



October 2018

# VETERANS' DISABILITY BENEFITS

## Better Measures Needed to Assess Regional Office Performance in Processing Claims

# GAO Highlights

Highlights of [GAO-19-15](#), a report to congressional committees

## Why GAO Did This Study

Each year, VBA processes more than 1 million disability compensation claims and provides about \$65 billion in benefits to veterans. The Jeff Miller and Richard Blumenthal Veterans Health Care and Benefits Improvement Act of 2016 includes a provision for GAO to review VBA's regional offices to help VBA achieve more consistent performance in processing disability compensation claims.

This report examines (1) how VBA manages workload and performance for the disability compensation claims process, (2) how well VBA's timeliness and accuracy measures capture its regional offices' performance in processing these claims, and (3) how well selected regional offices communicate with VSOs and congressional caseworkers about these claims. GAO reviewed VBA policies and procedures; visited four regional offices selected to represent a range of performance scores and claims processing volume in fiscal year 2017; and interviewed VBA headquarters officials and management and staff from the selected regional offices. GAO also interviewed VSOs and congressional caseworkers—selected for House, Senate, and bipartisan representation—to learn more about their communication with VBA.

## What GAO Recommends

GAO is making five recommendations to VBA to clarify guidance for correcting errors, develop and implement measures to better assess timeliness and accuracy at regional offices, and evaluate communication with VSOs and caseworkers. The Department of Veterans Affairs concurred with GAO's recommendations.

View [GAO-19-15](#). For more information, contact Elizabeth H. Curda at (202) 512-7215 or [curdae@gao.gov](mailto:curdae@gao.gov).

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## Better Measures Needed to Assess Regional Office Performance in Processing Claims

## What GAO Found

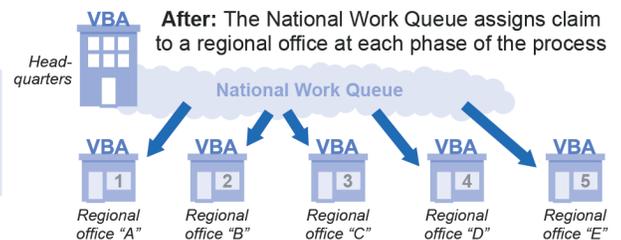
In 2016, the Veterans Benefits Administration (VBA) centralized distribution of the disability compensation claims workload through the National Work Queue, which prioritizes and distributes claims to regional offices based on their capacity; however, there are gaps in VBA's guidance for processing claims with errors. Under the National Work Queue, multiple regional offices can work on a single claim instead of the claim remaining at one office for the duration of processing (see figure). GAO found gaps in guidance about whether a claims processor should fix an error made by another regional office, or return the claim to that office to be corrected. The former could result in missed opportunities to train staff who made the error, while the latter could result in processing delays.

### VBA Disability Claims Workload Distribution Before and After the National Work Queue

**Before:** All five phases of a claim handled by a single regional office



Source: GAO analysis of Veterans Benefits Administration (VBA) procedures. | GAO-19-15



VBA primarily uses timeliness and accuracy measures to assess its regional offices' performance in processing disability compensation claims, but these measures do not adequately capture performance. The timeliness measure can be skewed because it is a snapshot of how long claims have been pending at an office on the last day of the month, and does not capture performance over a period of time. The accuracy measure is attributed to the office that finishes the claim, even though 88 percent of claims completed in fiscal year 2017 were processed at more than one office. VBA officials acknowledged that these measures are limited and said the agency is exploring alternatives, but VBA has no specific plan or time frame for determining and implementing new measures. Without measures to more accurately assess regional office performance, VBA may be limited in its ability to make efficient and effective decisions.

Veterans service organizations (VSO) and staff working for Members of Congress (congressional caseworkers) interviewed by GAO were generally satisfied with regional office communication regarding disability compensation claims. However, VBA's policy on whom VSOs should contact during different points in the process did not always align with what occurs at the offices we visited or with VSO needs. This could result in VSOs not receiving consistent and timely responses from VBA. Evaluating this policy could help VBA assist VSOs in better serving veterans. In addition, congressional caseworkers GAO interviewed identified ways that communication could be improved or that additional support could be provided, such as a list of contacts at all regional offices for claim inquiries. VBA officials GAO interviewed described an open-door policy through which they may receive feedback from caseworkers, but the agency does not formally solicit periodic feedback from them. Without such feedback, the agency may miss opportunities to identify and address caseworker communication needs that could help them better serve veterans.

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## Abbreviations

STAR	Systematic Technical Accuracy Review
VA	Department of Veterans Affairs
VBA	Veterans Benefits Administration
VSO	veterans service organization

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October 3, 2018

The Honorable Johnny Isakson  
Chairman  
The Honorable Jon Tester  
Ranking Member  
Committee on Veterans' Affairs  
United States Senate

The Honorable Phil Roe  
Chairman  
The Honorable Tim Walz  
Ranking Member  
Committee on Veterans' Affairs  
House of Representatives

The Department of Veterans Affairs' (VA) Veterans Benefits Administration (VBA) provides roughly \$65 billion in disability compensation benefits to more than 4 million veterans each year. VBA primarily relies on its 57 regional offices to determine veterans' eligibility for disability compensation and, since 2010, these offices have processed an average of more than 1 million claims each year. Prior to 2016, a veteran's claim was generally processed by the veteran's local regional office. However, in 2016, VBA implemented the National Work Queue to centralize the distribution of claims to regional offices. Now, a claim can be processed by multiple regional offices, and claims are distributed based on regional office capacity. In order to monitor and improve its claims processing performance, VBA sets goals for both processing time and accuracy in disability determinations, and tracks this performance across regional offices.

VBA's disability compensation claims process can be challenging for veterans. Therefore, independent veterans service organizations (VSO) and staff working for Members of Congress (congressional caseworkers) support veterans in navigating the claims process. VBA requires regional offices to communicate with these VSOs and congressional caseworkers as they work on behalf of veterans.

The Jeff Miller and Richard Blumenthal Veterans Health Care and Benefits Improvement Act of 2016 includes a provision for GAO to review

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VBA's regional offices to help VBA achieve more consistent performance in processing disability compensation claims.<sup>1</sup> This report addresses (1) how VBA manages workload and performance for the disability compensation claims process, (2) how well VBA's timeliness and accuracy measures capture its regional offices' performance in processing these claims, and (3) how well selected VBA regional offices communicate with VSOs and congressional caseworkers about these claims.

To address these objectives, we reviewed VBA headquarters policies and procedures related to management practices, performance, and communication.<sup>2</sup> We also visited four regional offices—Columbia, SC; Montgomery, AL; St. Paul, MN; and Wichita, KS—selected to represent a range of VBA-reported performance measure scores and claims processing volume in fiscal year 2017. We assessed the reliability of data on performance scores and claims volume by reviewing relevant documentation, interviewing VBA staff, and performing electronic testing for obvious errors in accuracy and completeness, and concluded that these data were sufficiently reliable for the purposes of selecting regional offices to visit. We interviewed VBA headquarters and district office officials, and various groups of management and staff from the selected regional offices regarding VBA and regional office management, regional

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<sup>1</sup>Pub. L. No. 114-315, § 104, 130 Stat. 1536, 1541.

<sup>2</sup>We limited the scope of our review to initial and reopened disability compensation rating claims. Thus, throughout this report, the terms "disability compensation claims" and "claims" refer to initial and reopened disability compensation rating claims. We also limited our review to the time period beginning in May 2016 when the National Work Queue was fully implemented, since this new workload management system affected the processing of claims, the methods for assessing performance, and the communication at regional offices. For the purposes of this report, "management practices" refers to actions that managers use to manage the claims workload and affect claims processing performance.

