

# ASSESSING WHETHER VA IS ON TRACK TO SUCCESSFULLY IMPLEMENT APPEALS REFORM

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## HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS  
U.S. HOUSE OF REPRESENTATIVES

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# CONTENTS

**Tuesday, June 24, 2018**

	Page
Assessing Whether VA Is On Track To Successfully Implement Appeals Reform .....	1
OPENING STATEMENTS	
Honorable David P. Roe, Chairman .....	1
Honorable Mark Takano, Acting Ranking Member .....	3
WITNESSES	
Honorable Paul R. Lawrence, Under Secretary for Benefits, Veterans Benefits Administration, U. S. Department of Veterans Affairs .....	5
Prepared Statement .....	31
Accompanied by:	
Honorable Cheryl L. Mason, Chairman, Board of Veterans' Appeals, U. S. Department of Veterans Affairs	
Mr. David R. McLenachen, Director, Appeals Management Office, Veterans Benefits Administration, U. S. Department of Veterans Affairs	
Mr. Richard J. Hipolit, Deputy General Counsel for Legal Policy, Office of General Counsel, U. S. Department of Veterans Affairs	
Mr. Lloyd Thrower, Deputy Chief Information Officer, Account Manager, Benefits Portfolio, Office of Information & Technology, U.S. Department of Veterans Affairs	
Ms. Elizabeth H. Curda, Director, Education, Workforce, and Income Security Team, U.S. Government Accountability Office .....	7
Prepared Statement .....	33
Accompanied by:	
Mr. James T. Whitcomb, Assistant Director, Education, Workforce, and Income Security Team, U.S. Government Accountability Office	
STATEMENT FOR THE RECORD	
VETERANS OF FOREIGN WARS OF THE UNITED STATES .....	42



## **ASSESSING WHETHER VA IS ON TRACK TO SUCCESSFULLY IMPLEMENT APPEALS RE- FORM**

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**Tuesday, July 24, 2018**

COMMITTEE ON VETERANS' AFFAIRS,  
U. S. HOUSE OF REPRESENTATIVES,  
*Washington, D.C.*

The Committee met, pursuant to notice, at 10:00 a.m., in Room 334, Cannon House Office Building, Hon. David R. Roe presiding.  
Present: Representatives Roe, Bilirakis, Coffman, Flores, Radewagen, Bost, Poliquin, Dunn, Bergman, Banks, Mast, Takano, Brownley, Kuster, O'Rourke, Correa, Lamb, Esty, and Peters.

### **OPENING STATEMENT OF DAVID P. ROE, CHAIRMAN**

The CHAIRMAN. Good morning. The Committee will come to order and thank you all for being here today. This is the second hearing on appeals reform in the last 6 months, which underscores the importance of this issue to the Committee.

After hearing horror stories of veterans who had been waiting 5, 6, 7 years, even longer for a final decision on their claims, the Veterans Appeals Improvement Modernization Act of 2017, the AMA gave veterans hope that a modern appeals system could improve appeals processing.

Congress worked on appeals; it did not end with the passage of the law. We will hold as many hearings as we need to ensure the VA effectively implements the law.

VA is telling us that the law will go into effect February of 2019, less than 7 months from now, but between now and February VA has a lot of work to do. The Department has to update its IT system, issue regulations, create forms, train employees, allocate staff appropriately, to help us monitor VA's progress on appeals reform. The AMA requires the Department submit reports every 90 days.

I was very disappointed that the first report, which was submitted last November, lacked many details, because it seemed that the VA had not yet focused on all the steps it needed to take to implement the AMA. However, the next two reports, which were submitted in February and May, were better and contained much-needed details. This showed me that VA is beginning to think through all the steps that it will need to effectively overhaul the current appeals process, including its IT systems, which is one of the most important components of the new appeals system. Needless to say, appeals reform can't go into effect unless the Depart-

ment's computer programs are able to manage appeals and the new system.

During the January hearing, Mr. McLenachen testified that about 75 percent of the IT functionality would be delivered by August. Last Thursday, VA informed my staff that only 35 percent of the core functions will actually be completed by next month with remaining core functions delivered in December. VA has assured my staff that executing this plan remains a first priority of VBA and OI&T Technology Resources.

During the July 18th Economic Opportunity Subcommittee hearing, VA testified that OI&T is working 24/7 on updating the IT systems for the Forever GI Bill. I would appreciate some clarification on how OI&T intends to balance both of these top priorities to ensure that both are timely accomplished.

I am concerned about whether the appeals software will be ready in time and whether VA will have a contingency plan if it is not ready.

I also expect to get an update on the status of the new regulations that VA will need to begin handling appeals in the new system. Publishing new Federal regulations is a long process that can sometimes take years. My understanding is that the regulations are supposed to be published this morning. Frankly, the Department has its work cut out to finalize regulations and be completely ready for the new system by February of 2019.

It is also important that VA understand that this Committee not only expects the Department to successfully roll out the new appeals system, but to also reduce the current appeals backlog. Right now, VA has a backlog of almost 430,000 pending appeals with many veterans waiting 6 years or longer just for a final decision on their claims for benefits. That is unacceptable. Veterans have a right to get a correct decision on their claims in the first place, but if they disagree with the decision, they should have their appeals decided accurately and within a reasonable amount of time.

VA had hoped that the Rapid Appeals Modernization Program, or RAMP, which allows veterans who have pending appeals to transfer to the new system, would significantly reduce the number of legacy appeals. However, it doesn't look like RAMP will make much of a dent in the appeals backlog since only 13 percent of eligible veterans have chosen to transfer to RAMP.

And I will say that I have been out and talked to some benefits folks and the RAMP program seems to work; it is convincing. And when I was out speaking to the DAV National Convention, I encouraged them to use RAMP, because I said this is something that it is a resource I don't think you are using right now and you can get an appeals claim adjudicated much quicker, and I have heard that from several of our claims people out there. So, I would encourage all of us on this dais to inform and educate our own constituents about the use of RAMP.

One of my biggest concerns is how VA will resolve the appeals backlog while putting the new law into practice with the current leadership vacuum, and that vacuum just got solved last night. Just last night, the Senate confirmed Secretary Wilkie's nomination, and right now the Department still does not have a permanent Deputy Secretary or Chief Information Officer. Although I

trust that the people at this table are doing the best they can right now, there is no one single person who has the responsibility for overseeing appeals reform both at VBA and the Board. VA needs to ensure that both VBA and the Board are talking to each other, particularly with respect to developing integrated IT systems that will allow employees to better communicate with each other.

I am looking forward to an open and productive discussion, to ensure that when the law is fully implemented the VA will have developed a process that provides veterans with accurate and timely decisions on their claims that they deserve.

Again, I want to thank all the witnesses for being here today, and I now yield to Ranking Member Takano for any opening statement that he might have.

**OPENING STATEMENT OF MARK TAKANO, ACTING RANKING MEMBER**

Mr. TAKANO. Thank you, Mr. Chairman.

First of all, we congratulate Secretary Designate Wilkie on his confirmation by the Senate yesterday and we look forward to working together with him in the future.

I will get to the details of appeals modernization in a moment, but it is no secret that several actions taken by top VA leadership recently are troubling to our side of the aisle. I do not think we can get together as a Full Committee and pretend that these controversies don't impact important progress and key programs throughout the agency, including the implementation of the Appeals Improvement and Modernization Act.

First, the Senate actually had to intervene in late June to ensure the right of VA's IG to obtain records as part of an ongoing investigation. Acting Secretary O'Rourke refused to cooperate with the requests for information of the VA Inspector General. Because Mr. O'Rourke's failure to cooperate is unprecedented, several of us sent a letter to the Counsel of the Inspectors General on Integrity and Efficiency, which provides oversight of Federal IGs. If he or the new Secretary are allowed to ignore the IG's request for information in the future, an important check will be lost on the kinds of waste and impropriety this Committee has been trying to locate and eliminate.

The vote was 96-to-zero in the Senate to rein in Acting Secretary O'Rourke. This vote shouldn't have been necessary, and it is a distraction from the work the VA should be doing.

Furthermore, when I asked him about it in our Full Committee hearing last Tuesday, Mr. O'Rourke's answer was that the IG's, quote, "access to OAWP has been unfettered since day one," end quote. This was untrue.

Secondly, recently several key career employees were moved to less important positions or pushed out, many seemingly without cause. After highly credible concerns were raised in whistleblower reports and press interviews with VA employees, several of us sent a letter to the U.S. Office of Special Counsel asking for an investigation into whether this career public servants were moved out for cause or for political reasons, actions which could violate the Hatch Act or other Title 5 protections. This is yet another distraction from what VA should be doing.

There has been considerable shuffling of leadership staff at VBA too. We have just welcomed a new Under Secretary for Benefits, Dr. Paul Lawrence, for whom we wish nothing but success. But two key VBA vacancies remain unfilled, Deputy Under Secretary for Disability Assistance and Deputy Under Secretary for Economic Opportunity.

Now, though we are grateful for the experience and continued dedication to duty of Chair Mason at the Board, Mr. Thrower in the Office of Information & Technology, and Mr. McLenachen, Ms. Murphy, Mr. Quill and others at VBA, if appeals modernization is going to be implemented on time in 7 short months, VBA management must stabilize. Vacant positions must be filled and the controversies and distractions of all this shuffling must end.

The Appeals Improvement and Modernization Act signed into law on August 23rd of last year was a triumph of bipartisanship. There was and is nothing Republican or Democratic about what we were able to accomplish together.

And I want to take a moment to acknowledge Congresswoman Dina Titus of Nevada for her extraordinary skill and her effort at bringing the stakeholders together.

The VSOs invested a lot of time in the idea that if they put aside some long-held differences, and worked in concert with the other and the VA, a better way forward could be devised. This was an unprecedented coming together of our Veterans Service Organizations and we thank them for that.

The result of all this effort was the Appeals Improvement and Modernization Act and, after 11 months, we are now at a key point in the implementation process. The long-awaited regulations will be published this week. What these regulations say and whether the IT necessary to make all this work can be delivered on time are where we should be—these are what we should be concentrating our efforts on, these regulations and the IT.

GAO will testify that there are still gaps in key areas. The report says that VA's plan for a performance measurement system lacks specificity. The timeline does not reflect the interdependencies among key activities. And, finally, VA has not done the risk assessments basic to any change-management strategy. Nonetheless, there is progress and hope for a successful rollout of full implementation in February.

The pilot programs are in place, claims processors and attorneys have been hired, impressive IT has been delivered and is working at the Board. Having said that, if another leadership upheaval sweeps through and the experienced hands like those here today are replaced or reassigned, Appeals Improvement and Modernization could be jeopardized.

Now, we are very, very proud of this Act and we don't want unnecessary distractions to get into the way.

Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. I thank the gentleman for yielding. And I really appreciate him mentioning our agenda a better way in his comments, that was good.

Joining us today are the Honorable Paul Lawrence, the Under Secretary of Benefits. He is accompanied by the Honorable Cheryl Mason, the Chairman of the Board of Veterans' Appeals. Thank



you for being back. David McLenachen, the Director of Appeals Management Office at the Veterans Benefits Administration; Richard Hipolit, the Deputy General Counsel for Legal Police with the General Counsel's Office; and by Mr. Lloyd Thrower, the Deputy Chief Information Officer, Account Manager, and Benefits Portfolio of the Office of Information & Technology.

Elizabeth Curda, the Director of Education, Workforce, and Income Security Team for GAO. She is accompanied by James T. Whitcomb, the Assistant Director of the Education, Workforce, and Income Security Team at GAO.

Thank all of you all for being here this morning and, Mr. Under Secretary Lawrence, you are recognized for 5 minutes.

#### **STATEMENT OF HONORABLE PAUL R. LAWRENCE**

Mr. LAWRENCE. Thank you. Good morning, Chairman Roe, Ranking Member Takano, and Members of the Committee. Thank you for inviting us to provide an update on VA's progress implementing the Veterans Appeals Improvement and Modernization Act.

You just introduced my team to the left, and so I will save your time and not do that again.

We agree, this legislation is the most significant statutory change affecting VA appeals in decades. We want to thank the Committee again for their support and legislative efforts, which will allow VA to transform and streamline a longstanding process into one that will positively impact veterans.

I am pleased to report that Appeals Modernization remains on track for implementation in February 2019. My confidence is based on my work with the team since I was sworn in. I have regularly met to review our team, the schedule, and our progress, and I can tell you that we have a strong team in place with a well-thought-out plan for implementation and beyond.

In addition to the weekly meetings I convene with our VBA team, I meet twice monthly with Chairman Mason to review this work. Prior to my confirmation, the Deputy Secretary met regularly with Chairman Mason and the AMO team to review progress. Lastly, we meet with GAO and Congress regularly to report on our progress. We have been transparent and plan to continue having these open discussions. We all want to avoid surprises with the implementation date.

The Rapid Appeals Modernization Program, or RAMP, is a significant achievement. As of July 2018, over 31,000 veterans had opted into RAMP and more than \$33 million in retroactive benefits have been paid. VA is also processing RAMP claims in an average of 84 days, well below the average processing goal of 125 days. RAMP is providing valuable insights into staff composition, workload management, successful methods of outreach, and identification of quality errors.

The Board's Early Applicability of Appeals Modernization, or BEAAM, research program is providing feedback to inform assumptions about veterans' choices and experiences. While the results of BEAAM are still being reviewed, veterans report they are optimistic about the changes and appreciate VA for working with them.

VA submitted the proposed rules for Appeals Modernization to the Federal Register on July 18th. We are waiting for them to publish as soon as they complete their own review.

VBA's appeals program is supported by 1,495 FTEs. VBA has requested an additional 605 FTE in the 2019 President's budget to process legacy appeals and decision reviews under the modernized process. To create further efficiencies and ensure it meets its stated goals, VBA is establishing three decision-review operations centers under the direct control and oversight of VBA's Appeals Management Office.

To ensure smooth implementation, the Board is also undertaking an aggressive plan to recruit, hire, and train new employees. The Board is currently on pace to hire up to a total of approximately 1,050 FTEs by the end of the year. Chairman Mason has also recently recommended eight Veterans Law Judge candidates to fill vacancies.

We have been focusing on resolving legacy appeals for veterans. At the end of June, VBA's inventory had decreased by almost 13 percent and appeals production was 8.7 percent above target. VBA plans to complete its legacy appeals by the end of 2020.

The Board has delivered a record production of over 64,000 decisions thus far in fiscal year 2018 and is on track to deliver over 81,000 decisions to veterans by the end of the year.

