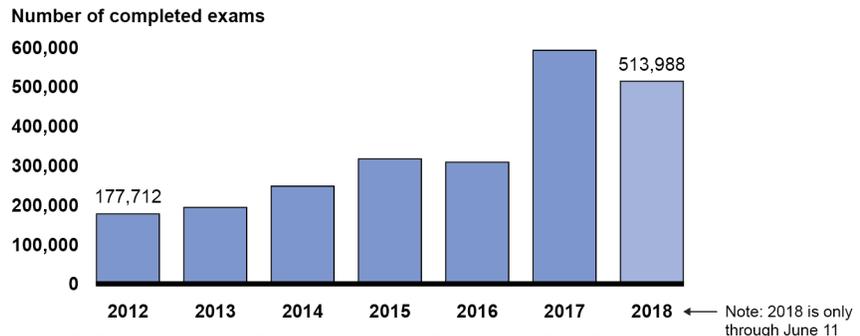
VA DISABILITY EXAMS

Improved Performance Analysis and Training Oversight Needed for Contracted Exams

What GAO Found

The Veterans Benefits Administration (VBA) has limited information on whether contractors who conduct disability compensation medical exams are meeting the agency's quality and timeliness targets. VBA contracted examiners have completed a growing number of exams in recent years (see figure). VBA uses completed exam reports to help determine if a veteran should receive disability benefits. VBA reported that the vast majority of contractors' quality scores fell well below VBA's target—92 percent of exam reports with no errors—for the first half of 2017. Since then, VBA has not completed all its quality reviews, but has hired more staff to do them. VBA officials acknowledged that VBA also does not have accurate information on contractor timeliness. VBA officials said the exam management system used until spring 2018 did not always retain the initial exam report completion date, which is used to calculate timeliness. In spring 2018, VBA implemented a new system designed to capture this information.

Disability Compensation Medical Exams Completed by Contractors, Fiscal Years 2012-2018



Source: GAO analysis of Veterans Benefits Administration (VBA) data. | GAO-19-13

VBA monitoring has addressed some problems with contractors, such as reassigning exams from contractors that did not have enough examiners to those that did. However, the issues GAO identified with VBA's quality and timeliness information limit VBA's ability to effectively oversee contractors. For example, VBA officials said they were unable to track the timeliness of exam reports sent back to contractors for corrections, which is needed to determine if VBA should reduce payment to a contractor. The new system implemented in spring 2018 tracks more detailed data on exam timeliness. However, VBA has not documented how it will ensure the data are accurate or how it will use the data to track the timeliness and billing of corrected exam reports. VBA also has no plans to use the new system to analyze performance data to identify trends or other program-wide issues. Without such plans, VBA may miss opportunities to improve contractor oversight and the program overall.

A third-party auditor verifies that contracted examiners have valid medical licenses, but VBA does not verify if examiners have completed training nor does it collect information to assess training effectiveness in preparing examiners. While VBA plans to improve monitoring of training, it has not documented plans for tracking or collecting information to assess training. These actions could help ensure that VBA contractors provide veterans with high-quality exams and help VBA determine if additional training is needed.