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office performance measurement, and regional office communication with VSOs and congressional caseworkers.<sup>3</sup>

Specifically, to address the first objective, we reviewed VBA headquarters documentation related to management practices for disability compensation claims. We also reviewed VBA headquarters and district office reports on site visits to regional offices. In addition, we reviewed regional office-level policy and procedure documents related to managing workload and performance from the four selected regional offices. We discussed with VBA officials the National Work Queue and how it affects VBA's management of workload and performance. We did not assess the extent to which the use of the National Work Queue affected performance outcomes, in part, because performance changes may be attributed to several factors, such as VBA's move from a paper- to electronic-based claims process, mandatory and voluntary overtime for claims processors, and an agency-wide focus on reducing the claims backlog.<sup>4</sup> In addition, we compared management practices for identifying and correcting claims processing errors to federal internal control standards related to the design of control activities.

To address the second objective, we reviewed VBA's policy and documentation on performance measurement, such as the Director's Performance Plans for fiscal years 2017 and 2018, agency budget and performance reports, and VBA-reported regional office performance data related to timeliness and accuracy of disability compensation claims for fiscal year 2017. We discuss the reliability of the timeliness data and the regional office-level accuracy scores later in this report. We assessed the reliability of the accuracy data related to the frequency of specific errors nationwide by interviewing VBA staff, performing electronic testing for

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<sup>3</sup>From VBA headquarters, we interviewed officials from the Office of Field Operations; National Work Queue office; Office of Performance Analysis and Integrity, which provides analysis of performance information related to claims; Compensation Service, which sets policy and oversees the delivery of disability compensation; and Benefits Assistance Service, which conducts outreach on VA benefits and services. We interviewed officials from the Southeast and Midwest districts where our selected regional offices are located. During our visits to the four selected regional offices, we interviewed 60 managers, including regional office directors, Veterans Service Center managers, and various supervisors; 28 claims processors; 8 congressional liaisons, who answer inquiries from congressional caseworkers; 4 Change Management Agents, a position at each regional office to help facilitate VBA changes and related communication at the office; and 9 other staff.

<sup>4</sup>According to VBA, backlog claims are those that have been pending for more than 125 days.

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obvious errors in accuracy and completeness, and reviewing our prior analyses of these data. We concluded that these data on errors were sufficiently reliable for the purposes of our report. We compared VBA's regional office performance measures to federal internal control standards on using quality information to achieve agency objectives.<sup>5</sup>

To address the third objective, we reviewed VBA policies on communication with VSOs and congressional caseworkers. We also reviewed VA Office of Inspector General reports on regional offices, and VBA headquarters reports on site visits to regional offices. In addition, we reviewed congressional testimony from national VSOs related to communication with regional offices. We interviewed officials from VA's Office of Inspector General and Office of Congressional and Legislative Affairs. We also interviewed national officials from three congressionally chartered VSOs, that are also recognized by VA—The American Legion, Disabled American Veterans, and Veterans of Foreign Wars—and were selected because of their size and the scope of veterans' issues they represent.<sup>6</sup> During our visits to the four selected regional offices, we interviewed 23 local VSO staff, selected for local VSOs' availability to meet with us during our visits.<sup>7</sup> During our visits, we also interviewed 22 congressional caseworkers working for 16 Members of Congress. The caseworkers were selected to include House, Senate, and bipartisan representation, and for the volume of cases the caseworkers were involved in at the regional offices we visited. We compared the regional offices' communication with VSOs and congressional caseworkers to VA's policies and federal internal control standards on communication.

We conducted this performance audit from July 2017 through October 2018 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

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<sup>5</sup>While there is a potential trade-off between improving claims processing timeliness and maintaining accuracy, we did not assess the extent to which these outcomes may be correlated because of the number of factors that can affect both, and because of how recently the National Work Queue was implemented.

<sup>6</sup>Congressionally chartered VSOs are those whose mission was established in federal statute.

<sup>7</sup>This figure includes five VSO staff whom we interviewed after our visits.

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that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

### Disability Compensation Claims Process

VA pays monthly disability compensation to veterans with service-connected disabilities (i.e., injuries or diseases incurred or aggravated while on active military duty) according to the severity of the disability.<sup>8</sup> VBA's Compensation Service sets policy and oversees the delivery of disability compensation. VBA's Office of Performance Analysis and Integrity analyzes performance information related to claims. VBA's Office of Field Operations provides operational oversight to district and regional offices. The 57 regional offices are grouped into five district offices, which manage the regional offices in their areas.<sup>9</sup> VBA staff in the Veterans Service Centers of the regional offices process disability compensation claims. These claims processors include Veterans Service Representatives who gather evidence needed to determine entitlement and review the amount of the award and authorize payment, if any, and Rating Veterans Service Representatives who decide entitlement and the rating percentage.<sup>10</sup> Veterans may claim more than one medical condition, and VBA assigns a rating percentage for each claimed medical condition, as well as for the claim overall.

As shown in figure 1, after a veteran submits a claim to VBA, a Veterans Service Representative reviews the claim and helps the veteran gather the relevant evidence needed to evaluate the claim. Such evidence includes the veteran's military service records, medical examinations, and treatment records from Veterans Health Administration medical facilities and private medical service providers. Also, if necessary to provide support to substantiate the claim, VA will provide a medical examination

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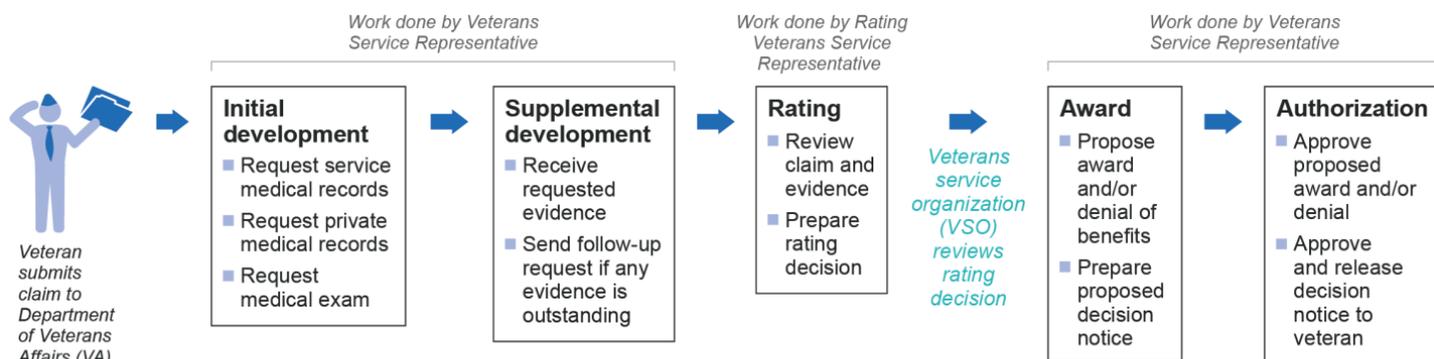
<sup>8</sup>38 U.S.C. § 1101 et seq. VA's disability ratings are awarded in 10 percent increments, up to 100 percent. As of December 2017, basic monthly payments were, for example, about \$136 for a veteran with a 10 percent disability rating and no dependents, and about \$3,261 for a veteran with a 100 percent disability rating, a spouse, and one child.

<sup>9</sup>For quality assurance purposes, VBA counts one of its sub-offices as a separate regional office, in addition to its 56 regional offices. Thus, for reporting purposes, we refer to 57 offices.

<sup>10</sup>We refer to Veterans Service Representatives and Rating Veterans Service Representatives together as "claims processors" throughout this report.

for the veteran. Once VBA has gathered the supporting evidence, a Rating Veterans Service Representative—who typically has more experience at VBA than a Veterans Service Representative—evaluates the claim and determines whether the veteran is eligible for benefits and, if so, assigns a percentage rating. A Veterans Service Representative then determines the amount of the award, if any, and drafts a decision notice. A senior Veterans Service Representative then authorizes the award and releases the decision notice to the veteran following a review of both for accuracy.

