

GAO@100 Highlights

Highlights of [GAO-21-105305](#), a testimony before the Subcommittee on Disability Assistance and Memorial Affairs, Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

In fiscal year 2020, VBA paid about \$88.5 billion in disability compensation benefits to over 5 million veterans injured in service to our country. Prior to 2018, veterans who appealed decisions on their initial claims for benefits often experienced long waits for resolution of their appeals—up to 7 years on average. These long waits are one reason GAO designated VA's disability workloads as a high risk issue.

The Veterans Appeals Improvement and Modernization Act of 2017 made changes to improve VA's appeals process. The act required VA to submit to Congress and GAO a plan for implementing a new appeals process (which VA submitted in November 2017) and periodic progress reports. The act also included a provision for GAO to assess VA's original plan.

In March 2018, GAO found that VA could help ensure successful implementation of appeals reform by addressing gaps in planning and made several recommendations, with which VA agreed.

This testimony examines the extent to which VA (1) manages workloads and associated risks for processing appeals, (2) monitors and assesses performance, and (3) plans for further development of information technology.

For this statement, GAO reviewed its prior reports on disability appeals; VA's progress reports to Congress; and information VA provided for GAO's ongoing monitoring of this high-risk issue and about steps VA has taken to implement GAO's prior recommendations.

View [GAO-21-105305](#). For more information, contact Elizabeth H. Curda at (202) 512-7215 or curdae@gao.gov.

July 13, 2021

VA DISABILITY BENEFITS

Actions Needed to Better Manage Appeals Workload Risks, Performance, and Information Technology

What GAO Found

In March 2018, GAO made recommendations to address gaps in the Department of Veterans Affairs (VA) plans for reform of its appeals process for disability compensation claims. This reform was intended to offer veterans who are dissatisfied with VA's initial decision on their claim more timely options to appeal.

Since then, VA has implemented new options for appeals in February 2019, reduced the backlog of preexisting appeals from 425,445 in fiscal year 2019 to 174,688 in fiscal year 2020, and addressed aspects of GAO's recommendations. However, opportunities exist for VA to more fully address GAO's recommendations and thus better (1) manage workload risks; (2) monitor and assess performance; and, (3) plan for further development of information technology (IT). Specifically:

- **Managing workload risks fully.** Since 2018, VA has made strides to manage appeals and address GAO's recommendations. For example, VA has taken steps to monitor workloads and calibrate its staffing needs. However, further efforts are needed to sustain progress and manage workload risks. Specifically, VA has not fully developed mitigation strategies for certain risks, such as veterans using the new hearing appeals option at higher rates than the options that do not require a hearing. The lack of a risk mitigation strategy is significant because in mid-June 2021, VA reported that this resource-intensive new hearing option accounted for nearly 60 percent of the new appeals inventory, but VA has made relatively few hearing option decisions in fiscal year 2021. This could mean veterans have longer wait times and increasing backlogs under the new hearing option. VA's ability to effectively manage workloads lies, in part, in planning ahead and in proactively addressing risks that may impact timeliness of decisions.
- **Monitoring and assessing performance.** VA has made progress to address GAO's recommendations, but it is not monitoring or assessing important aspects of performance. VA recently established timeliness goals for all new appeals options, which better positions VA to monitor this aspect of performance and define resources needed to process appeals. However, VA lacks a quality assurance program and related measures to assess the accuracy of its appeals decisions.
- **Planning for further technology development.** Since 2018, VA has deployed a new IT system to support its new appeals process, but has yet to address issues GAO identified with VA's IT planning, such as specifying more fully how and when the new IT system will achieve all needed functionality. VA implemented appeals reform in February 2019, but continues to report that the new IT system provides "minimum functionality" and to identify functionality yet to be implemented. Also, a May 2021 VA report itemized over 35 problems with the new IT system, such as the need to reconcile records contained in multiple IT systems. VA officials told GAO that they are working on a plan to address the identified IT shortfalls. These shortfalls and VA's response suggest opportunities exist for VA to identify all key and necessary IT activities, responsibilities, interdependencies and resources, as GAO previously recommended.