

Implementing GAO's Recommendations Would Help Improve Quality of Contracted Exams for Veterans

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What GAO Found

VA's Veterans Benefits Administration (VBA) may require veterans filing disability claims to undergo medical exams to help determine eligibility. VBA relies on contractors to provide medical professionals, called examiners, to conduct most of these exams. Conducting quality exams is important because errors can result in costly rework and delays in processing claims.

VBA's Medical Disability Examination Office (MDEO), which oversees these contractors, has refined its oversight since its establishment in 2016. GAO's 2024 and 2025 reports described MDEO's oversight, including quality control techniques for preventing errors from occurring during exams, detecting any exam errors that did occur, and correcting errors and providing accountability.

GAO's prior work also identified opportunities to strengthen MDEO's oversight of contracted exam quality. Specifically, GAO found (1) breakdowns in procedures for correcting the most frequent or complex problems with contracted exams, (2) incorrect financial incentive payments to contractors, and (3) a gap in feedback from examiners—a key stakeholder group. GAO made five recommendations across the following four areas. All five remain open as of November 2025. VA has partially addressed one and described plans to address the others.

Contractor quality action plans analyze the cause of the most frequent exam errors and specify contractors' corrective actions. GAO found that MDEO's procedures for reviewing these action plans lacked certain steps, including verifying that contractors completed the corrective actions and assessing whether these actions improved exam quality. GAO recommended that MDEO improve its procedures by including these steps. MDEO has partially addressed this recommendation.

Special Focused Reviews seek to identify and address exam quality issues in specific areas. GAO found that MDEO was behind schedule on reviews for the most complex issues, such as military sexual trauma. GAO recommended that MDEO adhere to the biennial schedule outlined in its procedures.

Financial incentives are based on contractor performance, including exam quality. GAO found that MDEO had no written procedures for checking the accuracy of its calculations for these incentives, resulting in almost \$2.3 million in overpayments to contractors in fiscal year 2024. GAO recommended that MDEO develop and use such procedures. GAO also recommended that MDEO recalculate all financial incentives and correct any errors.

Examiner feedback provides a key perspective on issues affecting exam quality. GAO found that MDEO relied on contractors to relay examiner feedback. However, five of six examiners GAO interviewed said contractors did not always address their concerns, making it harder to provide high-quality exams. They said they would like to provide feedback directly to MDEO. GAO recommended that MDEO collect and address direct feedback from examiners.

Fully implementing GAO's five recommendations would help MDEO improve exam quality so veterans receive more accurate and timely benefits decisions.

Why GAO Did This Study

Contracted disability examinations provide critical information for determining veterans' eligibility for benefits. In fiscal year 2024, contracted examiners conducted over 3 million disability exams, costing over \$5 billion.

This statement summarizes 1) MDEO's processes for overseeing exam quality and 2) GAO recommendations for improving these processes.

This statement is based on two GAO reports: [GAO-24-107730](#) and [GAO-25-107483](#). For those reports, GAO analyzed MDEO financial incentive data from April 2023 through September 2024. Also, GAO reviewed MDEO documents and interviewed MDEO officials, contractors, and six examiners selected from a randomized list of all examiners for variation in characteristics such as specialty and experience. Finally, GAO interviewed MDEO officials on steps taken to address GAO's recommendations.

What GAO Recommends

In September 2024 and August 2025, GAO made five recommendations to improve MDEO oversight. VA agreed or agreed in principle with all five and has taken steps toward implementing them. GAO continues to monitor VA's implementation of these recommendations, which can help MDEO ensure veterans receive high-quality disability exams.