The Department has undertaken efforts to modernize the appeals process through improvements in technology, and I am pleased to report that these activities are on track and all milestones have been met. In January, as you referenced, sir, we told the Committee that we would have 75 percent of the IT complete by August with the rest finished by December. This estimate was based on early analysis of the system requirements for appeals modernization. We have learned much since January and I want to update you on the schedule.

Our current plan is to complete six core functions, approximately 35 percent, in August and the 11 other functions, the remaining 65 percent, by December. Our current estimate is based on a detailed examination of the business and engineering requirements as they relate to the VBMS software. It accounts for core pieces that must be installed in the August release before other changes may be added in the software development process. VA has a high level of confidence in the success of this plan because it is based on the inputs of longstanding VBMS project teams in both VA and VA's OI&T.

We will continue to closely monitor this development plan and advise the Committee of any delays we encounter. But again, all milestones have been met and we are on track.

Lastly, in terms of communication, VA is currently holding regular discussions with VSOs, veteran advocates, Congressional stakeholders, and GAO. Through collaboration, senior leadership from the Board and VBA have provided approximately 25 outreach sessions this year with more scheduled.

Most importantly, VA is listening to our veterans to help us improve the services we provide.

Mr. Chairman, this concludes my statement. We will be pleased to respond to any questions.

[THE PREPARED STATEMENT OF PAUL R. LAWRENCE APPEARS IN THE APPENDIX]

The CHAIRMAN. Thank you, Mr. Lawrence.  
And, Ms. Curda, you are now recognized for 5 minutes.

#### STATEMENT OF ELIZABETH H. CURDA

Ms. CURDA. Chairman Roe, Vice Ranking Member Takano, and Members of the Committee, thank you for inviting me here to discuss GAO's observations on VA's progress in planning for the reform of its disability appeals process.

Reforming the appeals process is a complex endeavor involving major process people and technology changes, an endeavor that will affect the lives of hundreds of thousands of veterans with disabilities. Such a major undertaking requires careful planning to improve VA's chances of success.

Last March, we reported that while VA's initial plan reflected aspects of sound planning, improvements were still needed to provide greater assurance that appeals reform will be successful. We recommended that VA's plan; one, address all legally required elements in the act; two, articulate how it will monitor and assess the performance of appeals processes; three, augment its project plan for implementation; and, four, address risk more fully. VA agreed with our recommendations.

Today, I will discuss our observations on how VA's updated plan reflects progress in implementing our March 2018 recommendations and areas where their plans could be more robust.

Regarding addressing risks to the plan, VA has taken some important steps to address our recommendation. For example, previously VA had plans to test only the two new VBA appeals options. Since then, VA has initiated a small-scale, non-generalizable test of the three new Board options. VA plans to use these tests to collect information on what options veterans choose and their experiences using the new options. This additional information about the choice's veterans make given all five options could help identify and mitigate some risks.

VA is also better positioned to mitigate risks by developing new analytical tools that will enable it to better project resource needs using different assumptions about opt-in rates and productivity.

While some progress has been made in assessing certain risks, VA has not made progress in articulating a full set of goals and measures for important dimensions of performance such as timeliness, accuracy, and customer satisfaction. The plan includes timeliness goals for three of the five new options and indicates VA is collecting data to inform the development of additional performance measures, but will not complete this effort until after implementation of the new appeals process.

However, sound planning practices call for agencies to define expected performance before they implement major process reforms rather than letting the process define success after the fact.

Similarly, the plan does not include success criteria or analysis plans for its RAMP and Board pilot tests. Without success criteria or analysis plans, it is unclear how VA will use the information from these tests to determine if the new process is working and enable comparisons to the legacy process. The new metrics VA is re-

quired to collect and report under Section V of the Reform Act could help VA measure the relative timeliness of the new and legacy processes, but VA has not articulated how it plans to make this assessment.

Regarding project management, VA's plan provides more detail about planned activities, as well as some indicators it will use to assess its readiness for implementation. However, the project plan does not include the small-scale pilot of the new Board options, a key activity, and lacks detail on other activities such as its customer outreach effort.

The master schedule also continues to lack information on how any delays in completing activities such as IT development would affect related activities such as training and full implementation. VA officials indicated they plan to address some of these issues in their next update.

Finally, VA's plan now addresses 18 of the Act's 22 required elements, which is up from the 17 we reported on in March. VA's plan now has fully addressed the element for projecting productivity and partially addresses the four remaining elements. VA's plan needs to address the four remaining elements, which include information vital to the success of appeals reform such as delineating total resources required by VA for the new and legacy systems, and setting milestones for the reduction of legacy appeals.

In summary, VA's updated plan includes some important new details that increase the reform plan's chances for success. However, without fully addressing our recommendations, the plan continues to have shortcomings such that we cannot be certain that implementation will go smoothly or that VA will know if the new system is performing any better than the system it is replacing.

This concludes my prepared statement and I will be happy to address the Committee's questions.

[THE PREPARED STATEMENT OF ELIZABETH H. CURDA APPEARS IN THE APPENDIX]

The CHAIRMAN. Thank you. I will yield myself 5 minutes and get started.

Has the RAMP—and anyone can answer this—has the RAMP program given you any indication about which route the veterans might take? I know they are limited, somewhat it is limited, but has that given you any idea so that you will know if you have the right personnel, Mr. Secretary, or anyone can take it?

Mr. LAWRENCE. Let me ask Mr. McLenachen to answer the detailed question.

Mr. MCLENACHEN. It has given us that information and it has been pretty consistent throughout the program. We have been running at about two thirds of veterans are selecting the higher-level review option, about a third supplemental claim. That has been surprisingly consistent throughout the whole program. I would expect to even out a little bit more after we get to February and we are actually just doing reviews after an initial decision is first made.

The CHAIRMAN. But does that help you when you are looking at your personnel to know which route, because that is what Ms. Curda was talking about, does that help you somewhat?

Mr. MCLENACHEN. Yes, it does, because the higher-level reviewers are more experienced employees, those are our decision review officers, so it does help us with how we need to allocate the resources we have to each of those lanes.

The CHAIRMAN. One of the things I would ask you to do, so that we can compare apples to apples, whether you appeal back to the RO or to the Board, I would still like you all to report that as an appeal and not name it something else, so that we look back a year from now and realize the appeals are half what they were, but they really are not, they are really the same. If we could do that, maybe—all these Members of the Committee will understand that, but new Members might not, and I don't want to let us give the impression to the veterans that we have cut these way down when really we haven't.

Mr. MCLENACHEN. Yes, sir, we are addressing that. In the RAMP program, we are using what we call end products, separate end products just for this workload, for RAMP workload. When we get to February, when we have the new law implemented, we are going to use separate end products for those things going forward. So we—

The CHAIRMAN. I would just call it an appeal to the RO, as versus an appeal to the Board, therefore how many appeals—I understand what an appeal is, what you just said I don't know what is. So—

Mr. MCLENACHEN. So we are tracking the work separately, sir, so we were able to report out on that.

The CHAIRMAN. That is important, I think. And I think the other thing with what we are doing, all these processes are extremely important, but what matters to our constituents and to the veterans out there is do I hear something, I mean, in a timely fashion, that is really it, and that it doesn't take—and the word out on the street is, when you get this appeal done, it is going to take years probably. But I have had veterans come up to me, I can tell you I am very happy with the RAMP program, and come up and say I heard something in two months. I had them out in Reno tell me that and I think you are to get a shout-out for that. I think there is a great implementation.

Under Secretary Lawrence, the question I have is, the VA has been fairly famous at not delivering on time and with this IT being only 30—I heard what you said, that you needed these six core measures before you could get to the 11, we are going to have another one of these hearings hopefully before the end of the year to go back to this, because it is very close to February, we are not very far away from that at all, and do you feel confident that we will be there and be ready to roll, have the personnel you need, the IT systems.

And the other thing I was going to ask Ms. Mason for you all to talk about, since you are using different software, can those two software packages on an appeal to the Board communicate with the software package you are using on the other two RAMPs.

Mr. LAWRENCE. Sure, thank you. Let me try to unpack all the different questions.

So, yes to your broad one. I feel confident based on my review and inspection, and I will ask Mr. Thrower to speak a little bit

more about IT in just a second. The other thing I would like to point out was, as you indicated, you just learned about this last week, and I think there was some confusion on our understanding of the information we should report to you. I think we were thinking mostly about the implementation date being in jeopardy, but that is on us, and what we agreed to do with your staff is have regular discussions of where we are on this. And I just volunteered, and Lloyd will repeat, us coming in, talking about how we measure, so that the units of measure are not unclear as well, so that we can provide you the level of comfort we have.

But let me let Mr. Thrower talk about this too as well.

Mr. THROWER. Yes, sir. So, actually we are very confident in our delivery schedule right now. Once we broke this out in February and looked at individual requirements, we stacked them, ranked them, and built a schedule that had a very level effort throughout, so we wouldn't have peaks and valleys throughout, so that we could have a level amount of effort throughout the entire year. We have met every single milestone that we have had.

The pieces that we are delivering right now, the specific function points in August are actually the heavy-lift pieces, the ability to track claims and contentions. And so that is a huge step that we are making, and we will be delivering next month.

To the last point that you asked specifically around the integration points between the case flow and VBMS, the two engineering teams have been working side-by-side since February of this year to understand the integration points between them and to test out capabilities along the way, and we have had a very smooth relationship between the two development teams.

The CHAIRMAN. Thank you. My time has expired, but one last just comment, and I will turn it over to Mr. Takano, is that, you know, we heard that things would be ready for the Forever GI Bill and they are not ready to go. So that is our concern.

Mr. TAKANO. Dr. Lawrence, the GAO stakeholders and Committee staff have continually pressed the need for detailed planning outlines, yet the VA has failed to provide truly detailed plans and risk assessment. Can you please explain the reason why you have not provided the above details?

Mr. LAWRENCE. Sure. We very much value our relationship with GAO and want to work closely on them. We appreciate all the detailed work they do on our program. In fact, Ms. Curda and I were just talking on August 3rd, her boss, the Comptroller General of the United States, is coming over to our office and meet with me and talk about how we more closely and better understand it.

That said, I think she reported that we continue to work closely and achieve many of those things. In just a second, I will ask Mr. McLenachen, because he regularly meets with her. I think we are making progress, I think they continue to challenge us and push us further, and we want to work closely to make sure we do that.

So, Mr. McLenachen, would you like to add anything?

Mr. MCLENACHEN. Yes, sir. We do work closely and, as you heard in the prior report, 17 of the 22 recommendations that GAO had been fulfilled by us. We fulfilled one more to GAO's satisfaction, but this is a process of us continuing to work closely with them. Really, I could say that what my understanding of what GAO is

looking for is more detail. So every report that we issue, every update, we try to provide that other detailed information.

I just want to point out that what is being reported today is based on an update that we did in May, right now in concurrence in VA is our August update, so that will have additional details that GAO is looking for.

Mr. TAKANO. Okay. Thank you.

Ms. Curda for the GAO, you have mentioned in your testimony that it is the best practice to identify a set of goals and measures before testing and implementing the new appeals process. Can you explain more about what you mean by that?

Ms. CURDA. Certainly. It is really important to establish at the outset what the vision of success for the appeals reform will be, so that you can design your program to achieve that vision of success. So having clear goals about how much time processes will take, the degree of accuracy, what is expected in terms of customer satisfaction, are important for designing the system, for doing a risk assessment to determine if there are any things that can get you off track in terms of achieving those goals and mitigate for them; it is important for establishing accountability for what is expected in terms of results; and, finally, for monitoring and feedback, so at the end of the day you have information coming and telling you are you on track, are you achieving what was intended by appeals reform.

Mr. TAKANO. All right, thank you. And you believe that the VA has not sufficiently established those goals and measures, is that correct?

Ms. CURDA. That is correct. We have seen some timeliness information, but not for all the Board options, and we have not seen other measures of performance that would be important to create what we call a balanced set of measures. You can do things much more quickly, but you have to keep an eye on accuracy as well, because if you are doing things faster, you could be making mistakes. So you need to keep an eye on both things.

And I understand that they have existing measures and they intend to do more with those and to develop those, but now is the time to kind of get that worked out.

Mr. TAKANO. Okay. Dr. Lawrence, is the VBA stabilized? What I mean by that is, is the new reorganization of staff pretty much run its course and, you know, do you feel confident in your team that they will be able to be in place enough, at least long enough to see the implementation of this plan?

Mr. LAWRENCE. Sure, yes. Let me tell you about my discovery when I arrived in the middle of May. I concluded very quickly that I am very fortunate, even blessed to have a very strong senior team around me. So, stabilized is not the word I would use, sir. I made some realignment to better focus on the needs of veterans, but I have no additional changes anticipated of that magnitude.

Mr. TAKANO. Very good.

Mr. Chairman, I have no more questions. I yield back.

The CHAIRMAN. I thank the gentleman for yielding.

Chairman Bost, you are recognized for 5 minutes.

Mr. BOST. Just kind of going down where we have already been going and not to beat a dead horse, but, Mr. Thrower, it is absolutely essential that IT has to be up.

We were talking in January. Mr. McLenachen testified 75 percent, right? Functional would be delivered in August, which is just a few days away, and we were informed, our staff was that it is only 35 percent. That is kind of hard to figure out how you are going to come up with the rest of the getting us 100 percent by the December goal, which is only 4 months away. What is your back-up plan if it doesn't get there?

Mr. THROWER. So, as I said, you know, one, I will say that initial estimates back in January were prior to actual engineering analysis done on this effort. We did break this out in terms of specific capabilities that needed to be delivered, we scheduled them, and we scheduled them very specifically, so we did not have peaks and valleys, that we had a very even level of effort throughout the entire effort.

I do understand that, you know, it is very clear that the numbers that we provided last week, let me just say they were very specific to function points that were being delivered in August versus December, that does not actually tell the full story of this effort. And we are more than happy to come in and we have offered to come brief the Committee on various points along the way. We have—you know, function points, all function points are not equal, as well as the impact of their delivery on this full effort. The most critical pieces of this, the hardest parts of this effort are actually being delivered in August, the ability to manage, to take a claim and be able to track individual contentions within a claim, the ability to break into our three new lanes of where an appeal can go and track at the contention level is actually being delivered next month. Most of the additional pieces are follow-on details and of much lower level of effort.

