

**STATEMENT OF
THE HONORABLE CHERYL L. MASON
CHAIRMAN, BOARD OF VETERANS' APPEALS
DEPARTMENT OF VETERANS AFFAIRS (VA)
BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
JOINT SUBCOMMITTEES' ON DISABILITY ASSISTANCE AND MEMORIAL
AFFAIRS AND ECONOMIC OPPORTUNITY**

BUDGET REQUEST FOR FISCAL YEAR 2019

March 15, 2018

Good afternoon, Chairmen Bost and Arrington, Ranking Members Esty and O'Rourke, and distinguished members of the Subcommittees. Thank you for the opportunity to testify today in support of the President's Fiscal Year (FY) 2019 Budget, including the FY 2020 Advance Appropriation (AA) request. I am accompanied today by Jamie Manker, Acting Principal Deputy Under Secretary for Benefits for Veterans Benefits Administration (VBA), and Lloyd Thrower, Deputy Chief Information Officer, Account Manager for Benefits, from VA's Office of Information and Technology (OI&T). With the unwavering support and leadership of our VA committees, the Congress passed groundbreaking legislation on VA accountability, appeals modernization, the Forever GI Bill, and personnel improvements. The FY 2019 Budget fulfills the President's strong commitment to all of our Nation's Veterans by providing the resources necessary to improve the care and support our Veterans have earned through sacrifice and service to our country.

Fiscal Year (FY) 2019 Budget Request

The President's FY 2019 Budget requests \$109.2 billion in FY 2019, an increase of \$1.5 billion over the FY 2018 President's Budget advance appropriations request for \$107.7 billion, and \$121.3 billion in FY 2020 for VBA's mandatory advance appropriations, including Compensation and Pensions, Readjustment Benefits, and Veterans Insurance and Indemnities. In addition, the Budget requests discretionary funding of \$2.9 billion for VBA and \$174.7 million for the Board of Veterans' Appeals (the Board) for claims and appeals processing. The Budget request would allow VA to

sustain the claims processing improvements implemented over the past several years while concurrently focusing on the Secretary's priorities to modernize VA systems and services so the Department can continue to provide high-quality, efficient care and services, and keep up with the latest technology and standards of care. The initiatives in our Budget request are consistent with this priority.

For the Board, the FY 2019 request of \$174.7 million is \$19.2 million above the FY 2018 Budget and will sustain the 1,025 full time equivalent employees (FTEs) who will adjudicate and process legacy appeals while implementing the Appeals Modernization Act. The Board is currently on pace to produce over 81,000 decisions in FY 2018, a historic level of production.

Accelerating Processing of Disability Compensation Claims

Since 2013, VA has made remarkable progress toward reducing the backlog of disability compensation claims pending over 125 days. VBA's FY 2019 Budget request of \$2.9 billion would allow VBA to build upon the gains made in claims processing over the past several years. The Budget supports the disability compensation benefits program for approximately 4.9 million Veterans and 432,000 survivors. The Budget also reflects a sustained commitment to deliver 1.3 million rating claims and 187,000 higher-level reviews and decrease the amount of time Veterans wait for a decision.

To continue improving disability compensation claims processing, VBA has implemented an initiative called Decision Ready Claims (DRC). The DRC initiative offers Veterans, Servicemembers, and survivors faster claims decisions through a partnership with Veterans Service Organizations (VSOs) and other accredited representatives. These VSOs, and other accredited representatives, help to ensure that applicants include all supporting evidence with the claim at the time of submission, which allows VA to decide the claim within 30 days of submission. Since the inception of the program, DRCs are being decided in an average of 10.2 days.

Appeals Modernization

In August 2017, the President signed into law the Veterans Appeals Improvement and Modernization Act of 2017 (Modernization Act), which represents the most significant statutory change to impact VA claims and appeals and provides much-needed reform. The new system, still in the implementation phase, provides a more efficient claims and appeals process for Veterans, with opportunities for early resolution of disagreements with VA decisions.

In addition, within VBA's FY 2019 request, \$74 million will be used for 605 appeals-processing FTEs. This increase would sustain 2,100 FTEs dedicated to reducing the legacy appeals inventory and reviewing claims decisions under the Modernization Act.

The request also follows VBA's realignment of its administrative appeals program under the Appeals Management Office in January 2017, as part of an effort to streamline and improve performance in legacy appeals processing. The improved focus and accountability resulting from this realignment helped increase VBA appeals production by approximately 24 percent, decrease its appeals inventory by 10 percent, and increase its appeals resolutions by 10 percent, resolving over 124,000 appeals during FY 2017.