**Figure 1: Five Phases of VBA's Disability Compensation Claims Process**



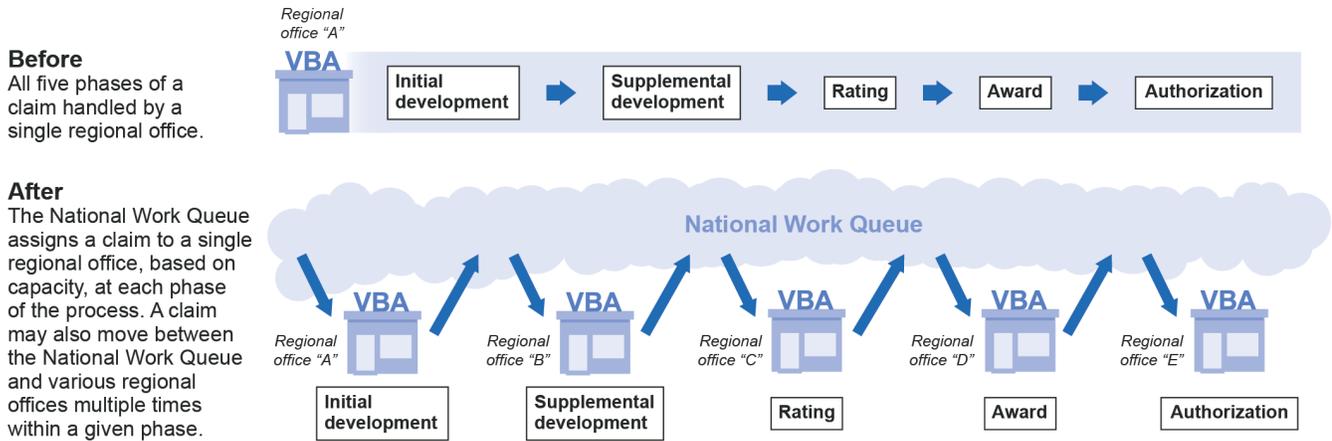
Source: GAO analysis of Veterans Benefits Administration (VBA) procedures. | GAO-19-15

## National Work Queue

In May 2016, VBA completed implementation of the National Work Queue—an electronic workload management initiative that prioritizes and distributes claims across regional offices. Previously, a veteran's claim was generally processed from start to finish (i.e., awarding of benefits or notification of denial) by the veteran's local regional office of jurisdiction, and the regional office's workload generally depended on how many claims were filed by veterans within its area of jurisdiction.<sup>11</sup> Now, a claim can be processed by multiple regional offices, and claims are distributed based on regional office capacity (see fig. 2).

<sup>11</sup>While claims were generally completed by a single regional office prior to the National Work Queue, VBA would sometimes manually reallocate claims from one office to another to balance workload and resources within regional offices. In addition, some claims involving special missions were processed at specific regional offices.

**Figure 2: VBA Disability Compensation Claims Workload Distribution Before and After Implementing the National Work Queue in May 2016**



Source: GAO analysis of Veterans Benefits Administration (VBA) procedures. | GAO-19-15

Note: As of March 2017, the National Work Queue no longer automatically recalls claims after the Award phase. Instead, a claim may remain at the same regional office for the Authorization phase.

## National Trends in Disability Compensation Claims Processing

VBA establishes national targets and tracks performance for disability compensation claims processing. Since fiscal year 2014, national claims processing timeliness has improved substantially, and accuracy scores have decreased slightly, as shown in table 1. VBA’s 12-month issue-based accuracy target for fiscal year 2017 was 96 percent and its target for fiscal year 2018 was the same.<sup>12</sup> From fiscal year 2014 to 2017, VBA’s national accuracy estimate decreased from about 96 percent to about 94 percent.<sup>13</sup> In addition, VBA’s target for backlog claims—defined by VBA as those pending for more than 125 days—for fiscal year 2017 was no more than 15 percent of claims inventory and its target for fiscal year 2018 was no more than 21 percent of claims. In fiscal year 2017, VBA’s reported percentage of backlog claims was 23 percent, with a reduction from 240,443 to 70,965 total reported backlog claims from fiscal years 2014 to 2017.

<sup>12</sup>A veteran can file a single claim that has multiple medical conditions that the claims processors must assess. Issue-based accuracy measures the accuracy of decisions on the individual medical conditions within each claim. VBA also refers to this score as 12-month issue-based quality.

<sup>13</sup>VBA reported accuracy scores of 96.0 percent (+/- 0.27) and 94.4 percent (+/- .43) for fiscal years 2014 and 2017, respectively. VBA officials stated that the decrease in accuracy scores may be due, in part, to the agency receiving and processing a larger volume of claims in recent years, and spending less time on each individual claim.

**Table 1: VBA National Data on Claims Accuracy and Timeliness, Fiscal Years 2014-2017**

	Accuracy score	Backlog claims as percentage of claims inventory	Average days to complete claim <sup>a</sup>	Average days pending
2014	96.0	48	250	153
2015	96.0	20	183	95
2016	95.6	20	129	86
2017	94.4	23	119	92

Source: Veterans Benefits Administration (VBA) data. | GAO-19-15

<sup>a</sup>The average days to complete a claim is the average length of time to process a claim from receipt of the claim from the veteran to notification of decision to the veteran.

## Regional Office Performance Measures for Disability Compensation Claims Processing

VBA’s Office of Performance Analysis and Integrity collects a variety of data on timeliness and accuracy, including on VBA’s claims backlog, so that VBA can monitor regional office performance. To improve timeliness and accuracy, and reduce the claims backlog, VBA sets performance standards for the directors of regional offices. In fiscal year 2018, regional office performance was assessed using two primary metrics—timeliness (Time-in-Queue) and accuracy (12-month issue-based accuracy).<sup>14</sup> Since 1999, VBA has assessed the accuracy of disability compensation claims decisions at the national and regional office level using its Systematic Technical Accuracy Review (STAR). With this tool, VBA reviews a stratified random sample of completed claims, and certified reviewers use a checklist to assess specific aspects of each claim.<sup>15</sup>

<sup>14</sup>VBA refers to these primary metrics as “driving metrics.”

<sup>15</sup>STAR has two major components. The benefit entitlement review assesses whether the correct steps were followed in addressing all issues in the claim, appropriate evidence was collected, and the resulting decision was correct, including effective dates and payment rates. VBA calculates accuracy performance based on the results of the benefit entitlement review. STAR also assesses whether claims processors appropriately documented the decision and notified claimants.

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## Veterans Service Organizations and Congressional Caseworkers

According to VA, as of October 2017, 31 congressionally chartered VSOs were recognized by VA under federal statute to help veterans navigate the claims process.<sup>16</sup> VSOs commonly are private nonprofit groups that advocate without fees on behalf of veterans. VSOs employ individuals, called veterans service officers, whose offices often are located at a VBA regional office.<sup>17</sup> Through a power of attorney, VSOs can represent veterans before VA, and assist them and their families with disability compensation claims, among other things. VSO staff are trained to help veterans understand and apply for any VA benefits to which they may be entitled, including disability compensation. In addition to helping veterans submit claims to VBA, VSOs are allowed to communicate with VBA on behalf of the veteran throughout the life of the claim, and are given up to 48 hours to review the claim decision before it is finalized (after the Rating phase in figure 1 above). VSOs can have access to VBA's electronic claims management system to view claims status and submit claims documents.

According to a Congressional Research Service report, as of March 2016, 919 congressional caseworkers were working for constituents on a variety of issue areas, including veterans' disability compensation claims. Also according to the report, congressional caseworkers cannot legally represent veterans, but with a privacy release form from the veteran, VBA may respond to a congressional inquiry. According to VA officials, congressional caseworkers can then obtain certain claim-related information from VA, such as the status of the veteran's claim. VA's guidance on "special controlled correspondence" governs VBA's communication with congressional caseworkers, including required time frames for responding to congressional inquiries. Congressional caseworkers generally work out of Congressional Members' state and district offices.