Mr. BOST. Okay. This law was signed by the President in August 23rd, 2017, but you didn't deliver the detailed plan for the IT schedule until February. Can you see why this Committee is a little concerned on where we are going with this? And my original question was, if you don't make it, what is the plan? Because you are telling me you are going to make it, but everything we were watching from this Committee—and we want to work with you, we want to see it happen, but every time we turn around it is like, we are going to get there, we are going to get there, we are guaranteeing we are going to get there, and we are just getting towards the edge and that is my concern.

So, is there another plan in case you don't make it?

Mr. LAWRENCE. Yes, sir. I appreciate that, I appreciate the perspective and I understand completely what you are seeing. A little closer to the project, we are seeing different information in terms of the regular drumbeat of the activities we are supposed to see. And, again, our offer is to come to you and your Committee and explain what we are seeing in more detail. I appreciate the perspective, though, and it is not lost on me, as well as the reference to the GI Bill.

What I can tell you is, yes, there is a back-up plan. Broadly, while we wait for the system to come on, we will do things manually to honor the commitment of, you know, dealing with appeals.

Mr. BOST. That is an important part.



Mr. LAWRENCE. We will have that. It is unpleasant to talk about, because it is expensive. But again, you know, what we are seeing, what I am seeing in terms of the IT progress is solid, it doesn't reflect perhaps what you are seeing, which leads me to think we need to explain more in detail to explain our level of confidence.

Mr. BOST. And we on this Committee do that.

But, Ms. Curda, you also see a problem with this, right? GAO has been very clear in what they have given to us that there is a problem.

Ms. CURDA. Yes. We have several open recommendations to VA on its IT planning, including the need for more detailed schedules for when VBMS updates will be completed, when case flow functionality will be in place, when testing will be done, and so forth. And we have not seen the detail we would need to see to close those recommendations and, you know, we have not seen the objective information that they have been describing that gives them confidence that they will be 35 percent done or 100 percent done, we haven't seen that information.

Mr. BOST. Okay. Just so you know, as you can tell, by every question that is coming up from up here, we are all concerned, and we are depending on you to make sure it happens.

So, with that, I yield back.

The CHAIRMAN. I thank the gentleman for yielding.

Ms. Esty, you are recognized.

Ms. ESTY. Thank you, Mr. Chairman.

I want to thank the vice Ranking Member and the Chairan and all of you for joining us on this important endeavor, which is so important to millions of veterans across this country. And I will say, we have been impressed with the speeding up of appeals and all of that is in the right direction, but as you can tell from our questions, we are very concerned that this continue.

So I have three questions I would like to ask. For Under Secretary Lawrence, the RAMP program is crucial to successful implementation of the appeals process by giving us information and feedback, you and us information and feedback about how it is proceeding, but we are all concerned, and the Chairan referenced this that we have only got a 13-percent uptake based on the outreach. So what do you think is going to be the effect on processing notices of disagreement and appeals in the future if we don't get to a significantly higher percentage than 13 percent?

Mr. LAWRENCE. Certainly. We are learning a lot from RAMP, as I indicated in my statement, and I also shared the experience that the Chairan did when he talked about what he experienced. I think if you sort of think about our journey at the beginning, it was a promise and, as a result, one could imagine folks being reluctant to participate. Now we have information about what happens when you participate in terms of the grant rate and the speed. We are trying really hard to communicate that regularly. While he was at the DAV conference, I was at the Veterans of Foreign Wars, and put up a slide in my presentation that explained the contribution of the VSOs in our places, in our RO, where the participation rate is amongst the highest and the difference where it is amongst the lowest. It is our educating the VSOs and getting them to talk to

their veterans about what happens when you go through the experience.

So I am very positive on the experience. I think, broadly, it began low and had it stayed low, I think that would have been a real knock on VBA, but the fact that we began to think about why this was and take more outreach steps and communicate more, plus we now have a good story to communicate. So I am very positive about what RAMP is going to give us.

Ms. ESTY. Again, I agree with you on everything you said, but it isn't the answer to the question what is going to happen, so we can return to that.

Mr. LAWRENCE. Sure.

Ms. ESTY. And I do think you should look to use us as well and the VSOs, and put up on your Web site and other places to get that information out, so people understand. Perhaps even put veterans up who have gone through the process to explain and demystify it for people, just a suggestion.

Mr. LAWRENCE. Thank you.

Ms. ESTY. Secondly, I know there have been some concerns raised that the reason for low participation may be that the notices—and we have talked about this many times before, before your tenure, about plain language in notices. We have heard informally feedback; the VSOs have been pretty happy with it in part because I think they worked very closely with VA. The state resource officers have not been as enthusiastic, we have heard informally they still feel that this is inadequately clear.

Can I get your commitment to continue to work with them and every other group that is responsible for successful implementation to ensure that we are all working together?

Mr. LAWRENCE. Yes, absolutely.

Ms. ESTY. And training for folks and all of that?

Mr. LAWRENCE. Yes. And one quick point, I know your time is—I did watch the hearings as part of my preparation for confirmation, one of the first things I did was convene a group and say tell me about the letters. So we will continue to work with them and, yes, we will work with you.

Ms. ESTY. And that works with everybody, those who feel that they are where they need to be and those who really feel that they need to be moved, and that may be a matter of education.

Final question for Ms. Curda. Again, if you can really specify the importance of establishing ahead of time broad criteria for implementation and success, and the need to do that ahead of time. I know it is annoying, because you are trying to get everything ready to implement and I know, Mr. Thrower, you are trying to do that, but if we don't have criteria ahead of time, can you please detail what the problem is if we don't have broad criteria for assessment prior to implementation?

Ms. CURDA. Certainly. Both the RAMP pilot and the more recent BEAAM pilot are positive steps. I mean, certainly we all agree it is good to learn something about veteran's choices before implementing the system, but they really aren't designed to be complete pilot tests of how the new system will work and whether it will be working as is intended. It is a limited test, it is not generalizable, and the criteria haven't been specified. Having undertaken these

tests, it is not clear at what level of performance of the system VA would consider acceptable such that VA could then certify and be confident about implementing the full system and that everything will go smoothly and according to plan.

Ms. ESTY. Thank you, and I yield back.

The CHAIRMAN. I thank the gentlelady for yielding.

Dr. Dunn, you are recognized.

Mr. DUNN. Thank you very much, Mr. Chairman.

I thank the panel for being here. And thank you very much, Secretary Lawrence, I know you are fairly new on the job here. You have been there less than 3 months, I think, is that right? Yeah.

But I was reading your bio over the weekend and I have to say, you know, I have been guilty of being pessimistic at times about how the VA is going to solve all these problems, but I think we have got terrific background here in yours to tackle some of the big problems in the VA. So I am hopeful, I am allowing myself to be hopeful there. I noticed that you were named twice, like the National Public Service Leader organizations, outstanding, and that you are an Airborne Infantry Captain, right?

Mr. LAWRENCE. Sir, of the two, I am most proud of the second one, and the first one, just to qualify, I was one of 100 people who were selected in that, but it is nice of you—

Mr. DUNN. Outstanding, outstanding. Well, thank you for your service.

Mr. LAWRENCE. Thank you.

Mr. DUNN. So, although it has been earlier, I am going to ask you a couple questions. What do you see as the biggest challenge on the benefits side of the VA organization and what do you think is the most promising thing over there?

Mr. LAWRENCE. One of the most challenging things is to just work the number of claims we get. There is no magic to that, just simply the processing, we get a lot of them, and the real challenge is to continue the progress that has been made and not maintain. My biggest concern is organizations struggle when they maintain performance. So I have talked about embracing the changes, but accelerating and learning from it as we go forward. So that is something I pay attention to a lot and trying to understand if there are new ways to think about it based on what we have learned and the like.

The most promising thing I have seen is just as I alluded to a minute ago, it is a very strong team that is very focused. As you saw in bio, I have been consultant to government and have worked in other government agencies. I think the VBA team is amongst the leaders in discipline, in terms of how they manage things, and measurement, quite frankly.

Mr. DUNN. That is outstanding, thank you.

So if you could ask a bunch of Congressmen and Congresswomen to lean in and help you in some way, what would you ask of them?

Mr. LAWRENCE. Well, first I would want to make sure we delivered on all the things you have already given us. So that is my first thing, so I would do it carefully. I think I would probably follow up on some recommendations of how to enlist your help in terms of the communication and the connectivity to the states and the different parts where you are, as well as really thinking through,

but I haven't done this yet, an understanding of how to really, you know, modernize the IT systems we work with. But I am not asking that now, because I need to think that through further.

And I know coming off some difficult moments, that is not the excuse and that is not what I am trying to do, but I do think as we think about doing—and Mr. Wilkie talked about that in his confirmation about being agile, that is something we are going to have to understand in terms of how old the systems are we deal with and our ability to do that.

So those are two things, I would call those coming through the back of my mind, they are not requests at this point, though I appreciate the encouragement from you and other Members on this Committee.

Mr. DUNN. Have you had enough time to get your arms around the budget yet? I mean, is it bloated? Is it too big, is it too small? Is it—

Mr. LAWRENCE. Well, yes, I have, but I will—you know, I am sure you can ask me a question about the budget that I won't know the answer to, but here is my general observation: what goes on at VBA is a function of the veterans asking for our help, so it is an input-output sort of model. Veterans are asking a lot from us in terms of delivering the benefits. Right now my assessment is as appropriate. As we continue to see how these programs work out and the like, we could very well come back and ask for more. I will be unlikely in my tenure to send you a check back, quite honestly.

Mr. DUNN. Thank you so much.

I am going to turn my attention to Ms. Mason briefly. How many hearing requests are currently pending at the Board?

Ms. MASON. Currently, we have over 84,000 hearing requests pending.

Mr. DUNN. So how many requests in 2017 did we have, how many requests did we have versus how many did we complete, so the input-output balance, the net?

Ms. MASON. I believe in 2017 we had a little less than 80,000, and we completed over 13,000 sir.

Mr. DUNN. So, 80,000 requests, 13,000 done?

Ms. MASON. We offered 25,000 in 2017, but only 13,000 veterans took us up on that offer.

Mr. DUNN. So you are falling behind there?

Ms. MASON. We are. We are working towards moving ahead and trying to look for new opportunities and working with IT on expanding our hearings, as well as the foundation for that.

Mr. DUNN. Are you optimistic we could catch up? That is pretty far behind.

Ms. MASON. I am optimistic we can catch up. One of the initiatives that I have already started is working with the VSOs and our stakeholders on veterans' requests for hearings, and getting our arms around what those exactly are and how we move through those.

Mr. DUNN. All right. Thank you very much.

I yield back, Mr. Chairman.

The CHAIRMAN. Thank you.

Ms. Brownley, you are recognized for 5 minutes.

Ms. BROWNLEY. Thank you, Mr. Chairman.

I too just wanted to put my two cents in relative to this issue that the GAO has pointed out with regards to the articulation of performance measurements. It seems to me that we are sort of putting the cart before the horse here. And, Mr. Lawrence, I wanted you to respond specifically to that, that certainly the GAO was saying that these performance goals and measures haven't been articulated, which therefore lacks a vision, which therefore, as implementation moves forward, will lack, you know, some kind of accountability.

And you also mentioned that you plan on having a new update in August relative to some of the GAO recommendations. So if you could just comment on that and do you perceive to have that included in the August update?

Mr. LAWRENCE. Certainly. Let me comment on the first part and then ask Mr. McLenachen to talk about the update, because he has been working with them on that directly.

I am going to go look into this, because I am hoping it is a communication challenge on our part, because I do think we have goals and performance metrics that we talk about and perhaps we haven't communicated in sufficient detail. So I am certainly accepting their advice and counsel, and I want to try to figure out what is behind that, because I have a pretty good sense in my own mind of what success looks like and I want to make sure we provide that.

So I will take that and report back however appropriate, but I will ask Mr. McLenachen to talk about the August update, because I know he and Chairman Mason have been working closely on this.

Mr. MCLENACHEN. Yes, Dr. Lawrence is correct, we do have goals and metrics from the very beginning to include RAMP and final implementation for the two VBA lanes, our goal has been 125 days and that is what we will be tracking against. So, we will have timeliness measures, our average days to complete and the average age of our pending inventory.

We also have a robust quality program in VBA. One of the things that GAO has asked us to do is to expand upon the details about that quality assurance program that we have, so we will do that as well.

And then, finally, we do track production. We set production targets and we track against those targets, and we are also doing work on customer satisfaction surveys as well.

So we are addressing all of those metrics, we have them, we will be using them and measuring them going forward.

Ms. BROWNLEY. Ms. Curda, does that sound consistent to you or correct?

Ms. CURDA. Well, that is certainly what has been discussed in plans, that they are working on it, they are doing things, but we haven't seen the specific goals and measures that they are talking about, particularly on the Board side of things. We have seen the VBA goals, but at the Board, two of the lanes lack timeliness goals.

Ms. BROWNLEY. And can you give us a timeline on when those would be clearly articulated and public?

Ms. MASON. For the Board, the lanes that Ms. Curda is referring to I believe are the 90-day evidence lanes and the hearing lanes under the AMA. We do have the 365 lanes already identified, that

we will have those decisions done in 365 days. The 90-day lane and the hearing lane, we are going to have to assess that and we are working to assess that. The promise we made to the stakeholders in March of 2016 was the legacy veterans and the 365 veterans have priority in the way we do our cases at the Board.

And so we are continuing to assess that, and I am working to try and get some timeliness goals around those other two lanes, I am not there yet.

Ms. BROWNLEY. Well, you didn't give a timeline. So I understand everybody is working on it, but I think we would like to see a timeframe. And then obviously we would like to see what the performance metrics actually are, so that we can do our job, and part of our job is oversight and making sure that we are, you know, meeting these goals and obviously providing the best services that we can to our veterans.

Mr. LAWRENCE. I wanted to ask you a very specific question relative to the L.A. regional office. The director has been missing for a year now, there is an interim person who is sitting in that position. I know, I wrote a letter along with my colleagues last November asking for a swift appointment to fill that position, we never received a response, and, to my knowledge, there is still not a permanent director.

Can you give me an idea of when you plan on filling this position?

Mr. LAWRENCE. I know I talk regularly with our folks who lead the field operations about openings and how we are going through the HR process to fill them. I am unfamiliar with the details of this, but I will follow up and get back to you on that.

Ms. BROWNLEY. Okay. Well, just, you know, the L.A. regional office covers eight California counties, it is a very large office, processes a lot of benefits, over \$1.5 billion in annual payments, and not having that position filled is a problem.

It seems as though the performance there, based on what we can discern from the data, has remained generally pretty steady over this last year, which, you know, is good, but it also seems to, you know, in July there is a little start of ticking, you know, in an upward projection, which obviously we want just the opposite.

