VA'S DEVELOPMENT AND IMPLEMENTATION OF POLICY INITIATIVES

HEARING

BEFORE THE

SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS

OF THE

COMMITTEE ON VETERANS' AFFAIRS
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Thursday, November 29, 2018

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
SUBCOMMITTEE ON DISABILITY ASSISTANCE
AND MEMORIAL AFFAIRS,
Washington, D.C.

The Subcommittee met, pursuant to notice, at 10:30 a.m., in Room 334, Cannon House Office Building, Hon. Mike Bost [Chairman of the Subcommittee] presiding.

Present: Representatives Bost, Coffman, Radewagen, Bergman, Banks, Esty, Lamb.

Also Present: Representatives Roe and Peters.

OPENING STATEMENT OF MIKE BOST, CHAIRMAN

Mr. BOST. Good morning. The oversight hearing of the Subcommittee on Disability Assistance and Memorial Affairs will now come to order.

I would like to welcome the Under Secretary of Benefits, Paul Lawrence. Since this is your first appearance before this Subcommittee, before we begin this hearing, I would also like to yield to the Full Committee Chairman, Phil Roe. I understand that Chairman Roe would like a few moments to clarify something discussed during the Economic Opportunity hearing a couple weeks ago.

And with that, Chairman Roe.

Mr. ROE. Thank you, Mr. Chairman.

I want to thank Chairman Bost for giving me just a few minutes of the hearing time today to ask a question regarding a topic that has been prominent in the news and is of the utmost importance to our student veterans.

Dr. Lawrence, thank you for being here to testify today. I understand that the question I am about to ask is not on today's topic, but I feel like it is very important that we clarify these things.

Yesterday, Secretary Wilkie released a statement on his plan to address GI Bill payment and system rollout delays. And that statement said in part, quote, "During this time, VBA will pay monthly housing allowance rates for the Post-9/11 GI Bill at the current academic year uncapped Department of Defense Basic Housing Allowance Rates. The VBA will also correct retroactively any underpayments resulting from Section 107 and 501 implementation problems," end quotes.

On November 15, you and Director of Education Services, Mr. Worley, testified before this Committee regarding GI Bill payment and system delays. At that hearing, Mr. Worley stated, quote, "We will not go back and try to recover the overpayments once the IT fix is in. And where we have underpaid our beneficiary, we will make them whole at the time the IT fix goes in," end quote.

My staff received information yesterday which appears to be in apparent conflict with what previously and publicly was stated.

So my question, Dr. Lawrence, is this: Will the new effective date of Section 107(b) when the system is ready or will you go back, and as you and Mr. Worley promised a few weeks ago, ensure that all students be made whole who are underpaid since the August 1, 2018, deadline stated in the law?

Mr. LAWRENCE. Thank you. Let me clarify. We are going to go back, and for the fall of 2018, recompute the payments using the 2018 rates, as you indicated, and we will make those people whole.

Mr. ROE. Okay.

Mr. LAWRENCE. So overpayments, if there are any, will be disregarded. Underpayments will be adjusted, and those veterans will get a check in January.

When the new law goes into effect in the spring of 2020, we will use the new rates going forward.

Mr. ROE. So basically, the students are going to be held harmless either way?

Mr. LAWRENCE. That is correct.

Mr. ROE. The question I have, and I won't take too much more of the Committee's time, but we have got to have a whole new system. I think, as I understand it, that system that we have got currently is not going to be used and it is going to be rebid. Is that correct?

Mr. LAWRENCE. Certainly, you are right. So the announcement yesterday reflected our fundamental thinking about what the options are going forward, that we need to really address all the learning we have had and do something different. That is correct.

Mr. ROE. And I agree with that. And is that going to create a problem on the lookback? Because we are going to have hundreds of thousands of these to go through within a year. Because I think what I had heard, by the end of next year, December 2019, would be when it would be fully operational. I think that is the date certain that we were given.

Mr. LAWRENCE. That is correct. For the spring of 2020, we will be ready in December of 2019.

Mr. ROE. Okay. Thank you. I yield back.

Mr. BOST. Thank you, Chairman Roe.

Okay. So we are going to move back to our planned hearing.

Today, we are going to focus on how the VA develops and carries out new policies and procedures.

