

**STATEMENT OF
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BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
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Introduction

Good Morning Chairman Miller, Ranking Member Brown, and Members of the Committee. Thank you for the opportunity to discuss the recent Department of Veterans Affairs (VA) Office of Inspector General (OIG) and Government Accountability Office (GAO) reports, dated September 14, 2015, and September 15, 2015, respectively.

Transforming to Meet the Needs of Our Veterans

VA reached an historic milestone in its efforts to improve the delivery of benefits and services to America's Veterans, their families, and Survivors – reducing the backlog of disability claims (claims pending more than 125 days) to 75,444 – an 88 percent reduction from its peak of 611,000 claims in March 2013 and the lowest in our history. We closed fiscal year (FY) 2015 having provided claim decisions to nearly 1.4 million Veterans – exceeding one million claims for the sixth year in a row and setting a new record for claims production. These milestones were achieved through implementation of an aggressive and comprehensive transformation plan that included initiatives to retrain and reorganize our people, streamline our business processes, and build and implement new secure technology solutions. VBMS is and has been the cornerstone of our transformation strategy.

VBMS and the Electronic Folder

Prior to 2011, claims processors used an extraordinarily inefficient, paper-intensive process to deliver disability benefits to America's Veterans. When VA received a Veteran's application, the paper folder had to be retrieved from storage, and it could take days or even weeks to arrive. Claims processors would route the paper claims folders through various processing points in the regional office (RO) a minimum of five times for each claim, and they diligently reviewed files that were often over 18 inches deep. When a Veteran needed a medical examination, the paper claims folder had to be shipped to the medical center so it could be available to the examining physician.

All of this took time – and while the paper claims folder was in one location, subsequent actions were delayed until the paper folder was returned and again available. The opportunity was great to misplace files and documents – or to not have the file in the right place at the right time in order to deliver a timely decision.

As Kelli from the Lincoln RO describes, "It was very cumbersome. We were limited by the physical paper file in that we had to have the paper file before we could take any further action. When the paper file was off station, the claim sat idle until the paper file was returned. The paper files in themselves were difficult to manage. Even the smallest files ran a high risk of lost documents due to the mechanics of the paper file setup. Additionally, the larger the files became, the heavier the files became, putting strain on employees lifting and carrying files."

It was obvious that our benefits delivery processes were in need of major overhaul if VA was to provide Veterans with high quality decisions on their claims within 125 days. While the VBMS initiative initially focused on building an electronic claims folder to attack the inefficiencies of the paper folders and the problems of misplaced files and records, it was of necessity expanded to include streamlining and automating steps in the decision process.

VBMS has delivered on the electronic claims folder – and currently houses over 260 million documents and 1.7 billion images. This has made a major difference for our employees, for Veterans, and for their representatives. *Natalie from Indianapolis said, "With VBMS, VA employees now have a unified system of record, which allows for a more efficient and transparent claims process when assisting Veterans and beneficiaries with their claims. For example, if I receive a phone call from a Service Officer regarding a Veteran's claim, I can look inside the Veteran's electronic folder to review evidence and no longer would need to refer the question to the employee with the physical claims folder on their desk. This saves time and provides a superior level of customer service."*

VBMS provides a web-based application where multiple, geographically separated users can view the electronic folder simultaneously, minimizing the need for sequential processing and eliminating the delays our employees endured waiting for paper folders. Additionally, paperless claims processing technology enables telework opportunities for our employees. VBMS has an impressive list of accomplishments. At the end of FY 2012, VBMS was operational at five ROs with a limited number of users and fewer than 1,000 claims completed. By June 2013, VBMS was operational at all 56 ROs – six months ahead of schedule. Since then, VBMS has supported more than 30,000 unique users at all VBA facilities, 148 Veterans Health Administration (VHA) facilities, Veterans Service Organizations (VSOs), and many other sites. VBMS also delivered a customized "Board of Veterans' Appeals (Board) View" of the electronic folder to support appeals processing at the Board. By February 2015, VBMS had completed 1 million awards in VBMS. Demonstrating the growing momentum of the system, the 2 millionth award was completed just 6 months later. The most recent milestone, processing 2 million claims end-to-end in VBMS, was reached in September.