And my last question is to Ms. Curda—

The CHAIRMAN. I ask the gentlelady to speed it up.

Ms. BROWNLEY. Oh, I apologize, I apologize. I yield back.

The CHAIRMAN. I thank the gentlelady for yielding back.

Ms. BROWNLEY. I got carried away.

The CHAIRMAN. You did get carried away, it's okay.

Mr. Mast, you are recognized for 5 minutes.

Mr. MAST. Thank you, Chairman.

Mr. Lawrence, Ms. Mason, I wonder if you could, one of you help to enlighten the Committee, take us through a day in the life of somebody that is working through these appeals, whether it is somebody going through the higher-level appeal, whatever RAMP that they want to go through, what is the timeframe from the time they get something placed on their desk, when we are sitting here trying to do the math on saying, okay, there are however many tens of thousands of people waiting on these, there are new ones coming in, what does that look like for them? What is a day in the

life, a day in the week, or a day in the month of, you know, for them doing all of that? Is it different for me? How different is it for somebody like General Bergman who has substantially more years of distinguished service than I do, or what is the difference?

Ms. MASON. Well, I will start with the Board. A day in the life of an attorney at the Board is once the case gets to the Board—and we process those cases in docket order, and so every day there are cases coming in to the attorneys and the judges—so the judge would assign the case to the attorney, the attorney would begin working the case. Depending on the number of issues, it may take a day, it takes a little bit more.

Mr. MAST. Take me through that, working the case. He gets the case, working the case.

Ms. MASON. Working the case means that they are going in through our electronic records system, looking at all the evidence in the record, and the Board, because it does a de novo review, the attorneys are required to review everything in the record and electronically, and review those records and make sure that we have identified all the issues, all the contentions, any concerns, anything that we haven't addressed at the Board, that if it is an administrative issue, then that is going to stop it—

Mr. MAST. Does that mean they are reading every page of whatever—

Ms. MASON. Yes.

Mr. MAST [continued]. —is submitted for that item of their health that is being looked at?

Ms. MASON. They are reading the entire claims folder. And these days it is electronic, so they are reading it electronically.

Mr. MAST. How many pages could we be talking about?

Ms. MASON. Thousands, thousands of pages. So—

Mr. MAST. On one case?

Ms. MASON. For one case, for one case. And if it is multiple issues, tens of thousands of pages, because we are talking about from the time—you know, we are looking at the service records, we are looking at the evidence that the veterans have submitted in support of their cases, we are looking at medical records, we are looking at hearing transcripts, anything in that record is what the attorneys are reviewing and looking at.

And so depending on the complexity of the case and the number of issues and things like that, the attorneys can assess it very—you know, with the reading and the amount of time going through that, then they are assessing as they are reading through and making determinations about what they are doing with the cases.

Then, usually the next day, they are writing. So they are writing the decision up for the judge. Sometimes it takes longer than two days. Sometimes the attorneys are working several cases at once, depending on what is going with their caseload, because the attorneys do approximately 3.25 cases a week at the Board.

So those cases are moved through. They write up the decision, again through the template program we have. Through the assessment, there are conversations back and forth with the judge during that process. Then the decision goes in to the judge.

Once the judge gets the decision, the judge—and the judges are deciding over 20 cases a week these days with what is current pro-

ductivity, and again it depends on the number of issues in the case. So the judge is going then to assess the file and take a look at the file. The attorney will have tabbed the importance evidence that is vital to the judge and that is going to be connected through the interactive decision template, so they can link back to it through the decision, and be able to review and sign that decision.

And then the decision goes out the door to dispatch, which takes a couple of days with the electronic signing of the decision and then the upload to VBMS, and then from there the case goes to VBA for effectuation.

Mr. MAST. That research portion of it, what is your expectation of how long that should take? That seems like the most intensive portion of all of this. What is your expectation? Again, understanding that everybody has a different case, but what is the expectation there of reasonable?

Ms. MASON. Realistically, that is 60 to 70 percent of the attorney's time on each case. So it—I can't tell you a set number of hours. It depends on the number of issues per case.

Mr. MAST. Attorneys are pretty good about knowing how many hours they want to charge somebody. I would think that.

Ms. MASON. They are pretty good. They are pretty good. The more senior attorneys are more efficient at it and we do have the specialty case team in place to help with that. But you know, as—

Mr. MAST. So what is the expectation?

Ms. MASON. A straightforward case that is fairly—a straightforward case would be somewhere between 8 to 10 hours for one of my experienced attorneys.

Mr. MAST. Eight to ten hours for 1,000 to 10,000 pages?

Ms. MASON. And that would be to include the writing time.

Mr. MAST. That is absolutely alarming to me. Thank you for your responses.

Ms. MASON. You are welcome.

The CHAIRMAN. Thank you. Mr. Lamb, you are recognized for five minutes.

Mr. LAMB. Thank you, Mr. Chairman. Mr. Secretary, can you talk about how you have engaged the regional offices in the transition from the Legacy process to RAMP, just to make sure what they—they have what they need for when the full implementation comes?

Mr. LAWRENCE. Sure. Broadly, I have engaged the regional office as a part of, you know, taking over and engaging with them. I have established council or top ten folks to randomly provide me advice and I am convening with them tomorrow. But in terms of appeals specifically, let me enlist Mr. McLenachen because has—

Mr. LAMB. Sure.

Mr. LAWRENCE [continued]. —worked with them for a longer period of time.

Mr. MCLENACHEN. So one of the things that we did is we developed appeals modernization 101 training and we required every VBA employee that is related to claims processing, not just appeals, but just even claims processors to take that training. As of yesterday, we were at 99 percent completion on that training.

In addition to that, the regional offices that are working on RAMP claims, they have received specialized training, both initial



and follow up and they receive 100 percent review for a month when they start working those.

If you look at Appendix C in the 90-day update to our implementation plan, there was a listing of all of the outreach and communications that we have done. I have personally visited regional offices that have the most eligible veterans and talked to local congressional staff, attorneys, VSO representatives, and our own employees to make sure everybody has a good understanding of the new system.

So we have taken a very aggressive approach.

Mr. LAMB. Have you received much feedback or buy in from the regional offices themselves? Like has that affected the way that you are doing the roll out?

Mr. MCLENACHEN. Yes. I—strong buy in from the regional offices. I think what we are really seeing when we go out locally is a lack of complete understanding. And between us, me and Chairman Mason, and the VSO representatives that have knowledge of the program, once that explanation is done then there definitely is complete commitment to it.

Mr. LAMB. Okay. Do you know whether vacancies in the regional offices are going to complicate the implementation of this at all? Has that come up as you visited or talked to folks? I know in Pittsburgh, for example, near where I am from, we have an assistant director vacancy. Is that something you have seen around the Nation?

Mr. MCLENACHEN. So what I can tell you about is our appeals workforce. As the undersecretary said, 1,495 employees, we are almost at full strength on the appeals teams that do this work. We are down about 17 at this minute.

Mr. LAMB. Okay. Chairman Mason, did you have something to add there? It looked like you were leaning in. I didn't—

Ms. MASON. No.

Mr. LAMB. Okay. Ms. Curda, do you believe with everything we have heard today, with everything you have studied before you came here today, do you believe it is possible to roll out this plan on time?

Ms. CURDA. I think it will be challenging. I think you can certainly always make improvements in the areas of risk management and risk reduction. Any risk you can identify and mitigate is going to increase your odds of success. And so what we are talking about here are odds and chances of success, not certainty.

I think as it stands now, I am a little concerned about the lack of detail. But if the detailed information that the Board and VBA are talking about is available and made available to us to take a look at it, we might have greater assurance than we have right now.

Mr. LAMB. Okay. Mr. Chairman, I yield back. Thank you.

The CHAIRMAN. I thank the gentleman for yielding. General Bergman, you are recognized for five minutes.

Mr. BERGMAN. Thank you, Mr. Chairman, and thank you to all of the panel for being here. If this was easy, it would already have been done. Okay, so we know you are all engaged. And Congressman Mast just left, but I told him on his way out thank you for allowing me to tee up what I was about to say on the front end

and that is any general officer, and I will keep it to the Army and the Marine Corps at this point because we are largely infantry, and any general officer worth their salt knows that they do what they do every day for those young infantrymen and women who are the—at the pointy end of the spear and that never changes no matter while you are in uniform, but even after your uniform days have completed.

So can we agree here as a group that a simple mission statement based upon the title of our hearing here is that to successfully implement appeals reform, is that a pretty simple mission statement?

Mr. LAWRENCE. That is correct. Yes, we agree.

Mr. BERGMAN. Okay. And when you implement a mission statement, someone has to be in command of that mission. And there is a difference. There is a unique difference in command and staff. That is why we have command and staff colleges. There are people in command and there are people on the staff providing that valuable input. And you are usually, over the course of time, you will establish yourself either as one of those commanders who is the person to be in command or as a really solid staff officer who supports that commander. And there is a difference between the two.

So having said that, who is in command?

Mr. LAWRENCE. This is somewhat of a unique situation, but I am not going to defer your question. In February 2019, the Board will be in command of appeals. At this point, for VBA, I am in command of the VBA Legacy appeal. The Chairman is in command of the Board's Legacy appeals.

In my opening statement, that is why I referenced working closely together through this unique period of time. But in February, the Chairman will be in command.

Mr. BERGMAN. Okay. So mission failure is not an option, but there are in the military terms' reliefs for cause, okay? And this could be mission failure. Is your organization set up to—before the mission fails, to relieve a commander who maybe is not getting it done and all of a sudden, we wake up at the 11th or 11 hour 30, are you prepared to make changes if the milestones are not being met?

Mr. LAWRENCE. Yes, sir. In fact, again in my opening statement, I alluded to the second week I was there, I began to meet regularly with the AMO office, and I meet with them regularly to monitor performance. And that is one of the things I think about regularly.

Mr. BERGMAN. Yes, I hope this doesn't seem harsh. This is just reality. And the constituent population that we are serving here, the veterans, know that we have, as commanders, have held them accountable for mission accomplishment and their performance in that unit involved in that fight. And I know that they expect us to do the same at the highest levels.

And as partners in this with you, in other words as a Committee Member trying to be part of the solution, not be part of the problem, stay out of your way, but at the same time, we hold ourselves accountable to our constituents here as—in our districts, but also as fellow Members of the Committee.

I just wanted to hear you articulate to whatever level you would like the accountability within your system that if something goes bad, sooner rather than later, people will be either reassigned,

whatever it is, so that the mission does not fail just because somebody said well, it is a—we have some flexibilities here.

Mr. LAWRENCE. Sure. You have my assurance. And just so you know, my father was in the military, as was I. One of the things I learned from him was mission first, men always. And we talk about the mission all the time and what that is going to take.

And as you know, a great deal of flexibility moving people. So yes, that would be my intention were that the reason.

Mr. BERGMAN. Yes. There will be naturally after-action reports that occur that okay, lessons learned. We can do this better. We can do that better. But just saying well, we tried but we didn't get it. We didn't meet the deadlines. That is not acceptable. And I just appreciate all of your effort and whatever we can do to be part of the solution here with you to repeat that one more time, we are all in. So and I see my time is about to expire. So thank you. I yield back, Mr. Chairman.

The CHAIRMAN. I thank the gentleman for yielding. Ms. Kuster, you are recognized.

Ms. KUSTER. Thank you, Mr. Chairman. And thank you to the panel for being with us. We have had a lot of discussion this morning about deadlines and timing. I am going to shift gears here a little bit to the financing of it all. And I notice from the GAO report that one issue deserves extra attention.

So in the plan, the VA has failed to, “delineate the total resources required by VBA and the Board.” On our part, we think it is unclear what the delineation would entail. But given the lack of information for cost between the discreet appeal systems, it is going to make our oversight more difficult.

So I want to turn the question to the VA. What—why does your plan fail to keep separate account of cost for the VBA and the Board and how should we continue our oversight trying to make that distinction?

Mr. LAWRENCE. Let me go first from the VBA perspective. I am going to have to research this further because I have a pretty good insight into cost. So I will ask Mr. McLenachen to jump in in terms of the interaction with GAO. But I commit to figuring that out why that is because as an economist, cost is something I understand. So we will figure this out. But I know, Dave, you work closely with them.

Mr. MCLENACHEN. Yes. One of the things that GAO asked us to do was improve our sensitivity analysis for our modeling that we have done. We have delineated how we are going to allocate our resources—excuse me—in VBA. In addition to that, in the present fiscal year 2019 budget. We have requested 605 additional FTE. So we believe that we have hit the target on that financial piece that you are asking about.

Ms. KUSTER. In the past, has the money flowed back and forth between these accounts? I am just looking for our oversight to be able to delineate that distinction.

Mr. LAWRENCE. No. They are—it is separate funding for VBA and for the Board.

Ms. KUSTER. Okay.

Ms. CURDA. Could we address that question because I think there is—

Ms. KUSTER. Yes.

Ms. CURDA [continued]. —some confusion—

Ms. KUSTER. Yes, thank you.

Ms. CURDA [continued]. —about the requirement and about how to implement that. And I just wanted to ask my colleague, Jamie, to just describe a little bit what we are seeing in the plan versus what we would expect to see.

Mr. WHITCOMB. So the plan requires VA to delineate the total resources between VBA and the Board and Legacy and new appeals processes. And in this latest plan, VBA provided FTE information, but the Board did not. And there was also not a delineation of other resource categories you would expect to see in processing Legacy and new appeals, like the IT piece, and communications with veterans and other stakeholders, those sorts of things are missing from the plan for that element.

Ms. KUSTER. All right. So that is helpful if we can get that information following up from the VBA and the VA. I think, you know, obviously in your testimony you talked about a significant number of new employees and I think while we support the mission of moving forward and addressing certainly the backlog and keeping up going forward, this Committee routinely is going back to our colleagues who are cost conscious and we need to use our oversight function to be on top of that.

So if you could bring that information back to the Committee, that would be helpful. I am going to turn my last minute over to Ms. Brownley.

Ms. BROWNLEY. Thank you, Ms. Kuster. I just wanted to ask Ms. Curda in terms of—well, let me back up for a minute. I think this Committee, and certainly I am continually concerned about are the fact that there are so many positions across the VA that are unfilled positions.

So my question to you is, do you think the VA has the right about of human capital plans and management capacities to implement—you know, to successfully implement this reform? Have you taken a look at that at all?

Ms. CURDA. We have not assessed whether they have adequate resources to implement this. I think—in terms of risk, when you have unfilled positions and a large change and new process to implement, that creates—you know, to the extent you have unfilled position, it does create additional risk that you won't have the resources needed to fully implement the reform.

