STATEMENT OF
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DEPARTMENT OF VETERANS AFFAIRS (VA)
BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS

December 12, 2018

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. David R. McLenachen, Director of the Appeals Management Office, Veterans Benefits Administration (VBA); and Mr. Lloyd Thrower, Deputy Chief Information Officer, Account Manager for Benefits, Office of Information and Technology (OIT). We hope that this hearing will add to the long line of regular updates and meetings previously had on this topic.

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 the 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 how the Department will timely address new decision review requests and legacy appeals.

VA remains deeply committed to helping Veterans receive the benefits that they have earned, and I am pleased to report that Appeals Modernization remains on track for implementation in February 2019.

During the past few months, VA made significant strides towards implementing the new decision review system. VA initiated its rulemaking to implement the law by publishing a proposed rule in the Federal Register on August 10, 2018, and the public notice and comment period ended on October 9, 2018. VA received 29 comments from the public on the proposed rule, which are available for review by the public on regulations.gov and will be addressed in the publication of the final rule. VA received comments from Veterans Service Organizations, the private bar, legal clinics, and individuals. These comments were supportive and included a desire that VA decision notices should provide enough information for a claimant to make a well-informed decision about next steps in their decision review or appeal. VA has made changes to the rule, such as clarifying terms and definitions, that will be described in the published final rule. VA is working collaboratively with the Office of Management and Budget to finalize the regulations and prepare them for publication in the Federal Register.

The Department is focused on additional aspects of implementation, to include developing and updating information technology (IT) systems for the new claims and appeals process, conducting programs to test assumptions regarding the new system, 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 (VSO), Veteran advocates, Congressional stakeholders, and the Government Accountability Office, among others.

VA's enterprise-wide IT modernization efforts that began prior to the current statutory changes were re-focused to build out functionality necessary to support implementation of the AMA. VA's IT solution for implementing the AMA is a collaboration within OIT between teams supporting the Veterans Benefits Management System, VBA primary claims processing and tracking system, the Veterans Appeals Control and Locator System (VACOLS), and Caseflow, the Board's new case management and workflow system. These two teams have been working collaboratively, using agile practices, including a robust requirements development process, fully integrating their activities over the past year to deliver the necessary solution. VA anticipates meeting all implementation milestones and deliverables, which are detailed in the integrated master schedule included in the periodic updates to the Comprehensive Plan for Processing Legacy Appeals and Implementing the Modernized Appeals System that VA submits to Congress and GAO. These periodic reports are available to the public on VA's website. The most recent report was submitted last month.

AMA authorized VA to create programs to test assumptions in the implementation of the new claims and appeals system. VA launched the Rapid Appeals Modernization Program (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. Overall, RAMP has been successful, and has provided numerous Veterans early access to the modernized appeals system. As of November 28, 2018, RAMP helped transition 74,399 appeals from the legacy inventory of 398,674. VBA has completed nearly 32,000 Higher-Level Review and Supplemental Claim decisions under RAMP, with an average processing time of 119 days, resulting in the payment of more than $131 million in retroactive disability compensation benefits to Veterans in the program. VBA has learned valuable lessons from RAMP and has found that using enhanced workload distribution systems like the National Work Queue (NWQ) can have a significant impact on RAMP station productivity. Accordingly, on November 13, 2018, VBA began using NWQ to assign, prioritize, and distribute RAMP claims. VBA continues to focus on resolving legacy appeals for Veterans. At the end of September, despite receiving more than 160,000 new appeals in fiscal year (FY) 2018, the compensation and pension appeals inventory had decreased by over 14 percent, and appeals production was over 12.5 percent above target.

The Board of Veterans' Appeals (the Board) demonstrated its commitment to reducing legacy appeals by deciding a record number of 85,288 appeals in FY 2018, a historic high for any fiscal year. The Board's annual production goal for FY 2019 is set at 90,050 decisions, an increase of approximately 5.5 percent above FY 2018.

The Board is continuing to test programs targeted at preparing the organization for AMA implementation. On October 1, 2018, the Board began adjudicating its first RAMP appeals in a phased-in test of processes and technology. This allows the Board to identify and address potential issues and risks relating to implementation of the new framework, and RAMP is providing VA with additional information it is using to update and change Standard Operating Procedures. As of November 19, 2018, the Board had received 823 appeals of RAMP decisions. More than half of the Veterans who elected to file a RAMP appeal to the Board selected the hearing lane, suggesting that the opportunity for a hearing with a Veterans Law Judge will continue to be a valued aspect of the Board appeal process following implementation of the new appeals system.

The Board's Early Applicability of Appeals Modernization (BEAAM) is a small-scale research program designed to provide valuable qualitative feedback and insight that will inform future implementation plans. The research team conducted more than 70 hours of interviews, providing valuable insight into how Veterans and representatives would make choices under the new framework and allowing VA to refine and update implementation activities to improve Veteran experiences. The Board has a final assessment of its research program available upon request.

In addition to identifying and addressing potential risks and issues through test programs, the Board collaborated with the Veterans Experience Office, using the Medallia tool/database, to conduct surveys of Veterans who have an active appeal at the Board, including both legacy and RAMP appeals. Data collected such as age, gender and geographic location can be reviewed in the aggregate to assist with program improvement and implementation of the new system by informing the Board's policies and procedures.

To ensure smooth implementation, the Board launched an aggressive workforce plan to recruit, hire, and train new employees in FY 2018. The Board on-boarded approximately 242 individuals, including approximately 20 administrative personnel, as well as 217 attorneys/ law clerks hired during the last quarter of FY 2018.

The Board anticipates that initially a minimum of 10 percent of resources associated with attorney and Veterans Law Judge workflow will be required to implement and administer the new appeals system. This means that the Board is estimating that roughly 10 percent of staff time will be spent completing tasks related to AMA. The Board has a finite pool of attorneys and judges to work the cases. The Board will not allocate resources dedicated solely to the legacy or new appeals processes. The reason for this is that the legacy caseload will not immediately diminish once the new appeals system begins. This percentage will be adjusted as dictated by priorities and inventory, and will preserve equitable processing of appeals on each

docket while employing the workload efficiently across the fixed Judge/Attorney workforce.

VBA's compensation and pension appeals program is presently supported by 1,495 FTEs. VBA received an additional 605 FTEs in its FY 2019 Budget to process legacy appeals and decision reviews in the modernized process. As of October 1, 2018, to best maximize its resources and enable efficiencies, VBA centralized these additional assets to conduct higher-level reviews at two Decision Review Operation Centers (DROC). VBA will convert the current Appeals Resource Center 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 provides large-scale trainings on the new appeals system for all Board staff, which reinforce the differences between the legacy and new systems. Regular training activities will continue at the Board through full implementation in February 2019.

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 develops and delivers AMA training to its employees, which provide a comprehensive overview of full implementation and a greater awareness of RAMP.

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 AMA and RAMP through a combination of direct outreach and increased communications products. Beyond VA's routine local outreach, 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 60 such outreach sessions in FY 2018, with several more scheduled throughout this current fiscal year.

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.