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<sup>16</sup>See 38 U.S.C. § 5902 for more information about VA recognition.

<sup>17</sup>At regional offices, we spoke with veterans service officers who work for VSOs. For the purposes of this report, we use the term VSO to refer to the input we received from these veterans service officers on behalf of VSOs.

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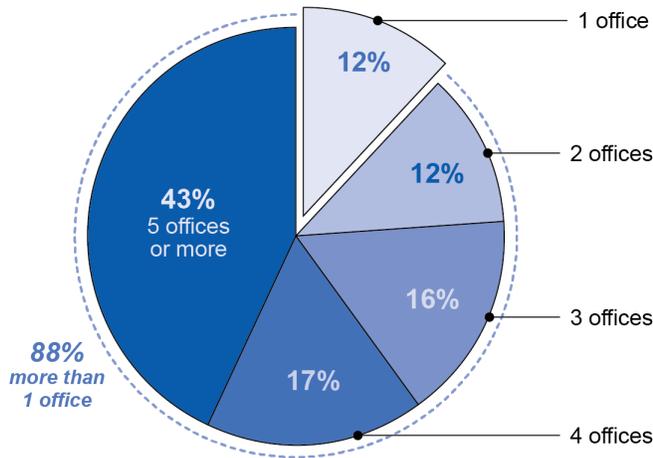
VBA Manages Workload and Performance through Established Processes, but Guidance for Claims with Errors Has Gaps

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VBA Allocates Claims Workload across Offices Based on Their Capacity, but Guidance for Processing Claims with Errors Has Gaps

The National Work Queue, which VBA uses to distribute disability compensation claims, was designed to even out the differences in claims workload across regional offices by having multiple offices complete parts of a claim and allocating claims based on each office's capacity. For example, as shown in figure 3, in fiscal year 2017, about 88 percent of all disability compensation claims were processed by more than one office, and over 75 percent were processed by three or more offices. This distribution method is intended to keep all offices working at their capacity, regardless of the volume of claims filed by veterans in each region. While VBA officials stated that they had initially planned to continue to have a majority of claims processed at veterans' local regional offices, after implementation of the National Work Queue they determined that the system operates more effectively if veteran location is a lower priority factor for claims distribution. Thus, very few claims are processed entirely at a veteran's local regional office, unless the veteran has a documented hardship that may necessitate expediting the claim or face-to-face interaction.

**Figure 3: Percentage of Disability Compensation Claims Processed by One or More Offices in Fiscal Year 2017**



Source: GAO analysis of Veterans Benefits Administration data. | GAO-19-15

VBA officials added that the National Work Queue formula distributes claims based on VBA priorities. For example, VBA prioritizes claims for veterans with documented hardships (e.g., terminal illness, financial hardship). In addition, the National Work Queue formula takes into account the length of time since the claim was received and prioritizes backlog claims—defined by VBA as claims that have been open for more than 125 days.

Once the National Work Queue allocates claims to a regional office, the office has some discretion in managing the distribution of claims to its staff and managing the claims review process. For example, while VBA determines how the claims workload is allocated across offices, regional office managers decide which claims within the office’s queue to work first, how to program the office’s queue for distributing claims to individual claims processors’ electronic work queues, and whether any changes to this distribution are needed throughout the day. Regional office managers at each of the four offices we visited reported using VBA’s timeliness goals and daily data on claims processing timeliness to prioritize claims. Managers at the offices we visited also described additional strategies to manage their work queue, including:

- At two of the four offices we visited, managers said that they provide a list of claims to claims processors to prioritize, such as those that are older or have been in the office’s work queue for multiple days.

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- Managers at one office said that they manually alter individual claims processors' electronic work queues so that older claims are processed first.
  - Managers at one office stated that because they instruct claims processors to focus on meeting timeliness targets for the office, all claims are worked within a few days; thus, they encourage their staff to focus on meeting the office timeliness goals rather than requiring them to work the claims in their queue in a specified order.

VBA officials acknowledged that regional office managers may have different strategies for managing workload, but noted that all offices are expected to respond to VA national priorities—such as decreasing the claims backlog—while also meeting their individual office performance goals.<sup>18</sup>

While VBA officials noted that having discretion in workload management can be beneficial, such discretion can also lead to inconsistent handling of the claims workload. In particular, we found gaps in guidance for managing deferrals—actions taken by claims processors in VBA's electronic claims management system when they identify claims errors that occurred earlier in the claims process.<sup>19</sup> The deferral process began with the National Work Queue since claims were, for the first time, routinely being processed by multiple regional offices. Through deferrals, when claims processors identify errors in a claim, they can use the National Work Queue to return the claim for correction to the office that made the error. According to VBA data, in fiscal year 2017, VBA claims processors deferred claims in 450,305 instances, which represented

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<sup>18</sup>We discuss the measures VBA uses for assessing regional office performance later in this report. While meeting VBA's expectations for regional office performance would contribute to decreasing the backlog, there are examples at the individual level in which working a backlog claim would not necessarily be a priority for meeting regional office performance goals (e.g., a backlog claim that has only been in the office's work queue for 1 day).

<sup>19</sup>VA uses the term "error" to refer to errors identified in the STAR process and employees' Individual Quality Reviews based on the criteria of those reviews. We use the term more broadly here to refer to any mistakes that a claims processor identifies.

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almost 4 percent of the total disability claims processing work completed.<sup>20</sup>

While VBA officials said that claims processors who find errors are generally expected to defer a claim, managers and claims processors at the regional offices we visited had different perspectives regarding when Veterans Service Representatives should do this. At all four of the regional offices we visited, managers and claims processors said that they generally would not defer a claim if the error could be corrected and the claim moved forward.<sup>21</sup> At one regional office, managers and claims processors said that they would log a deferral in the electronic claims management system, so the error would be tracked and the previous claims processor could be notified and trained, but that they would also correct the error themselves to move the claim forward.<sup>22</sup>

VBA provides some guidance to Rating Veterans Service Representatives regarding the circumstances in which they should defer claims, but does not have corresponding guidance for Veterans Service Representatives. However, according to our analysis of VBA data from fiscal year 2017, more than 75 percent of deferrals are logged during the Initial Development, Supplemental Development, Award, or Authorization phases—when Veterans Service Representatives are typically processing claims. Existing guidance for Veterans Service Representatives on deferrals in the National Work Queue Playbook and other documents focuses on the process for deferring a claim in the electronic claims management system, rather than on situations that merit a deferral.<sup>23</sup> Specifically, VBA does not provide guidance on when Veterans Service

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<sup>20</sup>This percentage shows the number of deferrals (450,305) expressed as a percentage of the approximately 12 million claims transactions completed by claims processors in fiscal year 2017. A transaction is a task that a claims processor completes when processing a claim.

<sup>21</sup>Managers at one regional office said that they did not have a specific policy regarding whether to defer the claim or fix the error, but that they encourage employees not to automatically defer the claim if they have other options for resolving the issue.

<sup>22</sup>We use the term “log a deferral” to refer to the process of identifying an error and recording a deferral in the electronic claims management system, regardless of whether the claims processor also corrects the error or sends the claim back to the previous regional office for correction.

<sup>23</sup>VBA’s National Work Queue Playbook provides standard operating procedures to all VBA employees involved with disability compensation claims in order to process claims in the National Work Queue environment.