Ms. BROWNLEY. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. I thank the gentle lady for yielding. Ms. Radewagen, you are recognized for five minutes.

Ms. RADEWAGEN. Thank you, Mr. Chairman. And I also want to thank the panel for coming in today. Thank you for your service.

My question here is for all of the witnesses at the table. Given that the title of this hearing is assessing whether VA is on track to successfully implement appeals reform, I would like to ask each of you to give VA a grade, A, B, C, D, or F on this assessment, what it would be, and why.

Mr. LAWRENCE. Sure. I will go first. I would give us an A minus. I think some of our critique that our colleagues from GAO have rendered is fair and appropriate. And I wish that we were more

complete in providing them the information. But overall, when I assess, as they indicated, a model of people, process, and technology. And when I do the review behind each of them, I think we are doing very well. And that is, in many ways, reflected in my confidence that we are going to be on time.

Ms. MASON. I would agree with the Under Secretary that it is an A minus. Again, people, process, and technology is something the Board has been focused on for the past two and a half years and we are continuing to focus on that. And we will be on time.

Ms. CURDA. I would just say our assessment is based on the information that was provided in this plan, which is the report that was provided and updated recently. And we have also invited VA to provide additional information, which they have in some cases to supplement what is in here. And, you know, looking over all of this, I mean, without knowing some of the things that they are doing that aren't in plans, that aren't documented, and that we haven't seen, I would give them a C.

It is intermediate. They are on their way. They could—this could be much better in terms of what we are seeing.

Mr. MCLENACHEN. So I hate to disagree with my boss, but that is the position you have put me in. But just based on our requirements of addressing GAO's recommendations, I will lower it to a B.

Mr. THROWER. I think I would agree with Mr. McLenachen, just simply from the point of view—for one reason only. I would give us a B because I think we could do a better job of communicating across the board about our progress and our status and that would help. But I think overall in terms of our effort and where we are, I am totally on board with the Under Secretary and the Chairman that we are going to make it on time, that we are on track, and that we are going to deliver.

Mr. HIPOLIT. From my perspective, I would also say a B just because I don't like to be overly optimistic. I know we still have a lot of work to do and I want to give us a little bit of a challenge to get up to the A level.

But one thing that I have observed, we mentioned earlier about the regulations and that has been part of the process I have been fairly heavily involved in. And the proposed rule notice for a very major set of regulations to implement this program is with the Federal Register. And I understood from—what I learned this morning, it won't be published today, but publication is imminent and that is a big step in the process.

I think we are on track to get the regulations in place in order to implement on time.

Ms. RADEWAGEN. And now this question is for Chairman Mason. Chairman Mason, a key component of VA space allocation plan to accommodate new hires is to allow Board employees with little VA experience to participate in telework. What are VA's plans to collect information from supervisors to ensure that telework is not negatively affecting the quality of work or morale?

Ms. MASON. We currently have a very strong telework program with the Board. We have over 475 people, I believe current numbers are around 488 people on either telework or full remote status. We do have a very strong and robust program in evaluating wheth-

er someone is ready to go on telework and that is worked through the supervisor.

During the period that they are on telework and from then on, we assess them just as we assess all of our staff, our attorney staff, who are—whether they are in the office or on telework, we work with them. If they flounder and we provide support, and if need be, they are offered the opportunity to come back into the office and work with us.

But the telework program for our space program does seem to work very well. And the majority of the people on telework right now, I would think—I would have to double check the numbers, but I believe the majority of our telework staffers are meeting or exceeding goal. Of current staff, we have 92 percent at full successful at the current status.

Ms. RADEWAGEN. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. I thank the gentle lady for yielding. And Mr. Correa, you are recognized.

Mr. CORREA. Thank you, Mr. Chairman. General question, as well, to the panel. In appeals reform, when you hear reform, you think positive and maybe the challenges of the risks inherent. So my question is how do you mitigate the risk? I mean, how do you make sure that as you jump from this to something better that we don't overlook certain things.

Are you having any pilot projects to make sure that maybe everything, all the I's are dotted and all of the T's are crossed? What are we doing to make sure that we are not leaving anything behind?

Mr. LAWRENCE. Sure. Let me go first and then I will list others to answer as you have directed. A couple of things, sir. Yes, it is not correct, I don't think, to call it a pilot but the RAMP, the Rapid Appeals Modernization Program, has given us real insight to the veteran's experience, our ability to deliver, and the like. So that is pretty important.

In addition, the primary tool as the leader is, you know, regular reviews that are detailed enough to better understand, you know, how this is all going to work. And quite frankly, candid conversation about what the risks are, how we are mitigating them, and evaluation of that as we work our plans going forward. So let me make sure I have enough time.

Ms. MASON. I would agree with the Under Secretary. Ongoing meetings and assessments and check-ins and make sure we are on target. The Board is—just concluded the initial phase of the Beam program and we are collecting that data and moving out with that. That is a small-scale test program. We will also be rolling out the RAMP assessment in October. And we will also be doing some sensitivity reviews, surveys at those times to gather information. So—as well as the ongoing conversations with our stakeholders.

Mr. CORREA. Go ahead.

Mr. MCLENACHEN. I would just add that the legislation actually sets us up for making sure that we are doing that mitigation assessment. We had to do the implementation plan, the regular updates. We have the assistance of GAO, so there is a lot of assessment of what the risks are and how we might address them in that implementation plan.

Mr. HIPOLIT. If I could add to that too. I think the level of commitment and communication that I have observed on this process has been very exemplary. I have been with the agency for a long time and we have been communicating on a really regular basis between the Veterans Benefits Administration, the Board of Veterans Appeals, the Office of General Counsel.

I think that has really helped us keep on track and recognize what the obstacles we face are and make sure nothing is slipping through the cracks.

Mr. THROWER. Yes. And really, I guess, to close out for our team on this one is it is a combination of many of those things. It—we have integrated working teams that kind of cross—across anything that is working in the IT space. It is a very close collaboration with the VBA team and the Board team. So we are all on the same page all of the time.

Regular reviews. I meet with Dr. Lawrence and Chairman Mason on a very regular basis, as do our teams and present status and update. And along the way is also in terms of building and along the way touch points and cushions to be able to modify and adjust as we need to along the way.

Mr. CORREA. Let me just thank all of you for the work you are doing, the effort, and also let you know this is not your job. It is our job. So if there is anything we can do, input—as fast as you can give us that information so we can react. As legislatures, we would be much appreciated. And again, I thank you for the good work you do for all of our veterans.

The CHAIRMAN. I thank the gentleman for yielding. Mr. Poliquin, you are recognized.

Mr. POLIQUIN. Thank you, Mr. Chairman. Mr. Chairman, today we have two very important guests with us today I would like to introduce you to, Mr. Graham Barry (ph) and Mr. James Hotham (ph) have traveled all the way from the great State of Maine. They are student leaders, community leaders when it comes to the Future Farmers of American organization. And I would like to acknowledge them, Mr. Chairman, and have Mr. Barry and Mr. Hotham stand so the rest of America can see you. Go ahead, gentlemen, stand up, please.

Thank you very much, Mr. Chairman. Folks, thank you very much for being here. We are all on the same page. We want you to be incredibly successful. The great State of Maine has about nine and a half to ten percent of our population of veterans. We love our veterans in the State of Maine.

Our first VA hospital in the country is located in the State of Maine in Augusta, Togus. I think it was formed in 1865 to 1866 to take care of our veterans after the Civil War. That tells you the commitment we have to our veterans.

And I will tell you, Mr. Chairman, traveling throughout the great State of Maine, I hear as often as anything else when it comes to our veterans' community that the backlog on the appeals that they have filed is something that really drives them batty. And I know you know that, and we are trying to fix it. And we are all on board to try to help you do that.

Just as a curiosity, we have about seven million veterans now that we are taking care of in our country, Mr. Lawrence, roughly, what percent of them are on some form of disability? Roughly.

Mr. LAWRENCE. [Nonverbal response.]

Mr. POLIQUIN. Does anybody have that answer? It doesn't have to be you.

Mr. LAWRENCE. I am reluctant to guess on that one, sir. I will get back to you with more—

Mr. POLIQUIN. That would be great. If you can get back to me on that, that would be great. Can someone tell me here, Mr. Lawrence, we will point to you if you don't mind, or ask you rather that question, what percent of your project is done, roughly? Roughly.

Mr. LAWRENCE. Sure, let me defer to Mr. McLenachen and Mr. Thrower.

Mr. POLIQUIN. Sure, absolutely. Sir.

Mr. MCLENACHEN. So I would say probably about, in my view, about two-thirds.

Mr. POLIQUIN. Great.

Mr. MCLENACHEN. For example, the regulations, procedures, all of the policies around implementing the law. So really what we need going forward is once we get the IT piece in place, I am pretty confident that we are—

Mr. POLIQUIN. And you are going to—and you support what has been said here earlier that you folks are going to meet your goal on time, correct?

Mr. MCLENACHEN. Yes.

Mr. POLIQUIN. Okay. That is early February of 2019 if I have that correct. Okay. Do you still have a claims backlog that is through the roof that it was before we started this process?

Mr. LAWRENCE. No. No.

Mr. POLIQUIN. Good.

Mr. LAWRENCE. The claims backlog has been brought down with a lot of work prior to my arrival. And right now it hovers between 70,000 claims that are over 125 days and 80,000.

Mr. POLIQUIN. Okay. I think, Mr. Chairman, that was about 400,000 when we started this process. Maybe I have got that wrong, but it was a heck of a lot larger. Yes.

Ms. MASON. The claims are different from appeals. The appeals are still—

Mr. POLIQUIN. Thank you.

Ms. MASON [continued]. —about 400,000—

Mr. POLIQUIN. I appreciate that correction. Thank you very much. Can—Mr. Lawrence, can you tell me to the best of your ability the fact that in some areas, what I have heard today is that we are behind in some area. What would be the number one thing that comes to mind to you why we have slipped, if we have, in certain areas?

Mr. LAWRENCE. Yes. Respectfully, I don't mean to quibble on slipping. I think we are on schedule. And I think that the offer I made earlier to meet with your staff to explain that, especially in the IT area because I know we have—

Mr. POLIQUIN. Great.

Mr. LAWRENCE [continued]. —bantered numbers. I take seriously the feedback from GAO and I want to look into that to figure out



why they didn't give us at least an A minus in my scale. But I am confident from broad strokes we are on schedule.

Mr. POLIQUIN. Well, you might guess that when you say A minus, and the GAO says C then I have—it raises some antenna that I have. But we will take it as it is.

The great State of Maine has two districts. I represent the second district, which is highly rural. We have Lewiston and Auburn, which is about 35,000 people. We call it L.A. And then we have Bangor, which has about 35,000 people. Then we have 400 small towns. And Mr. Barry and Mr. Hotham in the back of the room are from two of those small towns.

What I am concerned about is are you folks going to be able to communicate at the right time the changes to the appeals process, effectively to folks in rural America, which is very different in many ways than folks that live in the urban areas. Mr. Lawrence?

Mr. LAWRENCE. Yes, sir. This has been one of the issues that I have been counseled about as soon as I very first showed up at the beginning of the process about the unique features of states, like you described, that are rural.

So something more broadly, VBA is thinking about all the time. In terms of the tools and the techniques we use. I don't want them to be east coast centric, but obviously access to technology and the like. In addition, we are thinking seriously about the relationship we have—the VBA has with the states, and the states then have with their networks as a way to communicate with folks.

Also as Chairman Mason and Mr. McLenachen—it is the repetition and getting out and quite frankly through the VSO's, explaining in a very personal way the benefits of being involved.

Mr. POLIQUIN. We have formed in the great State of Maine a veteran's advisory panel to help me to make sure I get all of the on-ground information I need to bring back to our Committee with the Chairman. And if we can help in any way to communicate this, we certainly will. We are all on board. Good luck, but we will be holding you accountable. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman for yielding back. And I will be in the great State of Maine to clear all of that up for Mr. Poliquin. We will be up there to—Ms. Brownley, did you get your question answered?

Ms. BROWNLEY. I did, but may I ask him one thing?

The CHAIRMAN. You can.

Ms. BROWNLEY. Thank you, Mr. Chairman. I just wanted to say that I appreciate all of you being here and I appreciate you, Mr. Lawrence, for right up-front stating deadlines and timeframes. We don't get that that often and so I appreciate all of the work that you are doing. And my take away from this hearing is that you are working diligently to succeed. So thank you very much.

The CHAIRMAN. Thank you and no further questions. I thank you for being here today. It has been, again, a very productive hearing. Mr. Takano, do you have any closing comments?

Mr. TAKANO. Yes, just—let me just say that I did acknowledge Congresswoman Titus earlier for her—work on the appeals modernization legislation. But I also want to acknowledge Elizabeth Esty. She took the ball and ran with it. And as the—our Ranking Member on the Subcommittee jurisdiction, brought the final

produce along with the Chairman on the majority side. And so we are—to the floor.

And I am—so we are very, very proud of this legislation. The implementation is the key part. I am very concerned that the GAO is—would give you a current rating of a C and it is imperative that you—Dr. Lawrence, are responsive and get the more detailed documents and planning accomplished.

And in particular, the generalized goals and objectives prior to the processes, those must drive the processes. And so I am cautiously optimistic that this is going to come to fruition, as we hope it will. But nevertheless, this is a tremendous, tremendous undertaking and I can't stress enough that Congress has given you the legislative tool and the resources.

And so we have asked you, do you have enough resources? Do you have what you need? The indication is yes. So there is no reason for us not to succeed and I ask that we do succeed. So thank you.

The CHAIRMAN. I thank the gentleman for yielding. And I ask unanimous consent that written statements provided for the record be placed into the hearing record without objection, so ordered. And I also ask unanimous consent that all Members have five legislative days in which to extend their remarks and exclude extraneous material, and without objection, so ordered.

And I will, just to echo Mr. Takano's comments, I think probably in our offices, the thing we hear the most about are either VA health care issues or VA disability claims and appeals. I think this is a gigantic step forward from 2009 and 2010 when there were a million claims. People kind of forget that eight years ago.

So the VA has made a herculean effort to lower this, and certainly with only 70 or 75,000 claims, that are over 125 days, that is a huge improvement. So that is a big shout out. And Dr. Lawrence, thank you. I know this is your first time to testify in front of the Committee. We appreciate you being here and on the quarter system, I did, while you were doing this, I took all the grades down. You are 3.1. That is your GPA for this quarter. So—

Mr. LAWRENCE. I think they all went to better schools than me, sir.