In FY 2019, the Appeals Modernization project will achieve the benefit of using Caseflow Certification, a commercially-developed system, that will help reduce errors and delays caused by disjointed manual claims processing, and improve the Veteran experience by enabling transparency of appeals processing and ultimately facilitating the delivery of more timely appeals decisions.

Section 4 of the Modernization Act also authorizes VA to develop programs to test assumptions relied upon in planning. Accordingly, VBA launched the Rapid Appeals Modernization Program (RAMP) on November 1, 2017. The initiative allows eligible participants with disability compensation appeals pending with VBA the

voluntary option to have their decisions reviewed in the higher-level or supplemental claim lanes outlined in the Modernization Act.

With RAMP, VA has already made great strides toward implementing the new appeals process. After gathering input from VSO partners and other stakeholders, VA is testing the new process from intake to issuance of a decision. This includes testing the election opt-in notice, the new decision notice that meets the requirements outlined in the statute, as well as internal standard operating procedures.

Additionally, the Board is exploring a pilot program that will allow VA to make predictions regarding Veteran behavior, resource allocation, and timeliness in all five options in the new system. The goal of the pilot is to identify needs and concerns related to full implementation, and make predictions about timeliness and productivity. The pilot will test people, processes, and technology to ensure successful implementation of Appeals Modernization. It will draw on appeals to the Board from Veterans who receive RAMP decisions, elect to file a Notice of Disagreement with the Board, and are in the RAMP queue at the Board. The pilot is likely to begin in October 2018. The goal is to identify potential issues while operating on a smaller scale. The Board will engage all stakeholders before launching any pilot. The pilot will allow the Board to test assumptions regarding Appeals Modernization, streamline processes in anticipation of full implementation, and find efficiencies where they exist.

Forever GI Bill

On August 16, 2017, the President signed into law the Harry W. Colmery Veterans Educational Assistance Act of 2017 (Public Law 115-48), nicknamed the “Forever GI Bill.” This law includes the most comprehensive change to GI Bill benefits since enactment of the Post-9/11 Veterans Educational Assistance Act in 2008. The Forever GI Bill enhances access and availability to educational benefits for eligible Veterans through several technical adjustments, calls for investment in information technology (IT) systems, and fundamentally changes the way we view the GI Bill. It is known as the Forever GI Bill because of its most recognized feature – the removal of

the 15-year time limitation for Veterans who transitioned out of the military after January 1, 2013, and eligible dependents, to use their Post-9/11 GI Bill benefits. The law also restores benefits to Veterans impacted by school closures since 2015 and expands benefits for certain Reservists, surviving dependents, and Purple Heart recipients among other improvements. A number of the provisions of this law were effective upon enactment, while several others will take effect on August 1, 2018, or at a later date.

The impact of this statute is that 22 of the law's 34 provisions require significant changes to IT systems. Currently, OI&T is primarily focused on a solution for the most comprehensive provisions – Sections 107 and 501 at an estimated cost of \$8 million. VA has authorized the recruitment of 200 temporary field employees to manage the new workload, and launched an extensive outreach and promotional campaign to ensure all beneficiaries are aware of the enhancements to GI Bill benefits.

VA has begun implementing provisions effective on the date of enactment. On November 15, 2017, VA notified nearly 8,000 beneficiaries and processed nearly 900 applications to restore entitlement to those impacted by school closures. VA has also notified nearly 3,200 beneficiaries, under the Reserve Educational Assistance Program, who lost benefits due to the sunset of the program who can now elect to have their qualifying active duty service periods credited towards establishing eligibility under the Post-9/11 GI Bill Program. Furthermore, VA has informed individuals of the changes to the time limitation for the GI Bill and will continue communicating with these beneficiaries. VA is also working to revise regulations, develop communications plans, and build operational models to implement the 18 provisions that will take effect August 1, 2018.

Transition Assistance Program

VA is proud to be a part of the Transition Assistance Program (TAP) interagency partnership. We are excited to tell you about our ongoing efforts to make TAP more holistic, relevant, and beneficial. In FY 2017, VA conducted over 50,000 military installation engagements in support of transitioning Servicemembers (TSM) and their

families. VA is collaborating with DoD to align TAP offerings with the current Military Life Cycle framework, which embeds transition planning and preparation for meeting career-readiness standards throughout a Servicemember's military career. In FY 2017, VA made a strategic decision to do a complete redesign of the curriculum, exceeding the standard review requirement. Since no two military to civilian transitions are the same, the redesigned curriculum is personalized and relevant to each TSM based on where they are in their transition journey. Through this process, VA identified targeted areas of focus that have a particular importance to the TSM population, including (but not limited to) whole health, gender-specific health, mental health, suicide prevention, trauma/crisis support, career preparation, education, vocational rehabilitation, housing, homeless support, and disability benefits. During FY 2016, VA also designed a new curriculum specific to members of the National Guard and Reserve. The National Guard and Reserve components have unique needs due to their missions and mobilizations, and eligibility for VA programs is often more complex to adjudicate.