Most of you know that I ran a family trucking business for more than 10 years. I know that in order to make successful changes to our company, you have to sit down and create a plan to carry out the changes. For instance, you have to decide whether employees will be needed and need new training or if we are going to have to update computer software. You also have to think about how many modifications would impact the rest of the business, espe-

cially whether there will be unintended consequences that will cause problems down the line. Finally, you have to design and execute the implementation plan and figure out whether the changes are working as well as you had hoped.

Unfortunately, according to the IG, it looks like the VA does not take these commonsense steps when it develops new programs. In the last few months, the IG has released at least three reports that document the problems that arose when the VA implemented new policies or initiatives.

The VA had these problems because it doesn't appear that the VBA took the time to consider what they needed to do successfully and put the new procedures into place, such as adequately updating the IT systems or training employees prior to implementation. It also looks like the VA wasn't taking the time to evaluate whether they were working as intended. In one report, the IG discovered that when NWQ went into effect, claims based on military sexual trauma, or MST, were assigned to any employee even if that employee did not have specific MST training. In this case, the IG estimates that about 1,300 or almost 50 percent of the MST claims were not properly developed before VA issued a denial.

Although I am troubled by these cases, they may not have been decided properly. We have to remember that this does not necessarily mean that all of these cases were improperly denied, but it does mean that the VA did not and didn't follow all of the safeguards to ensure that this particular sensitive issue and these particular sensitive cases were handled in the way they should have been.

I think I can safely speak for all of my colleagues when I say the claims involving military sexual trauma are some of the most sensitive that the Department handles. These veterans have gone through an unimaginable ordeal, and VA owes it to them to ensure that the cases involving an alleged MST are processed correctly.

Dr. Lawrence, I look forward to hearing from you about the VBA and what it intends to move forward based on this report.

The IG also reviewed how the VA handles claims that include an Intent to File form. The VA developed the Intent to File initiative to allow veterans to preserve an early effective date even if they don't have enough information to file the formal claim. However, the VA didn't think to update VBMS to flag when the veterans submit an Intent to File form. As a result, the IG estimates that as many as 23,000 veterans may have gotten the wrong effective date on their claim. Even worse, these IG reports expose another major issue within VBA: poor quality control.

If the IG had not reviewed these three programs, I don't know how the VBA would have ever identified the problem and taken corrective action.

I wish I could say these were isolated incidents that we haven't seen before. I think one reason so many VA's new initiatives fail or cause serious problems is because VA is so anxious to find a silver bullet that painlessly solves all the problems. But the VBA repeatedly rolls out new initiatives before fully testing them or considering the downstream impact the changes will have on or how it will affect the VA and how they can better serve the veteran.

I was encouraged that the Under Secretary for Benefits, Paul Lawrence, met with me and my staff, and he shared with us that he recognizes the VBA has to refocus on improving services for veterans rather than making employees' jobs easier. I also appreciate the fact the Under Secretary's commitment to reassessing how the VBA does business so that there is more care and consideration to how the VBA rolls out new programs, instead of rushing to get out a product that may not be ready to go live. That is a step in the right direction.

I look forward to the hearing and hearing from the Secretary on how he intends to change the VA's culture and adopt good management practices. We all want the same thing: to ensure that the veterans receive the benefits they have earned.

Now, I am going to turn over to our distinguished Ranking Member, Ms. Esty, for her opening statement.

OPENING STATEMENT OF ELIZABETH ESTY, RANKING MEMBER

Ms. ESTY. Thank you, Mr. Chairman, for scheduling today's hearing on three reports issued in recent months by the Office of the Inspector General at the Department of Veterans Affairs. And you will see a great deal of consistency between the Chairman's remarks and mine. And I think you have come to know that this Committee works in a very bipartisan way, and we all share the same mission but share some of the same concerns about what we see happening.

Each one of these IG reports raises serious questions about inadequate processing of veterans' disability compensation claims by the Veterans Benefits Administration.

I want to start by thanking Dr. Lawrence and his team for being here today to respond to these findings, to describe what you are doing in response to those and, again, for meeting with the Chairman and with me at length prior to today's hearing.

Though this hearing is setting on the reports on military sexual trauma, processing inaccuracy and unnecessary medical exams, there is and additional IG report on the processing of ALS claims that points to similar issues. And I want to make a brief aside. It looks like we have reached some accommodation on ALS, and I hope you will have a chance to describe that, which I think is indicative of what is encouraging to me about the attitude you are bringing to changing culture and going that extra mile.