The CHAIRMAN [continued]. —to let you know. And the witnesses, you are all excused and no further comments. The meeting is adjourned.

[Whereupon, at 11:33 a.m., the Committee was adjourned.]

## A P P E N D I X

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### **Prepared Statement of Honorable Paul R. Lawrence, Ph.D.**

Good morning Chairman Roe, Ranking Member Walz, and Members of the Committee. Thank you for inviting us to provide an update on VA's progress implementing the Veterans Appeals Improvement and Modernization Act of 2017 (AMA). Joining me today are Ms. Cheryl Mason, Chairman of the Board of Veterans' Appeals; Mr. Richard Hipolit, Deputy General Counsel; Mr. Lloyd Thrower, Deputy CIO, Account Manager for Benefits, Office of Information and Technology (OI&T); and Mr. David McLenachen, Director, Appeals Management Office, Veterans Benefits Administration.

AMA, enacted on August 23, 2017, is the most significant statutory change affecting VA appeals in decades, and I wish to thank the Committee for its work on this much-needed comprehensive legislation that is transforming an archaic process into one that makes sense for Veterans and their families, their advocates, VA, stakeholders, and taxpayers. I appreciate the opportunity to discuss the progress of implementation and actions we are taking to manage the legacy appeals inventory.

I am pleased to report that VA is making progress on Appeals Modernization and remains on track for implementation in February 2019. VA remains deeply committed to helping Veterans receive the benefits that they have earned. While the proposed regulations are at the Federal Register for publication, the Department is also focused on additional aspects of implementation, to include developing and updating information technology (IT) systems for the new claims and appeals process, developing and refining meaningful performance metrics to track progress, providing training across VA for employees, and collaborating in the implementation process with stakeholders - Veterans Service Organizations (VSOs), Veteran advocates, Congressional stakeholders, and the Government Accountability Office (GAO), among others.

VA is implementing a multifaceted strategy for managing the new process while concurrently reducing legacy appeals. The Rapid Appeals Modernization Program (RAMP) is allowing Veterans with legacy appeals to have appeals heard under the new system, and the Board's Early Applicability of Appeals Modernization (BEAAM) program is providing data to inform preliminary assumptions about Veterans' choices, understanding, and experiences. This strategy reflects the Department's ongoing commitment to continue reducing the legacy appeals inventory while simultaneously developing technologies, processes and procedures for implementing the new statute.

#### **RAMP, the Legacy Appeals Strategy, and VBA Production**

AMA authorized VA to create programs to test assumptions in the implementation of the new claims and appeals system. In response, VA launched RAMP on November 1, 2017, giving eligible Veterans with disability compensation appeals the voluntary option to have their decisions reviewed in the Higher-Level or Supplemental Claim Lanes outlined in AMA. RAMP gives Veterans early access to the benefits of the new system and helps to lower the number of appeals pending in the legacy system during transition.

As advantageous as RAMP may be for eligible Veterans, participation in RAMP is voluntary. To help communicate eligibility, VBA has sent over 200,000 letters to Veterans and has conducted significant outreach activities through both VSO and Congressional stakeholders. This outreach has produced a RAMP opt-in rate of more than 13 percent. As of June 30, 2018, more than 30,000 Veterans had opted into RAMP. To date, more than \$30 million in retroactive disability compensation benefits have been paid to Veterans in the program. VA is processing RAMP claims in an average of 78 days, well below the processing goal of an average of 125 days for the two VBA lanes. RAMP is a significant accomplishment. It represents a meaningful choice for Veterans before implementation of the statute in February 2019.

VBA has also been focusing on resolving legacy appeals for Veterans. At the end of June, compensation and pension appeals inventory had decreased by almost 13 percent, and appeals production was 8.7 percent above target.

#### **Board Production and BEAAM**

The core mission of the Board is focused on holding hearings and delivering decisions which provide answers to Veterans. I am proud to announce that the Board has delivered a record production output of over 65,000 decisions thus far in fiscal year (FY) 2018, a historic high for any FY, and is on track to deliver over 81,000 decisions to Veterans by the end of the FY. The Board's continuing strategy to reduce the pending inventory of appeals focuses on: 1) re-engineering processes to include introducing a new decision template and a specialty case program, 2) exploring new case review techniques, 3) allowing the Board to issue timely decisions soon after a Veteran has a hearing with a Veterans Law Judge, and 4) using telework to retain experienced personnel. In addition to strategies that support production goals, the Board is aligned with VBA's RAMP efforts to help reduce the number of appeals coming to the Board.

From May 1 through the end of June 2018, VA began the Board's BEAAM program, a small-scale research program to collect preliminary data about initial Veterans' choices and experiences. While the results of BEAAM are preliminary and still under review, Veterans participating in BEAAM report that they are optimistic about the changes. Veterans also appreciate that VA is working with them and their representatives in preparation for the implement of AMA.

#### **Information Technology and Digital Services**

The Department has undertaken enterprise-wide efforts to modernize the appeals process through improvements in technology, and I am pleased to report that these activities are on track and already helping to improve internal processes at VA.

OI&T and the United States Digital Service at VA (DSVA) prioritize three areas to ensure the Board is ready to implement Appeals Modernization: functionality for establishing new appeals, scheduling hearings, and managing the new dockets and workflow inherent in the new law. In the area of establishing appeals, DSVA continues work on the Caseflow Intake system to ensure that appeals, supplemental claims, and higher-level reviews are appropriately tracked. The DSVA team is also developing a Caseflow Hearing Schedule system to improve the Board's scheduling of legacy and AMA hearings. With Caseflow Queue, the DSVA is developing functionality to manage five dockets at the Board and provide tools to all Board users to streamline work flow, automate tasks, and improve efficiencies in the processing of appeals.

The Board and DSVA rolled out the Vets.gov Appeals Status Tool in March 2018 to provide Veterans a better understanding of how the appeals system works and give Veterans transparency on where they are in the appeals process. DSVA will continue developing additional online content and functionality in an effort to increase Veterans' understanding of the new processes under AMA.

In addition to direct review at the Board, the provisions of the law allow Veterans to obtain review of claims decisions within VBA. VA is working to ensure synchronization between DSVA and VBA design efforts in conjunction with necessary prioritization of VA IT resources. VBA has delivered IT system requirements for necessary appeals modernization enhancements within the Veterans Benefits Management System (VBMS) that will support automatic establishing, tracking, documenting, and distributing workload for claims decision reviews under the new process.

If a Veteran seeks review on more than one issue, the Veteran will have the ability to elect a separate review path for each. OI&T developers and DSVA are partnering to modify both VBMS and the Caseflow system to ensure full traceability and reporting of the adjudication of each issue, regardless of which review path a Veteran has chosen to pursue. This capability is on track for delivery at the end of this calendar year to ensure Veterans are fully able to leverage the flexibility allowed by the law as soon as it goes into effect.

#### **Workforce Planning, Training, and Human Capital Strategy**

To ensure smooth implementation, the Board is undertaking an aggressive workforce plan to recruit, hire, and train new employees. The Board is currently on pace to hire up to a total of approximately 1,050 full time equivalents (FTEs) by the end of the FY. The Board added approximately 250 FTEs from 2016 to 2018, with an additional 150 FTEs expected between July 2018 and September 2018. The majority of these hires are attorneys responsible for preparing decisions for Veterans Law

Judges. The Chairman also recently recommended eight Veterans Law Judge candidates to fill open vacancies.

VBA's compensation and pension appeals program is presently supported by 1,495 FTEs. VBA has requested an additional 605 FTEs in the FY 2019 President's budget to process legacy compensation and pension appeals and decision reviews under the modernized process. To best maximize its resources and enable efficiencies, VBA will centralize these additional assets to conduct decision reviews under a unified organizational structure that will include the establishment of two Decision Review Operation Centers (DROCs). VBA will also convert the current Appeals Resource Center (ARC) in Washington, DC, into a third DROC using existing assets.

The Board and VBA collaborated on training and outreach activities for employees and stakeholders, to include for VSOs and Congressional staff. The Board is also conducting ongoing internal training for both its legal and administrative staff. Since the implementation of RAMP in November 2017, VBA has continuously provided updated training for employees directly involved in public contact teams, intake processing centers, and appeals teams regarding RAMP and the future of the decision review process. VBA developed and continues to deliver Appeals Modernization training to its employees, which provides a comprehensive overview of full implementation and a greater awareness of the RAMP pilot.

Moreover, VBA has provided additional claims processing training as VBA has expanded from the initial RAMP processing site - ARC - to select Regional Office appeals teams across the Nation. These appeals teams are dedicated to RAMP processing, and VBA has provided each team with both instructor-led and refresher training. VBA is leveraging the feedback, best practices, and lessons learned from RAMP training events in the development and planned delivery of training materials for full implementation.

#### **Stakeholder Engagement**

VA worked collaboratively with a wide spectrum of stakeholder groups to refine the new VA claims and appeals process. VA is currently holding regular discussions with VSOs, Veteran advocates, Congressional stakeholders, and GAO. VA is also listening to Veterans to help improve the services provided by the Department. The dedicated engagement of these people and organizations is providing VA with invaluable feedback, which is aiding VA efforts to: 1) develop new forms, 2) establish internal standard operating procedures, 3) create training materials, and 4) develop communications and outreach products for Veterans. VA will also fully consider comments received after a notice of proposed rulemaking is published. VA is grateful to all stakeholders for their continued contributions of time, energy, and expertise in this effort.

VA is working strategically to increase awareness of appeals modernization and RAMP through a combination of direct outreach and increased communications products. Beyond the local outreach that VA continues routinely, the Department engages with Veteran stakeholders to disseminate information through national conferences and training events. Through coordination and collaboration, senior leadership from the Board and VBA have provided approximately 25 such outreach sessions so far this year, with several more scheduled throughout the fall. VA is expanding its communications and has initiated discussions with its Change Management Agents, Outreach Coordinators, and other influencer groups at its 56 Regional Offices.

Mr. Chairman, this concludes my statement. Thank you for the opportunity to appear before you today. We would be pleased to respond to any questions that you, or other Members, may have.

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#### **Prepared Statement of Elizabeth H. Curda**

##### **VA DISABILITY BENEFITS**

##### **Some Progress, but Further Steps Needed to Improve Appeals Reform Planning**

Chairman Roe, Ranking Member Walz, and Members of the Committee:

I appreciate the opportunity today to provide an update on the Department of Veterans Affairs' (VA) plans for implementing a new disability appeals process while still attending to appeals under the current, or legacy, process.

VA provides cash benefits to veterans for disabling conditions incurred in or aggravated by military service, paying about \$72 billion to about 4.5 million veterans in fiscal year 2017. If veterans are dissatisfied with VA's initial decision they can

appeal-first to the Veterans Benefits Administration (VBA) and then, if not satisfied there, to the Board of Veterans' Appeals (Board), a separate agency within VA. For appeals resolved in fiscal year 2017, veterans waited an average of approximately 3 years from the date they initiated their appeal to resolution by either VBA or the Board-and an average of 7 years for appeals resolved by the Board. Due in part to the challenges VA faces managing large workloads and deciding disability claims and appeals in a timely manner, GAO in 2003 designated VA disability compensation, along with other federal disability programs, as one of the government's highest risk areas.<sup>1</sup>

The Veterans Appeals Improvement and Modernization Act of 2017 (Act) makes changes to VA's disability appeals process by replacing the current appeals process with one that gives veterans various options for further review by VBA or to bypass VBA and appeal directly to the Board.<sup>2</sup> The Act further requires VA to submit a comprehensive plan for implementing the new appeals process to the appropriate committees of Congress and GAO.<sup>3</sup> (VA submitted its plan to GAO on November 22, 2017.) The Act delineates 22 legally required elements of this plan. In addition, the Act requires VA to provide progress reports to the appropriate committees of Congress and GAO at least every 90 days, until the Act's changes to the appeals process generally go into effect and then at least every 180 days after this date for 7 years. VA submitted progress reports in February and May 2018, and its next progress report is due in August 2018.

The Act also includes a provision for GAO to assess whether VA's appeals plan comports with sound planning practices and identify any gaps in the plan.<sup>4</sup> In our March 2018 report assessing VA's plan, we concluded that while VA's November 2017 plan reflected aspects of sound planning, improvements in planning are still needed to ensure successful appeals reform. We recommended VA's plan (1) address all legally required elements in the Act; (2) articulate how it will monitor and assess the performance of appeals processes; (3) augment its project plan for implementation; and (4) address risk more fully.<sup>5</sup> VA agreed with our recommendations. Subsequently, in April 2018 we designated two of our four recommendations-monitoring and assessing performance as well as addressing risks-as "priority recommendations" for VA to implement.<sup>6</sup>

My statement today addresses VA's progress in implementing the four recommendations. Specifically, it summarizes steps VA has taken to address GAO's recommendations identified in our March 2018 report, and what aspects of our recommendations that VA has yet to address.<sup>7</sup>

For this statement, we reviewed VA's May 2018 updated appeals reform plan and information we received from VA officials about any significant steps taken to implement our March 2018 recommendations. We also interviewed relevant VA officials and reviewed information related to VA's progress in addressing four related recommendations from work that we conducted prior to enactment of the Act.<sup>8</sup> The

<sup>1</sup>Disability programs are an area that we continue to monitor on our high-risk list. See GAO, High-Risk Series: Progress on Many High Risk Areas, While Substantial Efforts Needed on Others, GAO 17 317 (Washington, D.C.: Feb. 15, 2017).

<sup>2</sup>Pub. L. No. 115-55, § 2, 131 Stat. 1105, 1105.

<sup>3</sup>The Act defines "appropriate committees of Congress" as the Committee on Veterans' Affairs and the Committee on Appropriations of the Senate, and the Committee on Veterans' Affairs and the Committee on Appropriations in the House of Representatives.

<sup>4</sup>Pub. L. No. 115-55, § 3(c), 131 Stat. 1105, 1118.

<sup>5</sup>GAO, VA Disability Benefits: Improved Planning Practices Would Better Ensure Successful Appeals Reform, GAO 18 352 (Washington, D.C.: March 22, 2018). We also discussed our work and proposed recommendations in a January 2018 testimony. See GAO, VA Disability Benefits: Opportunities Exist to Better Ensure Successful Appeals Reform, GAO 18 349T (Washington, D.C.: Jan. 30, 2018).

<sup>6</sup>Priority recommendations are open recommendations GAO believes warrant priority attention from heads of key departments and agencies.

<sup>7</sup>GAO 18 352.