VA consistently receives high evaluations from Servicemembers who attend Benefits Briefings I and II, averaging 96-percent satisfaction on information learned, 96 percent on effectiveness of the facilitators, and 94 percent on confidence gained from the material. Together, the partnership has accomplished a great deal, but there is still much work to be done. VA looks forward to continuing to work with the Department of Defense (DoD), Department of Labor (DOL), and all of our partners (Department of Homeland Security (Coast Guard), Office of Personnel Management, Small Business Administration, and Department of Education) to continue to improve and streamline TAP for future transitioning Servicemembers and their families.

VA has collaborated with DoD and DOL, and all of our partners DHS, CG, OPM, SBA, and ED to define what "success" means for TAP. The agreed definition of success for TAP transitioning Servicemembers includes either obtaining employment, starting a business, or enrolling in an educational program. The TAP interagency partners strongly believe that the impact on Veterans beyond 12 months post-TAP completion is likely to be influenced by much more than TAP; therefore, the most valid

measures of the effectiveness of TAP should be focused on the first 12 months post-separation.

The current interagency TAP Evaluation Plan for FY 2017-2018, approved by the Office of Management and Budget (OMB), includes a robust set of assessment methods and tools to evaluate the processes for TAP delivery, immediate results of program delivery (e.g., whether separations comply with statute and policy), and the desired systematic impacts (e.g., Veterans successfully obtain employment, start a new business, and/or seek additional education).

VA is working with interagency partners to collect feedback on post-separation outcomes via a post-separation assessment. Implementation of the assessment will give VA the opportunity to ensure that TAP is employing the right tactics to help Servicemembers transition successfully and will allow VA to conduct data-driven evaluation of the effectiveness of TAP and the long-term impact of interagency transition services.

Over the last year, VA, with contractor support, developed a survey protocol for the Post Separation TAP Assessment. To date, VA has completed cognitive pretesting with Veterans, including VSO partners and Veteran peer groups to obtain outside input and feedback used to modify the assessment questionnaire. In February 2018, VA submitted the long-term assessment instrument to OMB for approval and published the related notice in the Federal Register.

VA has redesigned the VA Benefits briefings, which are part of the overall TAP curriculum. In addition to continuing VA's focus on providing information and access to VA resources for career preparation, education, vocational rehabilitation, housing, insurance, and disability benefits, VA has added a focus on whole health and strengthened material related to health care, mental health, suicide prevention, and trauma/crisis support. In addition, VA Benefit Advisors will facilitate live, real-time registration into VA health care and/or mental health care for all Servicemembers still on

active duty status while participating in TAP. This new facilitated registration allows the transitioning Servicemembers, who choose to opt in to VA care, the ability to follow along with the instructor and complete their VA health care application online through a secure internet connection. VA health care applications completed by transitioning Servicemembers will be adjudicated by VA after the date of discharge. This redesigned curriculum has been pilot tested with Servicemembers at five military installations and will be deployed worldwide on April 2, 2018.

Fiduciary FTEs

The Fiduciary Program requests \$22 million in the FY 2019 Budget for an additional 225 FTEs to protect benefits paid to some of the most vulnerable beneficiaries who, because of disease, injury, infirmities of advanced age, or by reason of being less than age 18, are unable to manage their VA benefits. There has been over a 60-percent increase in active beneficiaries from the end of FY 2011 (approximately 122,000) to the end of FY 2017 (approximately 196,000). The Fiduciary Program has served more than 211,000 total beneficiaries in FY 2017. The number of beneficiaries is projected to increase approximately six percent each year. The average age of beneficiaries in the Fiduciary program is approximately 79 years and over 60 percent of beneficiaries are over the age of 80. The requested resources will increase the capacity of VA to process approximately 16,500 additional field examinations.

Conclusion

Thank you for the opportunity to appear before you today to address the FY 2019 Budget. These resources will honor the President's commitment to Veterans by continuing to enable the high-quality benefits our Veterans have earned. The Budget will support the Secretary's efforts to achieve his top priorities while ensuring that VA is a source of pride for Veterans, beneficiaries, employees, and taxpayers. Thank you for your support.

This concludes my statement. Thank you for the opportunity to appear before you today. We would be pleased to respond to questions you or the other Members of the Committee may have.