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Representatives should defer a claim or consider other options, such as correcting the error and moving the claim forward, with or without a deferral. VBA officials stated that the policy regarding when to defer claims is not prescriptive—and they do not plan to provide additional guidance—because they want to allow regional offices the discretion to decide what action is best for the veteran. However, federal internal control standards state that agencies should design control activities to achieve objectives and respond to risks. For example, a control activity that is performed routinely and consistently generally is more precise than one performed sporadically.<sup>24</sup> As such, deferrals may not serve as an effective control without being used consistently across VBA’s regional offices.

VBA’s lack of guidance on when to defer claims may lead to delays for veterans and missed opportunities to train individuals who make errors. In some cases, differences in regional office practices for when to defer claims may lead to situations in which claims that could move forward are instead sent back to the previous office, causing unnecessary delays for veterans. In addition, we heard from managers or claims processors at three offices we visited that claims may not always be deferred for legitimate reasons and that the ability to defer claims may create incentives for employees to defer a claim based on an insignificant error if they want to avoid working on a complex claim.<sup>25</sup> In other cases, more significant errors may end up being fixed at a regional office without providing feedback to the office that made the mistake. While the practice of fixing the error rather than deferring the claim may keep the claim moving for the veteran, it also means that claims processors who make errors may repeat the same mistakes in the future.

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<sup>24</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014), principle 10.

<sup>25</sup>VBA officials stated that they provide regional offices with data that allow managers to monitor the deferral process for this type of behavior and address it, as needed, as a conduct issue.

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## VBA Sets Regional Office Performance Goals and Individual Expectations and Has Developed Processes for Managing Performance

VBA sets regional office goals and individual claims processor expectations that align with national efforts to increase timeliness and accuracy of claims decisions. VBA holds regional offices accountable for meeting performance goals through the Director's Performance Plan. For disability compensation claims in fiscal year 2018, VBA assessed regional office performance using the Time-in-Queue and 12-month issue-based accuracy measures. VBA has developed processes and tools for communicating performance information to regional offices and for identifying common errors. For example, VBA sets timeliness goals for regional offices and generates daily claims processing timeliness data for each office. At the regional offices we visited, we observed that VBA displays these data on monitors so that managers and employees can see how their office is performing on a daily basis. In addition, VBA has created performance reporting tools that allow regional office managers, claims processors, and various VBA workgroups to download regional office performance information and analyze office performance issues at their discretion.

At the regional offices we visited, quality review teams analyze claims processing errors made by their employees, such as those identified in STAR reviews and through the deferral process. Based on common mistakes they identify, quality review staff at all four offices we visited said that they incorporate topics related to the errors into training sessions, or provide direct coaching to individual employees. VBA also conducted an In-Process Review pilot from November 2017 through May 2018 at selected regional offices.<sup>26</sup> The pilot involved a quality review for two phases of the claims process. The purpose of the pilot was for employees to learn from and correct mistakes in a non-punitive setting while the claim was being processed. VBA officials reported that VBA discontinued the pilot in May 2018—prior to its scheduled completion date—because the pilot was not demonstrating the anticipated benefit of reducing the number of errors at pilot offices that resulted in deferrals.

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<sup>26</sup>In order to assess the quality of claims processors' work, VBA conducts monthly Individual Quality Reviews of a sample of the work completed by each employee. The scores from these reviews are factored in to each claims processor's performance evaluation. In contrast, In-Process Reviews are conducted before a claim is completed, and they are not used in formal performance reviews. In-Process Reviews are therefore non-punitive, and allow claims processors to receive quick feedback on their work and correct errors before a claim decision is issued to the veteran.

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VBA also develops practices at the national level for managing individual employee performance and, in some cases, provides regional office managers with discretion for implementing those practices. In support of the regional office performance standards, VBA sets individual employee performance standards in the following five areas: (1) quality of work; (2) timeliness of corrective actions and responsiveness to workload assignments; (3) production (i.e., the number of transactions, or tasks, completed within the assessment period); (4) completion of training; and (5) organizational support. The production standards include a goal for the number of credits, or points, that employees are expected to earn during each pay period for their work activities.<sup>27</sup> According to VBA officials, regional office managers are held accountable for providing feedback to employees on a regular basis and addressing performance deficiencies appropriately and in a timely manner. In addition, according to VBA officials, VA's policy allows regional office managers "broad discretion" in determining when a performance deficiency exists.

Employee performance incentive programs, which provide monetary awards to top performers in each regional office, are also managed at the national level. However, within regional offices, some managers told us that they also occasionally provide small incentives or celebrations to show appreciation for staffs' contributions.

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<sup>27</sup>While all claims processors are evaluated in the same five areas of performance, Veterans Service Representatives and Rating Veterans Service Representatives have different standards for production based on the differences in their positions. Specifically, Rating Veterans Service Representatives receive production credits solely for completing rating decisions, whereas Veterans Service Representatives receive credit for a variety of transactions that they complete.

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## VBA's Timeliness and Accuracy Measures Do Not Adequately Reflect Regional Office Performance for Disability Compensation Claims Processing

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### Regional Office Timeliness Measure Does Not Capture Performance over a Period of Time

VBA uses Time-in-Queue—the average number of business days that claims have been pending at a regional office—to measure overall regional office timeliness for processing disability compensation claims. Time-in-Queue is measured separately for each phase of the claims process—Initial Development, Supplemental Development, Rating, Award, and Authorization—and VBA has established timeliness goals for each of these phases. VBA holds regional offices accountable for meeting timeliness goals through the Director's Performance Plan, which rates offices as successful if they meet Time-in-Queue standards for each phase of the claims process in 10 out of 12 months. For this purpose, the measure is a snapshot on the last day of each month that shows how long, on average, claims have been pending at each office; however, it does not capture regional office performance over a period of time. Consequently, Time-in-Queue can provide a skewed picture for a period of time, depending on the work that is assigned to the office toward the end of the month and the speed with which claims are processed during that limited time period.<sup>28</sup>

Moreover, according to VBA officials, the agency used Time-in-Queue scores and additional factors—such as space considerations and training capacity—to determine the amount of new resources to allocate to its regional offices in May 2017, and the agency will continue to consider such performance information when allocating resources in the future.

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<sup>28</sup>VBA uses Time-in-Queue for managing the claims workload and performance on a daily basis, to decide what claims to work next and to monitor how offices are performing each day, but it presents an incomplete picture of timeliness over a period of time, such as a month or year.

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However, federal internal control standards state that agencies should use quality information to achieve objectives. For example, an agency should obtain data from reliable sources in a timely manner and based on identified requirements, and reliable sources are those that provide data that are reasonably free from error and bias and faithfully represent what they purport to represent.<sup>29</sup> In addition, our prior work has shown that practices for improving the usefulness of performance data include using new methods of measurement to address data limitations, such as Time-in-Queue only capturing performance as a snapshot on 1 day.<sup>30</sup>

VBA officials acknowledged that the Time-in-Queue performance measure does not reflect the complete timeliness of a regional office. These officials said that the agency is exploring adding a Time-to-Exit-Queue measure that could capture regional office timeliness over a period of time. For example, Time-to-Exit-Queue could measure the timeliness of all claims processing work completed throughout the month instead of work pending on the last day of the month. However, VBA has not yet completed the development of the Time-to-Exit-Queue performance measure. VBA has also not determined whether or when it will replace or supplement Time-in-Queue with a new primary metric—Time-to-Exit-Queue or something else—to measure regional office timeliness. Until VBA implements a new measure to more fully assess regional offices' timeliness, the agency will not have a complete picture of regional office performance over time, which could impair decision-making related to regional office performance, such as decisions about targeting resources to high- or low-performing offices.

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### A Regional Office's Accuracy Score Does Not Always Reflect the Work Completed in That Office

VBA uses the STAR 12-month issue-based accuracy score to measure regional office accuracy in processing disability compensation claims, but this score could provide a misleading picture of an office's performance.<sup>31</sup> VBA's accuracy measure attributes the accuracy of sampled claims to the regional office that finishes the claim even though, under the National Work Queue, that office may not have done all of the work on the claim. In fiscal year 2017, about 88 percent of all disability compensation claims

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<sup>29</sup>GAO-14-704G, principle 13.