I am grateful to the VSO representatives in all parts of the country who raised the alert on some of these issues and who must play a direct role in the development and implementation of remedial policy initiatives and procedures recommended by the IG and with which VA has concurred.

Let me be clear. When the report on military sexual trauma came to my attention in August, I was disappointed and disturbed. I had expected that after VBA provided liberalized guidance in 2011 and VBA's concurrence in the recommendation of the GAO report in 2014, that veterans who filed disability compensation claims for PTSD as a result of military sexual trauma would be finding an easier path establishing service-connection required for accurate compensation ratings and that access to VA mental health

care and treatment programs that are so important to recovery. But for too many, this is apparently still not the case. The IG has reported that 50 percent of denied claims that they examined from 2017 involved processing errors.

I know that Dr. Lawrence as well was taken aback with the report when it was issued, because he immediately put into place a plan of action, including reviewing 2 years of claims. But to be blunt, however, there are patterns in all of the reports that need to concern all of us, this Committee and you as well.

I see a pattern of not sharing and disseminating best practices as an ongoing basis and update when VBA is getting reports back that needs to be part of a continuous improvement, as Chairman Bost talked about, as we can learn from the private sector. With the National Work Queue in place, this should facilitate that, but there needs to be a mission to disseminate those best practices when we learn them.

That will help address continuing inconsistencies in regional offices that just with the National Work Queue, we shouldn't be seeing that kind of variability that we are seeing. It is of particular concern on the military sexual trauma claims, and I look forward to hearing your responses on that.

As the Chairman has noted at length, a real concern with inadequate planning. You are very responsive, but you need to take time to step back and figure out how best to implement. There are several instances in the report where it is clear that there were secondary impacts that were not properly assessed or at least not communicated back to us. If more time was needed or resources, we need to be informed of that. It is not enough to respond to an IG report and tick the box, because that is not necessarily achieving the mission. And this really is my overall point.

The mission is to serve our veterans. And it is a customer service endeavor. And so that requires going that extra mile. The IG report sometimes takes several years to produce.

We know in the case of, say, military sexual trauma, the training materials that we have now are way better than they were 2 years ago. There needs to be constant updating of that training. There needs to be dissemination of best practices.

So if the IG puts forward a plan of action, you actually need to be pushing back to say, we want to achieve the mission, but if there is a better way to do it, we are going to do it that way, and not just taking the training materials that are noted, say, the IG says, you know, best practices from 2013. Well, that is not good enough in 2018.

And so that is a broader issue. That is a broader issue of owning the continuous improvement, the mission of serving our veterans and being proactive in that, as opposed to reactive to this Committee, the Senate, or the IG reports.

I know everybody here sees themselves as being on Team Veteran, Team America, but we have to deal with the culture issues that have led to the series of IG reports, series of concerns that the mark is being missed. And that is not good enough for our veterans. It is discouraging and frustrating to the taxpayers, and we need to do collectively better. But that is going to require you to be proactive in letting us know and looking for ways to do that.

I know it is important to recognize we have a number of people here today for whom the GI Bill revelations are going to be important. But, again, the purpose of this hearing is, in particular, to focus on these IG reports that we have had over the last couple of months.

With that, I want to thank Dr. Lawrence, Ms. Murphy, Mr. Clark, and the IG, Mr. Missal, for being with us here today, and we look forward to your presentations.

Mr. BOST. Thank you, Ms. Esty.

I want to welcome the witnesses who have joined us this morning, and thank you for taking time out of your day and being here today.

Our first witness is the Honorable Paul R. Lawrence, who is Under Secretary for Benefits for VA. He is accompanied by Mr. Willie C. Clark, Sr., VBA's Deputy Under Secretary for Field Operations, and Ms. Beth Murphy, the Director of Compensation Services for VBA.

Also joining us at the table is the Honorable Michael J. Missal, who is the Inspector General for the VA's OIG.

Welcome to all of you.

I want to remind the witnesses that your complete written statement will be entered into the hearing record.

Dr. Lawrence, you are now recognized for 5 minutes.