VBMS and the Employee Experience of Helping Veterans

Veterans have benefited substantially from VBMS as a result of new capabilities at every step of the claims process. More Veterans are receiving faster decisions because of the increase in both production and productivity that VBMS has enabled. VBMS is removing administrative-type duties from users by automatically recording receipt of evidence, moving claims to the next decision status, and submitting service treatment record (STR) requests as soon as we receive Veterans' claims. In every step of the process from intake processing, to evidence gathering, to the rating decision, to awarding the benefit, VBMS continues to transform the way our claims processors work.

For example, VBMS provides evidence-gathering capabilities that include a correspondence engine to automatically generate commonly used letters to Veterans and claimants using standard templates. It also integrates business-rules to route claims to specific users and provides secure connections with other internal and external applications and systems (including VHA, DoD, and VSO systems). Receipt of evidence, movement of claims to the next stage, and updates to the claims status are automated. In addition, embedded calculators provide decision-support tools that improve accuracy through standardization and consistency among all ROs. These improvements enable raters to spend their time applying their expertise to decisions for Veterans. The rules-based system in VBMS takes into consideration all factors to grant the Veteran the maximum benefits with improved quality, thus making the rating process more seamless. We have now completed over 3.7 million rating decisions in VBMS.

The VBMS Awards functionality saves up to ten minutes per claim when compared to the manual paper process, and enables a consistent and streamlined decision notification. Prior to VBMS, award notifications could vary greatly depending on who prepared them, creating the impression of variance in decision processes and inconsistency from RO to RO.

Agile Methodology and User Feedback

VA's success with VBMS is attributed to using an iterative development methodology, known as Agile, to deliver functionality in three-month increments, along with an intense focus on collaboration between those that use the system, business representatives, and OI&T software development teams. Agile methodology has enabled VBMS to mitigate many of the challenges typical of complex, transformational software development efforts by rapidly delivering high-value functionality in short increments and involving users throughout the software design and development process. VBMS was never intended to deliver full end-to-end processing on "day one." Such an approach would have been high-risk and, due to the continuously evolving nature of the requirements, would have resulted in the system failing to meet real user requirements when finally delivered – a classic failure of large system development. Therefore, VA purposely chose to develop VBMS using Agile methodology in order to accelerate its implementation and ensure flexibility to changing business requirements. This decision

enabled employees to begin using VBMS while the solution was still under construction, and has provided a mechanism for software development teams to continuously respond to user feedback and needs as the software product is being built. The Agile process for VBMS was tailored, but the foundational goals remained of faster delivery with more business value and user involvement throughout the process.

A critical element of success is an intense focus on soliciting input from users at every step and providing many avenues for continuous feedback. VBA users from across the country frequently attend software design and testing sessions with system developers to provide essential input on the direction of VBMS development. This user-in-the-middle approach has resulted in a collaborative effort unprecedented in a project of this magnitude in federal government.

Training and Change Management

Not only was user feedback critical to our progress, we took a very measured approach to change management that complemented the Agile methodology. Our employees are the key to success, and VBA made the investment of appointing Change Management Agents (CMAs) at every RO. VBMS was rolled out to ROs and stakeholders in a carefully planned sequence, allowing technology to be introduced as employees were trained to use the system.

VBMS used a “Train-the-Trainer” model, ensuring availability of resources to support users at ROs. These local points of contact, called Superusers, provide local training and prepare employees to successfully use VBMS. Approximately 800 Superusers receive live virtual training every three months in advance of each VBMS major release. The training materials are made available to the Superusers to facilitate consistent and standardized training at the local level.

OI&T Collaboration

VBMS has been transformational not only because of the software capabilities delivered, but also because of the collaborative relationship between VBA and OI&T that is a large part of the VBMS success story. One of the keys to VBMS success is understanding business responsibilities in an IT project.

In the early stages of VBMS development, the system experienced issues with latency, but great strides have been made to address and resolve VBMS application performance issues. VBMS system availability (i.e., the percentage of time that VBMS is available to users during work hours) was 99.2 percent in FY 2014 and 99.8 percent in FY 2015). From October 2013 to August 2015, the VBMS response times improved 36 percent, while the number of daily system users increased 60 percent. OI&T has scrutinized every step of VBMS architecture, from desktop to database, to identify, analyze, and remediate the root causes of system “latency”. For example, in 2013 OI&T conducted a series of on-site performance tests at ROs to observe VBMS performance as users worked in system. These tests identified opportunities for

configuration and software modifications that have since been incorporated into major software releases and resulted in moderate-to-significant performance improvements in the user experience.