<sup>30</sup>GAO, *Performance Plans: Selected Approaches for Verification and Validation of Agency Performance Information*, GAO/GGD-99-139 (Washington, D.C: July 30, 1999).

<sup>31</sup>Our concerns also apply to VBA's regional office 12-month claim-based accuracy score, which is based on the accuracy of the entire claim instead of its individual issues.

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were processed by more than one office, and about 43 percent were processed by five or more offices, as shown earlier in figure 3. As a result, the scores attributed to each office may not reflect the true accuracy of the office's work. In addition, any errors made by other offices earlier in the claims process would not be reflected in those offices' accuracy scores. Therefore, the current regional office accuracy measure does not reflect the accuracy of each office's work and may skew the score negatively or positively. According to VBA officials, the agency uses issue-based accuracy scores, among other things, to determine how to allocate resources to regional offices. However, federal internal control standards state that agencies should use quality information to achieve objectives. For example, an agency obtains data from reliable sources in a timely manner based on identified requirements, and reliable sources provide data that are reasonably free from error and bias and faithfully represent what they purport to represent.<sup>32</sup> In addition, our prior work has shown that practices for improving the usefulness of performance data include using new methods of measurement to address data limitations.<sup>33</sup>

VBA officials said that they recognize the limitations of the agency's regional office accuracy measure, but VBA officials also said it is reasonable to hold the office that completes the claim accountable because Veterans Service Representatives are responsible for checking for errors in the claims process before completing the claim during the Authorization phase. However, according to VBA officials, some areas on VBA's accuracy checklist—such as whether the claimed conditions were correctly granted or denied, and whether the correct percentage evaluation was assigned—are beyond the scope of the Veterans Service Representatives' review or qualifications. These tasks are completed by Rating Veterans Service Representatives. In fiscal year 2017, these two areas—whether the claimed conditions were correctly granted or denied, and whether the correct percentage was assigned—accounted for an estimated 28 percent of all errors nationwide. In addition, these two areas ranged from an estimated low of about 13 percent (5 of 40) of all errors attributed to one regional office to an estimated high of about 55 percent (16 of 29) of all errors attributed to another regional office. In addition, while VBA officials said that it is reasonable to hold the office that completes the claim accountable for errors, officials also said that when STAR errors are identified, only the regional offices that actually made the

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<sup>32</sup>GAO-14-704G, principle 13.

<sup>33</sup>GAO/GGD-99-139.

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errors are told about them in order to improve staff performance. This suggests that VBA does not view the Veterans Service Representative who completes the claim as fully responsible for all errors in the claims process.

According to VBA officials, the agency has been exploring the development of a new accuracy measure that would enable it to assign error scores to the offices that actually made the errors. For example, VBA is considering using the STAR reviews to produce a claims phase-based score that would attribute the accuracy of individual phases of the claims process to the offices completing those phases. However, according to VBA officials, sampling by each phase of the claims process would be more complicated than the current system of sampling by regional office and would require additional staff. In addition, the agency is also exploring leveraging its existing Individual Quality Reviews—currently used to assess the accuracy of individual staff’s work—to create individual regional office accuracy scores. VBA officials added, however, that there are challenges with converting these individual accuracy scores to office scores, such as calculating scores by claims phase instead of by employee position since an employee may conduct work in various phases. VBA has not determined which alternate measure, if any, to use, and does not have a timeline for addressing the challenges it has identified with the alternate measures being considered, or for implementing a new accuracy measure. Until VBA implements a new measure to assess regional offices’ accuracy, it will not have an accurate picture of individual regional offices’ performance, which could impair decision-making, such as targeting resources to high- or low-performing offices.

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## Stakeholders Were Generally Satisfied with Communication at Selected Regional Offices, but VBA's Communication Policies Are Applied Inconsistently

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### Selected Veterans Service Organizations Were Generally Satisfied with Access to Regional Office Staff, but VBA's Communication Policy and Practice Are Not Aligned

Despite being generally satisfied with regional office communication, VSOs we spoke with also expressed some frustrations.<sup>34</sup> VSOs we spoke with at all four offices reported generally being able to contact someone to answer their questions. Moreover, VBA staff we spoke with reported being flexible in communicating with VSOs in the manner in which they preferred. In addition, Compensation Service and Benefits Assistance Service site visit reports found that VSOs are generally satisfied with regional office communication.<sup>35</sup> However, VSOs at all four offices we visited expressed some frustrations with communication, but they varied some by offices. Examples of communication issues included:

- **Diminished contact.** VSOs noted that the National Work Queue reduced personal relationships and collaboration between VSOs and regional office staff since claims are no longer fully processed at the local regional office, and therefore VSOs can no longer simply walk across the office to discuss a claim.

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<sup>34</sup>At regional offices, we spoke with veterans service officers who work for VSOs. For purposes of this report, we use the term VSO to refer to the input we received from these veterans service officers on behalf of VSOs. We conducted meetings with a group of VSOs at each of the four regional offices we visited.

<sup>35</sup>VBA's Compensation Service conducts site visits to its regional offices to monitor operations and identify best practices to assist regional offices in achieving high performance. During these visits they also meet with VSOs. According to VBA officials, they conducted 15 site visits in fiscal year 2017. VBA's Benefits Assistance Service also conducts site visits to regional offices to assess the offices' public contact and outreach activities, and meets with VSOs. During fiscal year 2017, they conducted 15 site visits.

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- **Delayed responses.** VSOs said there sometimes are delays in receiving responses from regional offices, with staff taking different lengths of time to respond to an inquiry, or not responding at all. Sometimes, once VSOs receive a response, the claim is no longer being processed at the regional office they contacted, so the response is no longer useful.
  - **Decreased notice of activity.** VSOs said that with the advent of electronic claims processing, they no longer receive paper copies of disability ratings and other documents that VBA sends to the veteran. VSOs have access to such information in VBA's electronic claims management system, but the system does not notify them when VBA has sent documents to the veteran, such as requests for information and evidence. VSOs said it is time-consuming for them to proactively monitor a large number of veterans' electronic claims files for new documents.<sup>36</sup>

VSOs may communicate with a regional office throughout the life of a claim for various purposes and, according to VBA officials, regional offices generally have discretion in establishing local policies for handling VSO questions or inquiries. One exception to this local discretion is during the 48-hour review period when VSOs can review a completed disability rating before it is finalized. A November 2016 VBA policy states that during the 48-hour review period, VSOs may contact a regional office's Change Management Agent.<sup>37</sup> The policy also states that VSOs should not contact the Change Management Agent for claim status updates, evidence submission, or any other type of inquiry unrelated to a rating decision discrepancy.<sup>38</sup> According to VBA officials, the policy to contact the Change Management Agent during the 48-hour review period was intended to streamline the inquiry process for VSOs, provide

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<sup>36</sup>VSOs we spoke with raised additional concerns, such as other issues related to use of the electronic claims management system and communication during the appeals process, but these were outside the scope of our review.

<sup>37</sup>On a quarterly basis, VBA provides VSOs a list of Change Management Agents located at each of its regional offices. VSOs are able to identify which office to contact through the electronic claims management system. According to VBA officials, in certain cases—such as the Change Management Agent being unavailable for an extended time or the regional office designating a particular alternate contact for certain types of claims—the VSO may contact someone other than the Change Management Agent during the 48-hour review period.

<sup>38</sup>A rating decision discrepancy is a potential claims error or need for clarification that a VSO identifies during the 48-hour review period.

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consistent responses to them, and minimize disruptions for claims processors. The previous policy required VSOs to first contact the Rating Veterans Service Representative before the Change Management Agent during the 48-hour review period.

