

A testimony before the Subcommittee on Technology Modernization, Committee on Veterans' Affairs, House of Representatives

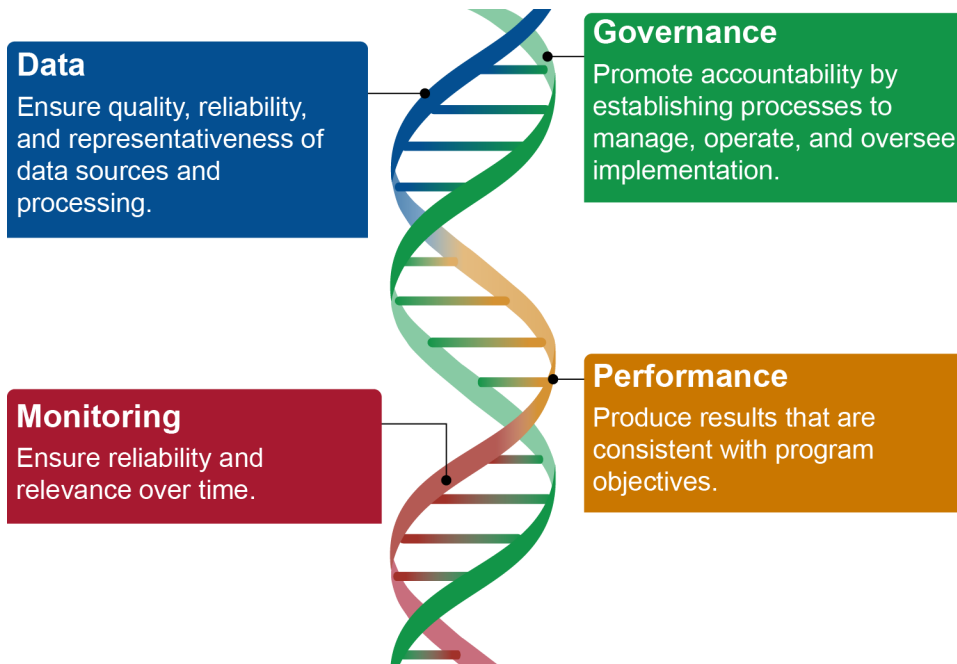
Contact: Sterling Thomas at ThomasS2@gao.gov

What GAO Found

The Department of Veterans Affairs (VA) is working to modernize its IT systems to increase efficiency and accuracy of claims processing for disability compensation. However, past GAO reports have found that VA faces long-standing challenges in managing its disability compensation program and implementing innovative technologies. For example, GAO found gaps in VA's oversight of the quality of exams provided by contracted medical providers and in the management of training for claims processors. Moreover, in 2009, VA began developing an electronic, paperless system called the Veterans Benefits Management System. GAO found that this effort was not driven by robust planning and did not include goals for system response times and user satisfaction, making it difficult to measure progress on efforts to improve user satisfaction with the system.

AI holds substantial promise for improving government operations, and VA is exploring multiple uses of AI for disability benefits, such as claims processing. However, GAO has reported that generative AI can increase risk and hinder accountability, in part because even its designers may not fully understand how it works. It can also require significant computational and technical resources. VA is exploring using AI to further automate the processing of disability claims, a use case that could benefit veterans. But this use could present a challenge in detecting errors or misuse, owing to AI's lack of transparency. GAO has a framework to help ensure accountability and responsible use of AI. VA and other agencies could use this framework as they consider, select, and implement AI systems (see figure).

Figure: GAO's AI Accountability Framework



Source: GAO (analysis and illustration). | GAO-26-109137

Why GAO Did This Study

VA administers one of the largest federal disability benefit programs, providing over \$195 billion to over 6.9 million veterans and their families in fiscal year 2025. Veterans with injuries or illnesses incurred or aggravated during military service may receive monthly compensation payments.

The Honoring our PACT Act of 2022 required VA to develop a plan to increase the speed and accuracy of claims processing decisions.

This statement summarizes (1) VA's long-standing challenges with managing its disability compensation program and implementing innovative technologies and (2) opportunities and challenges for using AI for VA's disability compensation program. This statement is based on GAO's body of work from September 2015 to June 2026 on VA disability compensation claims processing, IT modernization, and AI.

What GAO Recommends

Since 2021, GAO has made 43 recommendations to improve VA's disability compensation program. VA has implemented 28 of them. It has taken some steps to address the remaining 15, but has not fully implemented them. Doing so would help VA better ensure veterans receive timely and appropriate benefits.