STATEMENT OF PAUL R. LAWRENCE

Mr. LAWRENCE. Good morning, Chairman Bost, Ranking Member Esty, and Members of the Subcommittee. We appreciate the opportunity to speak on the topic of VBA's development and implementation of policy initiatives. But before I get into my opening statement on the subject of this morning's hearing, I want to address a misleading NBC news story from late yesterday that gives the false impression that some veterans on the GI Bill will not be made whole with respect to their housing payments based on the announcement VA made yesterday.

Nothing could be further from the truth. Each and every veteran on the Post-9/11 GI Bill will be made 100 percent whole, retroactively if need be, for their housing benefits for this academic year based on the current uncapped DoD rates. And beginning in spring 2020, we will be in a position to provide veterans with the new rates, where applicable, to meet the law known as the Forever GI Bill.

Once again, each and every, and I mean every single veteran, will be made whole for their housing benefits this year. As announced yesterday, the rates we are providing for the current year uncapped DoD basic rate for housing allowance based on the location of the schools' main campus rather than the physical location of the student.

For many students, the DoD BAH rate will be equal to or higher than their current payment. If a student was overpaid due to the changes in law or because of VBA's challenges in implementing the law, the student will not be held liable for the debt. And starting in spring term of 2020, VA will have solved its current technology challenges so the Department is in a position to provide Post-9/11

GI Bill veterans the new rates, where applicable, to comply with the Forever GI Bill.

Let's move to the topics at hand.

We recognize the significant role that oversight plays in the importance of the Veterans Service Organizations. We have worked hard to foster our relationship with the Office of the Inspector General, the General Accountability Office, and with congressional members and staffers. We meet monthly with the OIG to discuss trends and review findings. We have also recurring meetings with GAO. Since June, we have held monthly meetings with VSOs to discuss improvement plans to address issues that affect veterans.

Working with these partners ensures together that the right elements as we move forward in developing and assessing our plans for implementation. We appreciate the special relationship VBA has with the OIG. The invaluable feedback and observations the OIG provides to VBA leadership enhance our ability to review our effectiveness and validate our plans. We count on this continued collaborative relationship and the feedback that is received. We concur with all the findings in recent reports and are executing these recommendations.

Let me begin with the report on military sexual trauma. VBA is committed to serving our Nation's veterans by processing claims to MST in an accurate and caring manner. By October 2, 2018, VBA provided updated training and guidance to claims processors. Additionally, VBA developed an action plan that puts us on track to conduct special focus reviews and consistency studies in a timely manner. Therefore, we are returning to the best practices that previously made us effective, which includes a designation of specialized claims processors to work these sensitive cases.

Let me turn to the Intent to File. VBA appreciates the acknowledgment by the OIG that the error rate dropped steadily to 4 percent during the course of its review. The report also noted that after March 24, 2015, VA could no longer grant entitlements to benefits using an informal claim, and a new form was required. The report highlighted issues identified with this new form. It also noted that the form was introduced for quick rollout and insufficient training. We have done better with our ITF claims and we were able to fix issues while this report was in motion.

Let me turn to the report on reexaminations. While veterans are service-connected for a disability that is likely to improve, VBA establishes a plan to review the current severity of the condition. Many of these reviews result in reexamination.

OIG's key findings included reducing the number of unnecessary reexaminations. In response to this recommendation, VBA has provided targeted training to identify where reexamination is needed. We have also created tracking systems which allow us to better identify and manage the workload. VBA has also developed a phased implementation plan to assess quality. Each of the phases focuses on a set of business rules that help us identify unnecessary case reviews.

Finally, I will address the most recent report on claims for ALS. VBA concurred with OIG's findings and has taken steps to address the recommendations to improve the proficiency of our staff. On November 19, 2018, VBA issued guidance and updated training to

specialized claims processors assigned to work these complex claims.

Mr. Chairman, we have heard the concerns that VBA has rolled out many programs too quickly and with insufficient training. Previously, in an effort to address problems, we focused on unilateral decisions that did not engage our stakeholders early enough.

Since I arrived, we have been more thoughtful and systematic in our approach. I developed three priorities, the third of which is fostering a culture of collaboration.

One example of the difference in management style is my first senior leadership conference where meaningful discussions led to the development of 14 integrated groups with both headquarter and field membership. These groups gather data, conduct analysis, collaborate with stakeholders, and map out plans for solutions on topics ranging from performance management to quality improvements to reducing rework.

I launched several organizational assessments, including utilizing external consultants to survey several functions and offices in VBA to obtain objective insights, appraisals and recommendations for improvement based on best practices.

