

**STATEMENT FOR THE RECORD  
OF  
THE AMERICAN LEGION  
TO THE  
COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
ON**

**“1988 to 2016: VETSNET to VBMS: BILLIONS SPENT, BACKLOG GRINDS ON”**

**JANUARY 12, 2016**

Information Technology (IT) systems are only as effective as the data they have to work with. There is a tremendous amount of promise in the Department of Veterans Affairs (VA) Veterans Benefits Management System (VBMS). VBMS represents something the veterans' community has been hoping for since 1988 and that VA has spent over a billion dollars working to implement. However, no matter what technological rewards this system promises, it will only be as strong as the data and if VA doesn't make substantial improvements to the scanning procedures that collect that data, the system will continue to deliver substandard results.

Chairman Miller, Ranking Member Brown and distinguished Members of the Committee on Veterans' Affairs, on behalf of Commander Dale Barnett and the over 2 million members of The American Legion, we applaud you and your colleagues for conducting this hearing to examine the VBMS and how it ultimately impacts delivery of benefits to disabled veterans.

**Background**

Although efforts to move to an electronic claims processing system date back to at least 1988, the current VA system, VBMS, was created through former VA Secretary Eric Shinseki's directive to modernize the claims processing system in 2009. VBMS was deployed with a mission of reducing claims processing times and improving accuracy in adjudications. Today, VBMS is utilized by Veterans Benefits Administration (VBA) and Board of Veterans' Appeals (BVA) personnel to adjudicate claims.

In September 2009 VA's initial foray into electronic claims processing cost \$579.2 million, and by January 2015 costs had exploded to approximately \$1.3 billion<sup>1</sup>, according to a September 2015 VA Office of Inspector General (VAOIG) report. Within the same report, VA contends that VBMS is expected to meet VA's objective of eliminating the backlog with a 98 percent accuracy by the end of 2015.

The key question is whether this represents a realistic prediction of the impact of the VBMS electronic claims processing system.

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<sup>1</sup> [VAOIG Report: Follow-up of the Veterans Benefits Management System: Sept. 2015](#)

According to the VA's final Monday Morning Workload Report (MMWR) for 2015, VBA had the following claims in its inventory<sup>2</sup>:

- 361,973 claims that were pending;
- 74,378 claims waiting in excess of 125 days for adjudication (20.5%);
- 318,266 appeals; and
- 214,154 dependency claims

The first MMWR following the initial September 2009 investment in VBMS indicated VBA's inventory as<sup>3</sup>:

- 388,774 claims pending
- 158,290 claims waiting in excess of 125 days for adjudication (35.6%)
- 174,891 appeals
- 50,790 dependency claims

Though VA regularly assured the veteran community in Congressional testimonies that it would meet its stated goal of ending the backlog by the end of 2015, the December 2015 MMWR reflects a failure to meet the stated objective. Additionally, the same MMWR indicated VA's claims accuracy as 90.19 percent and issue based accuracy as 96.3 percent.

The American Legion commends VA for its significant efforts in reducing the backlog - however, we continue to maintain our concerns and frustrations in which VA has approached this task. Since the inception of VBMS in September 2009 the appeals inventory has more than doubled - ballooning over 108 percent. Dependency claims awaiting adjudication have exploded by over 400 percent. Conveniently, VA fails to include these statistics in its backlog measure. With these startling numbers, The American Legion remains concerned that VA has largely focused upon adjudicating certain claims that comprise VA's chosen "backlog statistics" rather than addressing the root concern - that veterans must wait for justice for their service connected injuries. A veteran waiting on appeal is a veteran who is still waiting, and absolutely must be considered part of the real backlog.

### **Feedback on VBMS**

The American Legion has over 3,000 accredited representatives located throughout the nation. These dedicated advocates are employed in numerous capacities throughout the nation. Many of these employees are employed in VA facilities and utilize VBMS daily. While many acknowledge that VBMS has improved functions within VA, they will also point out the shortcomings of the system.