As a result of performance testing and improvement efforts, and to mitigate the risks of downtime, OI&T monitors application performance through redundant end-to-end system monitoring software (Foglight, Introscope) and continuous monitoring of application servers by a production operations team. Twenty-four hours a day, seven days a week, there are monitoring tools that test system availability and end-to-end response times from every RO to ensure the best possible up-time and user experience.

OI&T is supported by project management and engineering competency services provided through an Inter-Agency Agreement (IAA) with the Department of the Navy's Space and Naval Warfare Systems Center (SPAWAR). Since 2011, SPAWAR has served as the lead for engineering and developing the core VBMS application. When the VBMS program was launched, SPAWAR was supporting VA on the Chapter 33 Long Term Solution project and had established itself as an industry leader in information assurance, information management, and program management. At the time, SPAWAR was the only organization VA identified that could simultaneously provide technology services related to the development, implementation, operations, and maintenance of VBMS, thereby filling an engineering competency that VA lacked. The SPAWAR IAA has played a crucial role on this project, and continues to serve as the single integrator for implementing the VBMS solution. The SPAWAR team has served as both a major contributor to the success of VBMS and a champion for VA's efforts to improve overall benefits delivery to Veterans and their beneficiaries. SPAWAR's collaboration with VA is an outstanding example of how federal agencies can work together and leverage shared resources to better serve taxpayers.

The Vision for VBMS

In FY 2016, VBA is implementing a national workload strategy through a phased rollout of the National Work Queue (NWQ). This initiative improves visibility and provides greater flexibility in management of our workload and performance by enabling automated distribution across VBA. NWQ prioritizes and distributes our claims inventory at a national level and further standardizes claims processing. This will give Veterans in every state in the country the same access to benefits and timely decisions.

In FY 2016, VBMS will continue to reduce reliance on legacy systems. As part of planned improvements to the electronic folder for this fiscal year, Veterans will start to see a unique identifier (like a QR code or a barcode) on the letters they receive from us. When Veterans return the information we request along with that code, we will be able to automatically add the information to the electronic folder and quickly move the claim to the next step. Additionally, VBMS will implement functionality necessary to establish one authoritative source for Veteran contact information in FY 2016. The possibilities

are great to further improve accuracy, timeliness, and standardization of claims processing, and to ultimately improve service to our Veterans.

Conclusion

While we know there is more work to be done, our efforts are continually generating positive and significant results. VBMS is poised to capitalize on our achievements to date and drive continued improvements in claim processing timeliness, accuracy, and transparency. Realization of the long-term vision requires continued support and resources.

The OIG and GAO reports both provide recommendations related to the scope and cost of VBMS. VBMS scope and cost increases were planned, essential, and approved to move beyond the initial electronic folder functionality to automated processing capabilities. VBMS has delivered 17 major software releases and 56 minor releases in just four years, and has implemented thousands of business requirements.

Through the momentum of each release, VBMS has enabled a successful transformation from a paper-based system to a streamlined digital system. That momentum has resulted in confidence in the system and the progression of the structure in place to successfully deliver modern technology.

We have assembled the right team comprised of a multi-disciplinary group of individuals who understand the complex business requirements. They have the technical expertise to translate stakeholder needs into desired functionality. VBMS enables us to provide the best possible customer service to our Veterans. Since the electronic folder now provides simultaneous and searchable access to Veterans' records, VA continues to enhance VBMS' capabilities to further improve accuracy and timeliness throughout the claims lifecycle. We will continue to coordinate and integrate with strategic partners, such as the Board, VSOs, and DoD to to achieve the goals of interoperability.

I look forward to your continued support and commitment on behalf of Veterans, their families, and Survivors. Thank you for allowing me to address the Committee today. Mr. Chairman, this concludes my statement. I would be pleased to answer any questions you or other Members of the Committee may have.