I am implementing a deliberative approach to planning, consulting, executing, assessing, and then doing course corrections and leveraging best practices with each new initiative or policy change. VBA is now focused on continuous improvement, and we do this deliberatively and collaboratively. We look forward to coming back to you as a group or individually to discuss our successes.

This concludes my testimony. I look forward to answering your questions.

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

Mr. BOST. Thank you, Mr. Lawrence.

Mr. Missal, you are recognized for 5 minutes.

STATEMENT OF MICHAEL J. MISSAL

Mr. MISSAL. Thank you.

Chairman Bost, Ranking Member Esty, Chairman Roe, and Members of the Subcommittee, thank you for the opportunity to discuss my office's oversight of VBA's programs and operations. I want to begin by detailing recent changes to our oversight model for VBA that allows us to better review national policy changes and focus on VBA's high-impact programs and operations.

Previously, we largely conducted oversight through inspections of VBA's 56 regional offices. In October of 2017, we implemented a new national inspection model for VBA oversight. Under this new model, we now conduct nationwide audits and reviews of high-impact programs and operations within VBA with a focus on identifying the root causes of any problems uncovered and making meaningful recommendations.

Since implementing this new model, we have published 15 oversight reports related to VBA. In these reports, we made 55 recommendations for improvement, identifying nearly $278 million in potential monetary benefits.

I want to highlight four recently issued reports related to our oversight of VBA. In July, we reported on whether VBA required disabled veterans to receive unwarranted medical reexaminations. In August, we published the report that examined whether VBA staff correctly processed claims related to veterans' military sexual trauma prior to denying the claims.

Also in August, we published the results of a nationwide review of whether VBA staff assigned correct effective dates for compensation benefits for veterans using the recently implemented Intent to File process. And last week, we reported on whether VBA accurately decided veterans' claims involving service-connected ALS, also known as Lou Gehrig's disease.

These reports identified common systemic issues that contributed to our findings. The primary root causes of the problems we found were deficient internal controls, inadequate program leadership and monitoring, a lack of information technology system functionality, and the unintended impacts of VBA's National Work Queue implementation.

To be clear, we believe that recent VBA initiatives and policy changes were well intentioned to expedite the benefits delivery process. However, these reports revealed that VBA leadership's emphasis on efficiency has affected the ability to review and process claims accurately. As detailed in our reports in my written testimony, these recurring deficiencies resulted in the inadequate delivery of services and inaccurate benefits rendered to veterans.

We understand that VBA's leadership has been taking numerous actions for the last several years to address the changing and growing demands for benefits and services and to reduce the claims backlog. However, the recurring deficiencies we identified are often the result of VBA leadership making management and operational decisions without fully considering and planning for potential unintended consequences resulting from their actions.

These include sacrificing accuracy for timeliness, rolling out national initiatives after small and short pilot programs, and implementing programs that do not have fully developed IT systems and robust internal controls.

For example, VBA's Intent to File initiative had a short 6-month implementation and delivery period. Errors generally occurred because VBA did not take the time to set up adequate standard operating procedures before implementing the new initiative. Additionally, VBA's IT system lacked the functionality to assist rating personnel in assigning correct effective dates for benefits for Intent to File claims.

Since nationwide implementation of the Intent to File process, VBA has taken steps to improve its control activities and IT functionality, which has resulted in improved accuracy. But the errors that occurred during the initial implementation period will have to be reviewed and corrected, requiring the use of additional VBA resources.

We believe VBA's implementation of our recommendations will help limit the unintended consequences of VBA's policies and programs and better position VBA to provide services to veterans and their families in the most effective and efficient manner possible. VBA has generally concurred with the 55 recommendations we

have made under our new national inspection model and has provided acceptable action plans.

VBA must now follow through with the difficult work of implementation if they are to carry out the responsibilities effectively and be good stewards of taxpayer dollars. We will, of course, monitor their progress.

Mr. Chairman, this concludes my statement. I would be happy to answer any questions that you or other Members of the Subcommittee may have.

[THE PREPARED STATEMENT OF MICHAEL MISSAL APPEARS IN THE APPENDIX]

Mr. BOST. Thank you, Mr. Missal.

With that, we are going to begin questioning. And I will allow myself 5 minutes to start off.