VSOs at three offices we visited reported contacting the Change Management Agent for inquiries during the 48-hour review period, but also reported contacting the Change Management Agent at other points during the claims process.<sup>39</sup> VSOs at all four offices we visited also reported contacting other staff, such as claims processors or their supervisors at their local regional offices, during the 48-hour review period, unrelated to the Change Management Agent's availability or a particular type of claim, which VBA officials stated were reasons for which VSOs might contact an alternate VBA official.<sup>40</sup> Federal standards for internal control state that an agency should externally communicate the necessary quality information to achieve an entity's objectives, for example, communicating with external parties using established reporting lines, and periodically evaluating its communication methods.<sup>41</sup>

VBA officials told us that the November 2016 policy was intended to address communication during the 48-hour review period, and that regional office discretion for communication with VSOs outside of this period was still in place, including contacting Change Management Agents if regional offices determined this was best. However, regional offices and VSOs do not consistently implement this policy. Moreover, the policy states that VSOs are not to contact Change Management Agents for claim status updates, evidence submission, or any other question unrelated to a rating decision discrepancy. These types of inquiries generally occur outside of the 48-hour review period, so this portion of the

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<sup>39</sup>VSOs at one office we visited reported that they were supposed to contact the Change Management Agent during the 48-hour review period and at other points during the claims process, but that they no longer did so because the Change Management Agent was not able to provide information to them in a timely manner. One VSO at one office we visited reported that VSOs were supposed to contact the Change Management Agent if the claim was at another office—no matter the timing. VSOs at two offices we visited reported that they might contact the Change Management Agent about a claim if it was at another regional office, but not if it was at their local office.

<sup>40</sup>VSOs at all four offices we visited also reported contacting such other staff throughout the claims process in accordance with regional office discretion.

<sup>41</sup>[GAO-14-704G](#), principle 15.

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policy conflicts with VBA officials' description of regional office discretion for communication with VSOs throughout the life of a claim.

Although VSO communication with Change Management Agents did not always appear to match VBA's policy for communication during or outside of the 48-hour review period, VSOs we spoke with seemed to value regional offices' flexibility in communicating with them. However, it is possible that the policy's lack of clarity or inconsistent application could contribute to communication frustrations for VSOs, and that changes to either the policy or its enforcement could better serve VSOs and regional office staff. Evaluating its regional office communication policy with VSOs and ensuring that the policy is clear, that it aligns with regional offices' practices, and that it effectively meets VSOs' communication needs, could help VBA ensure that it is providing timely and consistent responses to VSOs on behalf of the veterans they represent, while minimizing disruptions to regional office staff. Such alignment could be achieved either by adjusting the communication policy or better enforcing the existing policy.

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**Selected Congressional Caseworkers Were Satisfied with Communication with Regional Offices, but VBA's Communication Was Not Always Timely or Accurate**

Congressional caseworkers we spoke with at all four offices we visited were satisfied with regional office communication regarding disability compensation claims, though some regional office responses were not timely or accurate, according to VA Inspector General reports.<sup>42</sup> VBA has congressional liaisons at each of its regional offices to answer inquiries from congressional caseworkers. Caseworkers generally contact the VBA liaison at their local regional office when they inquire about claims—whether the claims are being processed at the local regional office or another regional office. Caseworkers may also contact the VBA liaison at the office where the claim is being processed once they find out from VBA where that is. According to regional office officials at the four offices we visited, most congressional inquiries received at the regional offices are by email or phone, although some are by regular mail; the congressional inquiries are most often regarding the status of a veteran's claim.

While caseworkers we spoke with were satisfied with their communication with regional offices, VA's Office of Inspector General found that in some

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<sup>42</sup>We conducted meetings with a group of congressional caseworkers at each of the four regional offices we visited. Congressional caseworkers we spoke with had concerns about communication regarding the appeals process, but this was outside the scope of our review.

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instances, VBA regional offices had not provided timely or accurate responses to special controlled correspondence, which includes congressional inquiries.<sup>43</sup> According to VBA guidance on special controlled correspondence in fiscal year 2017, VBA liaisons are to respond to caseworkers' inquiries within 5 business days with a full or interim response, for example. During its inspections of regional offices during fiscal year 2017, the Office of Inspector General found that some offices had not provided interim responses within 5 business days and, in a few cases, had provided inaccurate responses.<sup>44</sup> At some offices, the Office of Inspector General made recommendations for improving regional offices' responses to inquiries and, according to its reports, regional offices planned and implemented changes, such as providing additional training to staff and improving oversight of correspondence.

Caseworkers we spoke with at three offices we visited identified ways that regional offices could improve communication with them or ways that VBA could provide them with additional information or support. For example, while caseworkers generally contact their local regional office with inquiries, caseworkers at two offices said that a regularly updated contact list of VBA liaisons at all VBA regional offices could be helpful so that they can immediately contact another regional office if they learn that a claim is being processed there, or if their local VBA liaison is unable to provide sufficient specifics on a claim. Some of these caseworkers suggested that the list could either be posted to a non-public website or sent to VBA regional offices to distribute to local caseworkers. According to VBA officials, the agency does maintain a list of regional office VBA liaisons, and updates it quarterly. The list is provided upon request, both electronically and in hard copy, and caseworkers frequently request the list, according to VBA officials. However, the caseworkers we spoke with at all four offices we visited were not aware of this list.

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<sup>43</sup>VBA estimated that about 54 percent of special controlled correspondence completed in fiscal year 2017 were related to congressional inquiries. During fiscal year 2017, the VA Office of Inspector General sampled and reviewed special controlled correspondence at each of 14 regional offices. Special controlled correspondence can include responses to inquiries from Members of Congress, the White House, national headquarters of VSOs, and private attorneys.

<sup>44</sup>According to a VA Office of Inspector General official, the Inspector General reports did not separately identify the timeliness issues that related to congressional inquiries vs. other inquiries, but the inaccurate responses identified related specifically to congressional inquiries. Because congressional inquiries made up an estimated 54 percent of all special controlled correspondence in fiscal year 2017, we concluded that the timeliness issues are likely relevant to congressional inquiries.

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In September 2017, VBA developed an online toolkit for congressional caseworkers to better assist them in serving their veteran constituencies.<sup>45</sup> The toolkit webpage provides a central location for caseworkers to quickly locate information regarding available VA benefits and services. For example, the toolkit provides a link to a description of the disability compensation program and how to apply for benefits. VBA officials reported that in September 2017, they provided information on the toolkit to VA's Office of Congressional and Legislative Affairs for distribution to congressional staff. However, caseworkers and VBA liaisons at all four offices we visited were not aware of this online toolkit, and caseworkers we spoke with at two offices we visited said that it could have been useful to them if they had been aware of it or if it had additional elements, such as regional office expectations for caseworker inquiries.

According to VBA officials, they have not received any feedback on the toolkit beyond that initially provided by another VA office. This could be, in part, because VBA does not have an outreach mechanism to actively obtain perspectives from congressional caseworkers on their communication with regional offices or their information or support needs, or to determine whether the findings from the Office of Inspector General are typical across regional offices. The Office of Inspector General stopped performing its reviews of regional offices—including evaluations of communication with congressional caseworkers—in fiscal year 2017 to focus its efforts on VBA-wide audits, so this information is no longer available to VBA. Federal standards for internal control state that an agency should externally communicate the necessary quality information to achieve an entity's objectives, for example, selecting the appropriate methods to communicate externally, and periodically evaluating its methods of communication so that the agency has the appropriate tools to communicate quality information outside the agency.<sup>46</sup>

VBA officials reported an open-door policy in which caseworkers can share concerns and requests as needed, and said that a formal outreach mechanism is not necessary. Although caseworkers can approach regional office staff with ideas for improvement, this informal mechanism is not a consistent process and does not facilitate candid feedback, nor

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<sup>45</sup>To view VBA's congressional toolkit, see <https://www.benefits.va.gov/benefits/congress.asp>.