<sup>8</sup>We have been monitoring VA's progress in addressing a related set of five recommendations in our 2017 report on VA's appeals planning. See GAO, VA Disability Benefits: Additional Planning Would Enhance Efforts to Improve the Timeliness of Appeals Decisions, GAO 17 234 (Washington, D.C.: March 23, 2017). Specifically, we made five recommendations to improve VA's ability to implement its proposed reform to the appeals process while addressing a growing appeals workload, with which VA agreed in principle. In summary, we recommended that VA develop: (1) a detailed workforce plan, (2) a complete schedule of information technology (IT) updates, (3) better estimates of future workloads and timeliness, (4) a robust plan for monitoring appeals reform, and (5) a strategy for assessing whether the new process improves veterans' experiences over the current process. We also suggested that Congress require VA to pilot test appeals reform changes. As of July 2018, these five recommendations remained open. However, we plan to close the recommendation related to VA developing better estimates of future workloads and timeliness.

work upon which this statement is based was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## **Background**

### **VA's Current Disability Compensation Appeals Process**

VA's process for deciding veterans' eligibility for disability compensation begins when a veteran submits a claim to VA.<sup>9</sup> Staff in one of VBA's 56 regional offices assist the veteran by gathering additional evidence, such as military and medical records, that is needed to evaluate the claim. Based on this evidence, VBA decides whether the veteran is entitled to compensation and, if so, how much. A veteran dissatisfied with the initial claim decision can generally appeal within 1 year from the date of the notification letter sent by VBA.

Under the current appeals process (now referred to by VA as the legacy process), an appeal begins with the veteran filing a Notice of Disagreement. VBA then re-examines the case and generally issues a Statement of the Case that represents its decision. A veteran dissatisfied with VBA's decision can file an appeal with the Board. In filing that appeal, the veteran can indicate whether a Board hearing is desired. Before the Board reviews the appeal, VBA prepares the file and certifies it as ready for Board review. If the veteran requests a hearing to present new evidence or arguments, the Board will hold a hearing by videoconference or at a local VBA regional office. The Board reviews the evidence and either issues a decision to grant or deny the veteran's appeal or refers (or remands) the appeal back to VBA for further work.

### **VA's New Appeals Process**

The Act made changes to VA's appeals process that will generally take effect no earlier than February 2019, which is approximately 18 months after enactment.<sup>10</sup> According to its appeals plan, VA intends to implement the Act by February 2019, by replacing the current appeals process with a process offering veterans who are dissatisfied with VBA's decision on their claim five options: two of those options afford the veteran an opportunity for an additional review of VBA's decision within VBA, and the other three options afford them the opportunity to bypass additional VBA review and appeal directly to the Board.

Under the new appeals process, the two VBA options will be:

1. Request higher-level review: The veteran asks VBA to review its initial decision based on the same evidence but with a higher-level official reviewing and issuing a new decision.
2. File supplemental claim: The veteran provides additional evidence and files a supplemental claim with VBA for a new decision on the claim. The veteran could also request a VBA hearing.

The three Board options will be:

3. Request Board review of existing record: The veteran appeals to the Board and asks it to review only the existing record without a hearing.
4. Request Board review of additional evidence, without a hearing.
5. Request Board review of additional evidence, with a hearing.

In November 2017, VA initiated a pilot test of the new VBA higher-level review and supplemental claim options. According to VA's appeals plan, a purpose of this pilot—the Rapid Appeals Modernization Program (RAMP)—is to reduce legacy appeals by providing veterans with a chance for early resolution of their claims within VBA's new process. Participation in RAMP is voluntary, but veterans must withdraw their pending legacy appeal to participate, according to VA's appeals plan.

### **VA Has Addressed Some Aspects of GAO's Recommendations on Appeals Reform Planning**

In our March 2018 report, we found that VA could help ensure successful implementation of appeals reform by addressing gaps in its planning. We recommended

<sup>9</sup>For additional details about VA's current and new appeals processes and the Act, see GAO 18 352.

<sup>10</sup>Pub. L. No. 115–55, § 2, 131 Stat. 1105, 1105.

four actions that VA should take: (1) address all legally required elements required by the Act; (2) articulate how it will monitor and assess the performance of the new appeals process compared to the legacy process, (3) augment its master schedule to manage the project, and (4) address risk more fully. VA has taken steps in response to all four, but has not fully addressed our recommendations.

**VA Has Yet to Provide Complete Information on GAO's Recommendation to Address the Act's Required Elements**

In our March 2018 report, we found that VA's November 2017 plan for implementing a new disability appeals process while attending to appeals under way in the current (legacy) process, addressed most, but not all, elements required by the Veterans Appeals Improvement and Modernization Act of 2017.<sup>11</sup> Specifically, we found that VA's appeals plan addressed 17 of 22 elements required by the Act. For the five remaining elements, it partially addressed 4 elements related to monitoring implementation, projecting productivity, and workforce planning, and did not address 1 element related to identifying total resources.<sup>12</sup> This element called for delineating the resources needed by VBA and the Board to implement the new appeals process and address legacy appeals.

We recommended in March 2018 that the Secretary of Veterans Affairs address all 22 required elements in the Act in VA's appeals plan to Congress. This included delineating resources required for all VBA and Board appeals options using sensitivity analyses and results from the RAMP test where appropriate and needed.<sup>13</sup>

Since our 2018 report, VA has taken some action on the five elements that were not fully addressed. For example, VA's updated plan added details related to projecting staff productivity, identifying total resources, as well as about personnel requirements and projections for processing legacy appeals. For identifying total resources, VA added FTE information for other offices that help implement the appeals process and prepared a model to project resource needs.

VA's updated plan, however, continues to only partially address 3 elements related to monitoring implementation and workforce planning, and now addresses the 1 element related to projecting productivity and partially addresses the 1 element related to delineating the total resources. For total resources, VA's updated plan does not delineate the total resources required by VBA and the Board. Until VA's appeals plan provides complete information on all required elements, Congress may not have the information needed to conduct oversight of the agency's efforts to implement and administer the new process while addressing legacy appeals.

**VA Has Partially Addressed GAO's Recommendation to Measure, Monitor, and Assess Performance**

In our 2018 report, we found that VA could improve its planning practices related to monitoring and assessing performance on a range of key dimensions of success. Specifically, the plan had not (1) established timeliness goals for two of the three Board options (i.e., Board review of additional evidence without a hearing and Board review of additional evidence with a hearing); (2) articulated additional aspects of performance important for managing appeals, such as accuracy of decisions, veteran satisfaction with the process, or cost; (3) provided important details about what aspects of the new appeals' performance would be compared to what aspects of the legacy process' performance; or (4) explained how the agency would monitor whether resources are being appropriately devoted to both the new and legacy appeals processes and how it will track both sets of workloads.

To address these gaps, we recommended that the Secretary of Veterans Affairs clearly articulate in VA's appeals plan how VA will monitor and assess the new appeals process compared to the legacy process. These include specifying a balanced set of goals and measures with related baseline data, such as timeliness goals for all VBA appeals options and Board dockets, and measures of accuracy, veteran satisfaction, and cost.

In its May 2018 updated plan, VA addressed some but not all aspects of this recommendation. Specifically:

<sup>11</sup> We identified 22 required elements for VA's comprehensive plan under section 3(a) and (b) of the Act. Specifically, subsection (a) contains 4 elements, and subsection (b) requires the appeals plan to address 18 elements.

<sup>12</sup> See GAO 18 352.

<sup>13</sup> Sensitivity analysis—used in scenario planning to, for example, determine the resources needed for implementing a new process—is an analysis to determine how sensitive outcomes are to changes in assumptions, such as those used to determine resource needs. The assumptions that deserve the most attention should depend on the dominant benefit and cost elements and the areas of greatest uncertainty of the program or process being analyzed. See GAO 09 3SP.



**Timeliness goals and balanced measures.** VA's updated plan states that the agency is collecting data to inform its development of a complete and balanced set of measures for all new appeals options (e.g., timely and accurate processing of appeals while ensuring veteran satisfaction). VA's original plan had outlined timeliness goals for the two VBA options and for the Board option that does not include new evidence or a hearing. However, VA does not intend to establish timeliness goals or balanced measures for all options until after fully implementing the new appeals process. Further, VA officials told us they are working to produce metrics required under the Act, but have yet to fully articulate a plan for monitoring. For example, there is not a specific plan to monitor the accuracy of decisions under or veteran satisfaction with the new process.<sup>14</sup> Until VA identifies a complete set of timeliness goals and balanced measures, the agency will not have a way to determine how well the new process is performing.<sup>15</sup>

**Comparison of new and legacy processes.** VA's updated plan states that VA is working toward capturing the metrics listed in section 5 of the Act, which could help VA measure relative performance of the new and legacy processes.<sup>16</sup> However, VA's updated plan does not state how VA will assess whether the new process addresses problems in the legacy process.<sup>17</sup> For example, according to VA's updated plan and agency officials we interviewed, VA believes it cannot measure the timeliness of legacy appeals processing from when an appeal is filed to its resolution. According to VA, developing this measure is not feasible because the legacy process has no defined endpoint. Submission of additional evidence by veterans can, at any point, cause additional cycles of re-adjudication. However, VA has not articulated other options for comparing the timeliness of the new and legacy processes in its May 2018 update to its plan. Without this assessment, VA cannot determine the extent to which the new process, which also allows for multiple appeal opportunities, will achieve final resolution of veterans' appeals sooner, on average, than the legacy process. Moreover, VA's updated plan does not fully explain how the agency will use the Act's metrics to assess relative performance of the new and legacy appeals processes on issues like accuracy, veteran satisfaction, or cost.

**Monitoring processing of legacy versus new appeals.** VA's updated plan articulates VA's intention to use sensitivity and other analyses to monitor and address workload changes in its legacy and new appeals processes.<sup>18</sup> These analyses could better position VA to manage the two parallel processes.

Nevertheless, VA has not established complete and balanced goals and measures or developed a plan for comparing the new and legacy processes. In recent communications on the status of implementing our recommendations, VA officials indicated they plan to address some of these monitoring and performance issues in the next update. Until VA does so, the agency risks not fully understanding whether the new process is an improvement, or whether veterans with appeals in the legacy process are experiencing poor results.<sup>19</sup>

#### **VA Has Made Little Progress in Addressing GAO's Recommendation to Augment Its Master Schedule for Implementation**

Our March 2018 report also identified elements of a high-quality and reliable implementation schedule that were missing from VA's master schedule for appeals reform. Specifically, we reported that VA's master schedule—which the agency included

<sup>14</sup>Section 5 of the Act requires VA to periodically publish on its website various metrics on the new and legacy processes, which could help VA measure performance. Pub. L. No. 115–55, § 5, 131 Stat. 1105, 1123.

<sup>15</sup>The absence of goals and measures falls short sound planning practices that call for articulating an “end state” or vision for what successful implementation process change would look like. See GAO, Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations, GAO 03 669 (Washington, D.C.: July 2, 2003).

<sup>16</sup>For example, VA is required to report average duration of each segment of the legacy appeals process as well as for appeals under the new process, such as the average duration for processing claims and supplemental claims for the new VBA options.

<sup>17</sup>As we previously reported, VA's business case for reform in some instances relied on unproven assumptions and limited analyses of its legacy process to identify root causes of performance problems. See GAO 17 234 and GAO 18 352. In addition, in March 2017 we recommended that VA develop a strategy for assessing process reform—relative to the legacy process—that ensures transparency on the extent to which VA is improving veterans' experiences with its disability appeals process. GAO 17 234.

<sup>18</sup>We had previously recommended VA conduct additional sensitivity analyses to inform projections of future appeals inventories. See GAO 17 234. In its plan, VA refers to this as its forecast model.

<sup>19</sup>In our March 2017 report, we had recommended VA develop a robust plan for closely monitoring implementation of process reform that includes metrics and interim goals to help track progress, evaluate efficiency and effectiveness, and identify trouble spots. GAO 17 234.

with its November 2017 plan—did not (1) include all key activities; (2) show which activities must finish prior to the start of other activities, or the amount of time an activity could be delayed before the delay affects VA’s estimated implementation date; (3) reflect interim goals and milestones for monitoring implementation; or (4) assign resources for activities.

We recommended that the Secretary of Veterans Affairs augment the master schedule for VA’s appeals plan to reflect all activities—such as modifications to IT systems—as well as assigned responsibilities, interdependencies, start and end dates for key activities for each workgroup, and resources. These steps establish accountability and reduce overall risk of implementation failures.

In its updated plans, VA took steps to develop interim goals and milestones for monitoring implementation, among other positive actions, but the master schedule still included gaps in sound practices for project management. Specifically:

**Key activities and their duration.** The updated master schedule VA provided in its May 2018 plan added activities, but VA continues to exclude some major activities—including those beyond the planned February 2019 implementation date—and their duration. For example:

- The updated master schedule does not include a small-scale pilot of the new Board options, even though this pilot is occurring at the same time VA is preparing for full implementation. In response to our questions about this issue, as of July 2018, VA officials said they are adding related pilot test activities to the master schedule.
- Many activities in the master schedule have the same label or description, such as “communications,” “change management,” “implementation,” “training,” and “hosting,” that do not clearly identify their associated end product without the need to review high-level summary or predecessor activity names.
- The updated master schedule lacks details and transparency regarding Caseflow, the new information technology system for VA’s appeals process.<sup>20</sup> While VA identified the overall functionality and general timing needed for Caseflow, the steps to accomplish them lack specificity. Further, VA’s updated plan indicates Caseflow will be “minimally ready” by the end of calendar year 2018. At a June 2018 meeting with VA, we asked officials to define the term “minimally ready” and what additional activities or functionality, if any, they planned after reaching this milestone. In response, VA officials pointed us to another source that they said outlined the remaining functionality to complete Caseflow. However, when we consulted this source, we could not determine what functionality listed was to be implemented before or after October 2018.
- The updated master schedule also lacks start and finish dates as well as status information (e.g., not started, in planning, in progress, complete, etc.) for many of the activities.

**Sequencing and linkages among activities.** VA’s updated plan provided new details about some sub-activities related to processing legacy appeals, monitoring implementation, drafting Board policies, and training. Moreover, the May 2018 updated master schedule was reorganized to improve its flow and alignment, according to VA officials. However, the overall updated master schedule generally does not indicate logical relationships regarding the sequence in which activities should occur, and whether any delays in one activity will dynamically affect other activities linked to it.<sup>21</sup> This type of logic is necessary to define both when an activity may start and finish and when an activity must start and finish for meeting a specified program completion date. These are known as early and late dates, respectively. For example, the plan does not indicate the latest date regulations can fall behind schedule before the planned February 2019 implementation date is impacted, or related activities such as training. This sound planning practice is especially important because VA officials said the agency is concurrently executing many of the activities. Without logical relationships, the master schedule is less effective for modeling the impact of delayed or accelerated activities on related activities, and ultimately for estimating the final implementation date.