But let me first off also say, Dr. Lawrence, that your announcement of making it very clear to us and to the public that it is to make all of our GI veterans whole and/or also then not to—and hold them harmless for those who may have been overpaid is a good start for this hearing. And let me tell you that I believe that it will also calm down a lot of the questions that would have probably come up here today.

That being said, we do have some real issues that we have got to deal with. And I am going to go a little off script here because I know the question I want to ask, but I want to express it this way. I know you came in in May. But the—I was a full-time firefighter, and I can remember my first night on duty. And the fire chief came in and he says, Mike, I want you to know something. He said, you are in a job that there is going to be a lot of problems and you are going to. You didn't create the problem. You have got to fix it, though. Whatever you do, don't make it worse. Whatever you do, don't make it worse. Okay?

Let me simply ask, how are you planning to change the culture from the VBA from its present issues that arise from this systematic lack of planning and effectiveness and how to implementate things going forward, not only on past projects, but on new projects?

Mr. LAWRENCE. I am going to change the culture by modeling different behavior. And let me explain. When I think about these problems, I draw on my experience in the private sector, just like you, sir. And what I observe and I take away from this is sort of, you know, other general management perspectives.

As Mr. Missal described, you know, decisions were made very quickly and probably without the right amount of expertise in the room to really appreciate it. I've slowed things down. So decisions are made more deliberatively. I call it go slow to go fast. We focus on fewer things and we spend more time thinking about what the risks are and the potential unintended consequences. And more importantly, or equally importantly, we have more people in the room to make sure we have voices.

I take diversity and inclusivity very serious, but, to me, it is not a skin color thing. Inclusivity refers to bringing people with different perspectives into the conversation to avoid the things we were just describing.

So those are the two things that drive my understanding of how we are going to go forward. My leadership style. That has been demonstrated from the very first time I showed up, even in confirmation, when I talked about priorities and what we were going to focus on.

Most importantly, you heard me make reference to the director's conference, the leadership conference in September. That is where we really did the work I am describing. Where people came into the conference having prepared thoughts around key topics, where we had rigorous discussion about what the possibilities were. There were no talking heads in this conference. There was real work being done till 8 o'clock the 2-1/2 days we were together.

And at the end of that, we put forth ideas about how we would work on things, like rework, like quality. Everybody in the room, all 76 people, got a star and got to go vote on what we thought the best answers forward were.

Those were the projects we took down and are now working, which will be harvested in the spring and beyond. So that is the different behavior we are now doing.

So I think collectively, the good ideas in the room, you know, really make me confident about the talent on the team and what we can do differently going forward.

Mr. BOST. My next question is for Mr. Missal. You know, you mentioned that the VA has historically exhibited systematic problems associated with and how it implements policies initiatives, such as inadequate training and complete IT functions, deficient mitigation strategies and lacks quality control. Have you identified other areas where the VA can improve its foresight to better plan for the new policies initiatives to avoid potential negative impact on claims processes?

Mr. MISSAL. Yes. You have mentioned some of the more significant ones that we found. One of the other issues that we think is real important is communication within VBA, because there are instances where one side involved in an issue may be aware of it and the other side doesn't get that same information. It is very hard to properly implement something if everybody is not on the same page as to the information there, what the goals are, what the process is, et cetera.

And so what we try to do in our reports, we not only try to get it right, we try to be fair, but we also try to say what the root cause is that we find. Because if a mistake is made, we want to be able to point out that mistake so that it doesn't happen again.

Mr. BOST. Okay. I am going to go ahead and turn over now to Ranking Member Esty for 5 minutes.

Ms. ESTY. Thank you very much.

And I am going to have a series of fairly specific questions that I am going to submit for the record, but I want to continue this line of discussion because I think it is really important about changing the culture.

Things are happening quickly. You are being asked to do a lot of new things in VA quickly. And we understand that can be a lot, especially for an institution that coming out of a military background doesn't always embrace change that quickly. So you have got a mindset change you have to deal with.

I want to talk about the communication issue. How do we ensure that that is happening? How do we disseminate those best practices?

The National Work Queue was a huge undertaking. We should be reaping the benefits of that now, but that means that information has to be assessed and it has to be pushed back out to all of the offices. So I want you to talk about that, as well as specialization. I think that has come up on the quality control, these more difficult claims, ALS being one, military sexual trauma being another. They require specialization to get right because of the nature of the trauma to the veteran involved, the importance of doing those accurately, and while it is just not fair or reasonable to think we should be training each and every claims reviewer to do that. That is not a good use of time and it should not be done.