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<sup>2</sup> [VA Monday Morning Workload Report: December 28, 2015](#)

<sup>3</sup> [VA Monday Morning Workload Report: October 5, 2009](#)

In response to the September 2015 VAOIG and Government Accountability Reports, The American Legion collated information from our personnel located within the VA's facilities that utilize the VBMS system to provide feedback. Noted concerns pertaining to VBMS included:

- Inability to assist sensitive cases requiring accredited representatives to contact other VA regional offices (VAROs) to assist veterans employed by VA.
- Non-rating claims are not integrated completely within VBMS.
- Debt Management Center has not been integrated.
- Veterans On-Line Applications (VONAPPS) and documents reflecting E-benefits powers of attorney/Stakeholders Enterprise Portal (SEP) acceptances only appear in Virtual VA (a separate electronic system).
- Pension Management Center (PMC) claims only appear in Virtual VA.
- Correspondence sent to veteran's state that the power of attorney (POA) has received a copy; accredited representatives are not receiving these copies and no alert is provided by VA to the POA indicating correspondence has occurred.
- POAs are required to review a decision within 48 hours. If a claim is adjudicated and the POA is out of the office, it can put additional pressure on POAs to review the decisions.
- Rating decisions performed by adjudicators that telework are unable to be reviewed due to the manner VA has created the telework procedures.
- As the day progresses, the system becomes slower until 5 PM Eastern, when VAROs in the Eastern Time Zone end their duty days and reduces the number of users.
- Lack of search capability within VBMS
- Scanned documents are frequently improperly identified

The American Legion conducts training biannually for our accredited representatives. The issue of VBMS and its limits in functionality were a topic of great concern in August 2015. Our representatives called for a resolution to address their concerns. In September 2015, The American Legion urged "VA to keep the veterans' accredited service organization representatives at the local VAROs informed of all decisions made on claims and/or appeals of claimants/appellants who have assigned the service organizations as their VA accredited representative<sup>4</sup>."

Examining the concerns cited above, perhaps the key limiting factor revolves around the improperly identified scanned documents and lack of search capabilities. When VBMS was still in the development stage, the ability to rapidly search through data within a veteran's file for medical information relevant to their claim was consistently cited as the primary advantage of electronic over paper processing. However, this feature continues to fall short in VA's delivery of VBMS.

The American Legion continues to find inconsistent scanning results nationwide. Finding improperly labeled folders in a veteran's file is not a rare occurrence, but an almost daily occurrence for those who work with claims files. This has been a consistent complaint from both service officers and the VA employees The American Legion has spoken with. While a mislabeled folder can be relabeled by initiating contact with appropriate personnel in VA offices,

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<sup>4</sup> [Resolution No. 104: Local Accredited Representative Access to Veterans Benefits Management System Decisions: SEP 2015](#)

this is still a complicating factor that makes the VBMS files more difficult to work through. The mislabeling is clearly a result of substandard scanning, and making a stronger effort to improve the quality of scanning on the front end would help alleviate this problem.

Further compounding efforts to utilize advantages of an electronic system is the lack of an effective search mechanism. Because the scanned documents have no Optical Character Recognition (OCR) – a promised feature from the early stage of VBMS planning – there is no way to search these documents for key words and phrases. It therefore offers little to no improvement over manually searching through paper files, with perhaps additional eye strain from staring at monitors.

VA has included the veteran's service organizations (VSOs) while designing and implementing VBMS, and they have asked for input to improve functionality. However, this is where the conversation often ends. VA rarely, if ever, implements the requests, and it is particularly frustrating to repeatedly make requests or suggestions for improvement in the field or VA Central Office and fail to see them implemented.

However, The American Legion applauds VA's efforts to modernize its claims processing system. As always, The American Legion is willing to assist VA to ensure that veterans are best served.

### **Conclusion**

In order to improve the VBMS system, it makes the most sense to start at the beginning, with the scanning of documents. If improvements can be made to the scanning process, adding nationwide consistency, properly labeled file folders, and improving the ability to electronically search documents, this system could begin to live up to its potential. Until then, with substandard product input in the system, we are virtually guaranteed substandard output.

As always, The American Legion thanks this committee for the opportunity to explain the position of the more than 2 million veteran members of this organization. For additional information regarding this testimony, please contact Mr. Warren J. Goldstein at The American Legion's Legislative Division at (202) 861-2700 or [wgoldstein@legion.org](mailto:wgoldstein@legion.org).