**Interim goals and milestones for monitoring implementation.** VA has taken steps to address this aspect of the recommendation. In addition to reiterating the use of an agency-wide governance structure to coordinate implementation of its

<sup>20</sup> In March 2017, we recommended that VA develop a schedule for information technology updates that explicitly addresses when and how any process reform will be integrated into new systems and when Caseflow will be ready to support a potential streamlined appeals process at its onset. See GAO 17 234.

<sup>21</sup> See GAO, GAO Schedule Assessment Guide: Best Practices for Project Schedules, GAO 16 89G (Washington, D.C.: December 2015).

new appeals process, VA in its updated May 2018 plan added indicators to monitor and assess its readiness for full implementation. Indicators include monitoring the status of implementing regulations and information technology as well as considering any lessons learned through its piloting of the new process. These “readiness indicators” could help VA better identify potential issues related to implementation of the new appeals process. However, the master schedule does not show sequencing and linkages for these indicators.

**Establishing resources.** VA’s updated plan states the agency will use existing resources to implement the new appeals process. Moreover, the master schedule identifies the “owners” or parts of the organization that are playing a role in appeals reform, such as the Veterans Health Administration (VHA). However, other than identifying the “owners” for the activities, resources needed are not identified for the groups of related activities identified in the master schedule or for processing legacy and new appeals processes once implemented in February 2019. By not estimating these resources, VA’s plan does not illuminate resource constraints and indicate whether other parts of the organization or workgroups are dedicated full-time to the tasks or activities for which they are responsible, or whether other constraints exist on funding or time. In general, neither the plan nor the master schedule refers to underlying budget or cost documents or information.

In recent discussions on the status of implementing our recommendations, VA officials indicated they plan to address some of these issues in the August 2018 update. Until all necessary activities are accounted for, VA cannot be certain whether key activities are scheduled in the correct order, resources are properly allocated, and key risks have been identified, among other sound practices for guiding implementation and accountability. Furthermore, to the extent that the master schedule is used for internal coordination, the absence of necessary elements could hinder coordination, increasing the likelihood of disruption or delay.

#### **VA Has Addressed Many, but Not All Aspects of GAO’s Recommendation to More Fully Assess Risk**

In our 2018 report, we found that VA’s November 2017 appeals plan could more fully assess key risks related to implementing the new appeals process. In particular, we found that VA’s plan did not include testing of new Board options or clearly define how it would assess the RAMP pilot test of the VBA-only options before implementing the process more broadly.<sup>22</sup> Further, we reported that VA’s plan had not comprehensively reflected key risks because the agency had not established a complete and balanced set of goals and measures, which are a necessary precondition to effectively assessing risk.<sup>23</sup>

We recommended the Secretary of Veterans Affairs ensure that the appeals plan more fully addresses risk associated with appeals reform by, for example, assessing risks against a balanced set of goals and measures, articulating an assessment plan for RAMP, and testing or conducting sensitivity analyses of all appeals options prior to fully implementing the new appeals process.

In its updated May 2018 plan, VA took many steps to address our recommendation, although opportunities exist to better assess risks associated with implementing appeals reform and managing appeals workloads in the legacy process. Specifically:

**Testing all aspects of the new appeals process.** Since our March 2018 report, VA has taken steps to pilot test the three new Board appeals options. In its May 2018 updated plan, VA describes a small-scale test program—the Board’s Early Applicability of Appeals Modernization (BEAAM)—to collect information about what options veterans choose and their experiences using the new appeals options. For BEAAM, the Board is partnering with veterans service organizations to identify 50 veterans who are dissatisfied with a recent claim decision, and allowing these veterans to appeal directly to the Board. Participating veterans have begun opting in, and VA plans to collect information on adjudication of these appeals. In addition, for veterans dissatisfied with their RAMP decisions, as of October 2018 the Board will begin adjudicating their appeals to further test new Board processes and technology.

<sup>22</sup> We previously reported on the benefits of testing appeals reform and the risks of not doing so, and recommended that Congress require VA to develop options for testing appeal reform prior to implementation. See GAO 17 234. The Act authorizes VA to carry out programs to test any assumptions relied upon in developing its comprehensive plan and test the feasibility and advisability of any facet of the new appeals process.

<sup>23</sup> See GAO 18 352. A risk assessment is the identification and analysis of risks related to achieving the defined objectives. This assessment provides the basis for developing appropriate risk responses. See GAO 14 704G.

VA officials also reported progress with developing new sensitivity analyses that will allow the agency to change assumptions related to key variables—both individually and in conjunction with one another.<sup>24</sup> VA anticipates these analyses will allow the agency to project potential budget needs and staffing requirements and more accurately predict resolution of legacy appeals given certain assumptions. Further, VA anticipates using the analyses to determine distribution of resources, and quickly react to changes in its pending legacy and new appeals processes, and other trends. By taking these steps, VA may be better positioned to estimate future disability appeals inventories, timeliness, and resource needs as well as assess risks associated with implementing a new appeals process.

**Defining success criteria and articulating how to assess RAMP and BEAAM.** In its updated plan, VA broadly defines what it hopes to achieve with the RAMP and BEAAM pilots, such as providing information on veterans' choices in the new process, testing new technology and procedures, and estimating workloads. It also states that VA will use the results to inform the assumptions in its sensitivity analyses. In addition, the updated plan states that VBA is refining the methods to evaluate RAMP.

The applicability of BEAAM results to a fully implemented appeals process may be limited. For example, the BEAAM pilot and the Board's implementation of RAMP provide limited time in which to conduct and assess the results. Moreover, because VA's test is very small in scale (up to 50 veterans), it will be important for VA to consider, for example, whether these appeals reflect the complexity of cases and the range of circumstances expected in a fully implemented new appeals process. In a mid-May 2018 meeting with VA officials, we raised these and similar concerns. VA officials said they would consider these concerns.

Finally, although VA's updated plan includes a timeline for testing and assessing the new processes, VA's updated schedule indicates that VA is planning to assess RAMP results between February 15, 2019 and May 10, 2019. These dates occur after VA intends to fully implement its new process. Our recommendation specifies that testing and assessment of pilot results should occur prior to full implementation.

**Comprehensively assess risks.** Within VA's updated plan, VA has added to its "risk register," which describes risks associated with many elements of its plan and related mitigation strategies. However, VA's updated plan has not established a complete and balanced set of goals and measures as discussed above, which are a necessary pre-condition to effectively assessing risk. Having a complete set of goals and measures would allow VA to better identify and target risks associated with reaching these goals while concurrently managing two processes. Thus, VA may not have comprehensively reflected key risks in its updated plan.

In conclusion, although VA intends to fully implement the new disability appeals process in about 6 months (February 2019), VA still has an opportunity to create a stronger foundation of sound planning practices. To its credit, VA has taken a number of positive steps toward implementing our prior recommendations to improve its planning for disability appeals reform while it attends to legacy appeals. Efforts such as testing Board appeals options and resuming sensitivity analysis will provide useful information to guide VA through the uncertainty often associated with process change. However, VA needs to fully address our four recommendations to reasonably assure smooth implementation of appeals reform. As we noted in our prior work, VA is undertaking a complex endeavor that involves updating and creating new processes while on-boarding hundreds of new staff and implementing new technology—an endeavor that will affect the lives of hundreds of thousands of veterans with disabilities. Such an undertaking requires an appropriate level of planning to improve VA's chance of success. VA's continued efforts to address our recommendations will better position the agency in its implementation of new appeals processes.

Chairman Roe, Ranking Member Walz, and Members of the Committee, this concludes my prepared statement. I would be pleased to respond to any questions you may have at this time.

#### **GAO Contact and Staff Acknowledgments**

For further information about this testimony, please contact Elizabeth H. Curda at (202) 512-7215 or [curdae@gao.gov](mailto:curdae@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this testimony. Other key contributors to this testimony include James Whitcomb (Assistant Director),

<sup>24</sup>This step is also consistent with our 2017 recommendation that VA conducts additional sensitivity analyses to better project future workloads and hiring needs to help mitigate potential risks. See GAO 17 234.

Daniel Concepcion (Analyst in Charge), and Michele Grgich. In addition, key support was provided by Susan Aschoff, Mark Bird, Grace Cho, Alex Galuten, Joel Green, Sheila R. McCoy, Karen Richey, Almeta Spencer, and Walter Vance.

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## Statement For The Record

### NATIONAL VETERANS SERVICE

Chairman Roe, Ranking Member Walz and members of the committee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and its Auxiliary, thank you for the opportunity to present the VFW's views on the Department of Veterans Affairs (VA) efforts to implement appeals reform.

The VFW fully understands and respects the magnitude of transformation that VA must accomplish over the next seven months to ensure the new appeal framework can be deployed on time and in accordance with the Veterans Appeals Improvement and Modernization Act of 2017. To date, we believe that VA has been very aggressive in seeking to develop new business processes to ensure the new framework succeeds. We have provided feedback along the way and will continue to have open communication with VA about the challenges of implementing such a systemic change in a very short period of time.

The VFW has seen several successes in the Rapid Appeals Modernization Program (RAMP) to this point. VA should be commended for deploying a system that improved workflow. However, as a veterans service organization (VSO) that represents more than 500,000 veterans in their claims and appeals, it is our duty to watch this process closely, identify deficiencies, and work with VA and Congress to fix them.

First, we are encouraged by the grant rate that VA is reporting for appeals that have gone through the Higher Level Review lane. To the VFW, this indicates that review officers are taking this program seriously, and are not afraid to correct decisions. The VFW has also noticed that newer appellants are more likely to opt into RAMP than to stay in the legacy system, which could still take years to navigate. Even when veterans receive denials under RAMP, they are notified in a timely manner and more clear and simplified options to seek further resolution. We saw one example of this in Florida where a veteran opted into Higher Level Review continued to be denied, but was given a rating decision within only a matter of weeks of opting into RAMP. With a new rating decision in hand that provided improved explanation of the law and evidence considered, both the veteran and the VFW service officer were better equipped to address the veteran's appeal.

VFW has also seen success with the underutilized, informal conference process. In Kansas, our representative has had success ensuring that the adjudicator has a clear understanding of the issues under appeal, which increase the likelihood of veterans receiving favorable decisions.

The VFW is pleased that VA was able to share draft regulations with VSOs very early in this process, soliciting VSO feedback. What we read at the time seemed very veteran-centric and gave us peace of mind. As the administrators of a national claims assistance program, we feel VA has made progress in improving collaboration which allows us to encourage our representatives in the field to recommend RAMP as a course of action for claimants. We are concerned, however, that VA is running behind on its proposed timeline for implementation. We anticipated that VA would publish its proposed regulations for public comment no later than July 1, 2018, with an expedited public comment period ending August 1, 2018. This timeline was critical to ensuring full implementation by February 2019. Unfortunately, the proposed regulations have yet to be published for public comment. We hope this does not skew the timeline significantly in meeting the statutory implementation deadline, since other implementation steps depend on the finalization of the regulations, such as the development of revised forms reflecting the options to appeal directly to the Board of Veterans Appeals (BVA).

With regard to processing, we do have concerns over consistency in the process. We have questions about how long it takes some VA offices to properly process RAMP paperwork. We have seen veterans whose claims were already certified to BVA, awaiting a hearing, receive a RAMP opt-in notice, even though they would be ineligible to participate. The paperwork to opt into RAMP is also confusing now that the program has been expanded. Originally, notice letters were sent with a coversheet filled out by VA that would route RAMP appeals to the Appeals Resource Center. Claimants choosing to opt in without having received a notice letter may not complete this section, as it states it is to be completed by VA personnel, and may therefore experience delays in establishing the claim.

VA's computer systems have also caused issues with implementation. For example, RAMP actions cannot be taken before actions on other claims are completed, or vice versa. These conflicts create unnecessary hurdles for claims processors to resolve in a process that is supposed to be simplified. IT concerns must also be ad-

dressed to allow claimants to pursue different issues in different lanes, for full implementation of appeals reform.

VA's adjudication numbers seem to also reinforce that processing is not as consistent as we need it to be. Though we have seen a significant increase in veterans who opt in, we have not seen a significant increase in RAMP decisions. This worries the VFW when it comes to full implementation. Will VA have the resources to process these new claims in a timely manner, or will we experience similar backlogs to what we saw at BVA, that led to calls for reform?

In speaking with our field representatives, we also have concerns over the quality of decisions we see in the supplemental claims lane. From VA's latest report, the grant rate through supplemental claims is only 26 percent, which is lower than the grant rate at BVA. One of our representatives expressed a concern that the quality review system at the local VA Regional Office would actively discourage benefit grants through the supplemental claims lane. Since supplemental claims are considered by the same regional office that processed that original claim, the regional office would be reluctant to change the decisions because doing so would negatively affect its overall quality review.

When it comes to Higher Level Review, we do see a promising practice emerging, now that VBA has designated three new Decision Review Operations Centers (DROCs) to handle this workload. We believe that the DROCs can help ensure consistency in decision-making at the higher level, and mitigate some concerns about VAROs simply confirming prior decisions. However, we are interested to learn how the DROCs will be staffed and if VA believes the staffing level will be sufficient for the anticipated number of Higher Level Reviews.

Finally, with regard to duty to assist, we must remind the committee to continue asking questions about this critical legal protection for veterans. While everything we have seen to date indicates that VA is maintaining this obligation, we want to do everything in our power to ensure that no veteran slips through the cracks as new business processes emerge and standard practices within VA change.

Again, we understand the magnitude of VA's task. To ensure it can succeed, VA must be as proactive as they can be in informing the VSOs of changes and consulting us on new business processes. Historically, VA has changed its workflows and only informed stakeholders after the fact, not recognizing that this affects both the veterans they serve and VSO service providers who help veterans navigate these systems. For organizations like the VFW that orchestrate large-scale claims assistance operations, we are always available to provide practical expertise and advice on how process changes will affect workflow and customer experience.

Once fully implemented, we continue to believe that the new appeals framework will result in a cleaner, more understandable, and veteran-centric benefits system. We appreciate VA's diligence in everything they have accomplished to this point and we look forward to continuing to work with VA and this committee to make appeals modernization a success.