<sup>46</sup>GAO-14-704G, principle 15.

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does it include documentation of potential improvements and actions taken. By creating an outreach mechanism to solicit periodic feedback from congressional caseworkers, VBA could streamline the inquiry process and enable them to provide more accurate and timely information to veterans.

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## Conclusions

VBA's National Work Queue has been in place for more than 2 years and provides opportunities for a higher level of service to veterans. However, with claims moving among regional offices, the individual performance of regional offices remains critical to VBA's success. For example, regional offices' inconsistent use of deferrals when claims processors identify errors could unnecessarily delay the decision on a veteran's claim or prevent staff from receiving needed training. In addition, VBA has developed several practices to assess performance at regional offices, but some of this information could be of limited use if the agency continues using its existing measures. Specifically, VBA's two primary performance measures for regional offices do not allow the agency to adequately measure claims timeliness and accuracy. Finally, communication with VSOs and congressional caseworkers could be improved by clarifying the VSO communication policy and aligning it with practice and VSO needs, and conducting caseworker outreach in order to provide more consistent and timely information to VSOs and caseworkers. Without these improvements, VSOs and caseworkers may not be able to serve veterans in as timely a manner as possible.

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## Recommendations for Executive Action

We are making the following five recommendations to VBA:

- The Under Secretary for Benefits should clarify how Veterans Service Representatives should handle claims when they identify an error, including when to defer a claim and when to correct the error on their own. (Recommendation 1)
- The Under Secretary for Benefits should develop and implement a new regional office performance measure that allows it to better assess each regional office's timeliness over a period of time. (Recommendation 2)
- The Under Secretary for Benefits should develop and implement a new regional office performance measure that allows it to better measure the accuracy of each regional office's work. (Recommendation 3)

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- The Under Secretary for Benefits should evaluate its policy for regional office communication with VSOs to ensure that it is clear, that it aligns with practice, and that it meets the communication needs of VSOs. (Recommendation 4)
  - The Under Secretary for Benefits should develop and implement a mechanism to obtain periodic feedback from congressional caseworkers on their communication with regional offices regarding claims and needed information or support. (Recommendation 5)

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## Agency Comments and Our Evaluation

We provided a draft of this report to the Department of Veterans Affairs for review and comment. VA provided written comments, which are reproduced in appendix I. VA concurred with all of our recommendations and described VBA's plans for taking action to address them. Regarding Recommendation 1, VA stated that VBA is working to clarify guidance to regional offices for handling claims when errors are identified. Regarding Recommendations 2 and 3, VA stated that VBA is working to develop and implement new performance measures for regional office timeliness and accuracy. Regarding Recommendation 4, VA stated that VBA will review and enhance its policy for communication with VSOs. Regarding Recommendation 5, VA stated that VBA will review existing practices on support for congressional caseworkers, and develop and implement mechanisms to strengthen this support. VA also reported that regional office managers have been directed to meet at least quarterly with congressional caseworkers to gather feedback and resolve issues. If VBA can demonstrate that it is consistently using such feedback mechanisms across regional offices to identify and address caseworker concerns, this will meet the intent of our recommendation.

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We are sending copies of this report to the appropriate congressional committees, the Secretary of Veterans Affairs, and other interested parties. In addition, the report is available at no charge on the GAO website at <http://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](mailto:curdae@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last

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page of this report. GAO staff who made key contributions to this report are listed in appendix II.

A handwritten signature in black ink, reading "Elizabeth H. Curda". The signature is written in a cursive style with a large initial "E".

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

# Appendix I: Comments from the Department of Veterans Affairs



THE SECRETARY OF VETERANS AFFAIRS  
WASHINGTON

September 13, 2018

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:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office's (GAO) draft report: "**VETERANS' DISABILITY BENEFITS: Better Measures Needed to Assess Regional Office Performance in Processing Claims**" (GAO-19-15).

The enclosure sets forth the actions to be taken to address the GAO draft report recommendations.

VA appreciates the opportunity to comment on your draft report.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert L. Wilkie".

Robert L. Wilkie

Enclosure

Enclosure

Department of Veterans Affairs (VA) Comments to  
Government Accountability Office (GAO) Draft Report  
***“VETERANS’ DISABILITY BENEFITS: Better Measures Needed to Assess  
Regional Office Performance in Processing Claims”***  
(GAO-19-15)

**Recommendation 1: The Under Secretary for Benefits should clarify how Veterans Service Representatives should handle claims when they identify an error, including when to defer a claim and when to correct the error on their own.**

**VA Comment:** Concur. Veteran Service Representatives (VSRs) should take the next action required on the claim when an error (deferral) is identified. If the remaining action cannot be taken, the regional offices (RO) having jurisdiction at that moment should coordinate with the other relevant station to broker the claim for appropriate action. While the Veterans Benefits Administration (VBA) instructed ROs on this process on April 3, 2017, and April 19, 2018, VBA agrees that guidance specific to VSRs is appropriate. VBA is presently working on clarified guidance to the ROs regarding the handling of claims when an error is identified. The status is in process with a target completion date of October 1, 2018.

**Recommendation 2: The Under Secretary for Benefits should develop and implement a new regional office performance measure that allows it to better assess regional offices’ timeliness over a period of time.**

**VA Comment:** Concur. VBA is working to develop and implement new RO performance measures to assess ROs’ claims processing timeliness over a period of time. The status is in process with a target completion date of March 31, 2019.

**Recommendation 3: The Under Secretary for Benefits should develop and implement a new regional office performance measure that allows it to better measure the accuracy of each regional office’s work.**

**VA Comment:** Concur. VBA is working to develop and implement new measures to appropriately assess the internal accuracy of each RO. We expect to publish the new performance measures by March 31, 2019.

**Recommendation 4: The Under Secretary for Benefits should evaluate its policy for regional office communication with VSOs to ensure that it is clear, that it aligns with practice, and that it meets the communication needs of VSOs.**

**VA Comment:** Concur. VBA will review and enhance existing policy to ensure it aligns with agency priorities and meets the communication needs of Veterans Service Organizations (VSO). While VBA has invested in systems that allow VBA to provide case data to VSOs (regardless of where the case is actually worked) and also provide VSOs a list of points of contact in all ROs, VBA will ensure that points of contact are updated and distributed regularly. Additionally, RO leadership has been directed to meet at least once per quarter with local VSOs and will be asked to reinforce that they

Enclosure

Department of Veterans Affairs (VA) Comments to  
Government Accountability Office (GAO) Draft Report  
***“VETERANS’ DISABILITY BENEFITS: Better Measures Needed to Assess  
Regional Office Performance in Processing Claims”***  
(GAO-19-15)

are available to assist when issues arise. The status is in process with a target completion date of January 1, 2019.

**Recommendation 5:** The Under Secretary for Benefits should develop and implement a mechanism to obtain periodic feedback from Congressional caseworkers on their communication with regional offices regarding claims and needed information or support.

**VA Comment:** Concur. VBA worked with the VA's Office of Congressional and Legislative Affairs (OCLA) in developing a Congressional Toolkit, and will engage OCLA to communicate its availability to all Congressional caseworkers. RO leadership has been directed to meet at least once per quarter with Congressional stakeholders to gather feedback and resolve issues. Additionally, VBA staff in every RO are able to provide case data to local caseworkers regardless of where the case is actually worked. VBA will review existing practices and develop and implement mechanisms that will strengthen the support we provide congressional caseworkers. The status is in process with a target completion date of January 1, 2019.

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# Appendix II: GAO Contact and Staff Acknowledgments

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## GAO Contact

Elizabeth H. Curda, (202) 512-7215 or [curdae@gao.gov](mailto:curdae@gao.gov)

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## Staff Acknowledgments

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