So can you talk about, Dr. Lawrence, how you are going to identify the areas that are going to require specialization, what you are doing to make sure that happens so that you are proactively, not just in response to an IG report, but how are you going to track? What are those areas that require specialization? How are you going to do that training? How are you going to update the training so that we are continuing to have best information and best practices disseminated across the totality of the VA?

Mr. LAWRENCE. Let me start with specialization first, ma'am. Yes, we agree. There should be more specialization. The benefits of it are clear, and we should do more of it.

Probably early summer, unrelated to the report, we began to think about how we process claims under the guise to be better for veterans, and part of it was efficiency. We are identifying which claims should be bundled in a specialized manner like this. And so we have what we call lanes, and there is specialization by virtue of this. We are trying to balance the, you know, efficiency we get, the sensitivity, the caring and, quite frankly, the right places we should do this around the country.

This is something we are already working on, and we think the benefits are clear. And as we discussed with you leading up to this, to build on even some of the things we better understand about the veteran experience. So we should do more of that, but I want to be careful it won't be the answer to every problem. But we see the benefits of specialization, and we want to reap those.

We draw on best practices from some of the leading companies, and they caution us to be careful because at some point you can go too far. But we don't think we are anywhere near close to that, based on the work we have done.

If I could just answer your other two questions. In terms of communication, yes, ma'am, that was something I thought about a long time. In any large organization, as you know, we have 24,000 people, our construct is headquarters and then 56 regional offices around the country. We have tiers of people and levels in between that we need to communicate with.

This also came up in our directors conference, and there is a project that was just concluded about how we are going to more formally communicate what the mechanisms are, what the vehicles are, what the responsibility of everybody is to participate, and then pass that information along. That will not solve every problem, but

at least we will begin to address the awareness of issues pushing it out to everybody so we have greater consistency.

And your last thing, I think, was the training, to make sure we got it. And let me draw on Beth here because I know she has been thinking a lot about this as we deal with that.

Ms. MURPHY. Thank you, sir. We have really been empowered under Under Secretary Lawrence's leadership to look for different ways to do things.

As far as training, I think in the past we relied on a more one-dimensional aspect of training, which is we put out a call or we have a PowerPoint, materials, someone delivers that or you do that online. These days, when you want to find out how to do something, what I do, and I know a lot of folks do, is you go online and you look for a video. I would rather have someone show me how to do something rather than just tell me how to do something.

So we are capitalizing on that with new technology and tools and platforms. With the Intent to File, that was part of the solution. We used a video to instruct folks how to look for the effective date with the Intent to File, and we reap the benefits down to a 4 percent error rate. And more recently, a 2 percent error rate.

We are doing the same thing with the military sexual trauma. Rather than a PowerPoint, it is now a video that says I am putting myself in the place of the military sexual trauma coordinator. We are going to walk through the checklist, how to develop for these cases, how to make these phone calls. So it is a more dynamic three-dimensional training that folks can access at their leisure. And it is mandatory, but then you can go back and look at it for refresher as necessary.

Ms. ESTY. Thank you. And I see my time is expired. Thank you. I yield back.

Mr. BOST. Mr. Coffman, you are recognized.

Mr. COFFMAN. Thank you, Mr. Chairman.

Mr. Missal, what is the central problem here? We get this all the time that, oh, how we are going to do things differently, and at the end, they always fail, the VA always fails. Is it that they never assess the requirements properly, they don't manage contracts properly? What would you say is a central reason for failure?

Mr. MISSAL. I think there are a number of different reasons why these programs don't operate as effectively and as efficiently as they should. And I think you can start first with the planning phase. Do they do enough to plan? Do they take the proper time? Secondly, do they determine whether or not any IT that is going to go along with the program has the proper functionality? Has it been properly tested?

Next, once it is implemented, what are the internal controls? Because in a question of, like, communication, how do we know it is working? If you are looking at it in hindsight, you are looking at the controls to determine whether or not you have issues there.

And finally, do a root cause analysis, so that if something hasn't worked as anticipated, you take a look at it again, so you don't make the same mistake.

So I think putting all those together, that is sort of a general summary of the issues that we generally find.

Mr. COFFMAN. Does the VA, Mr. Missal, bring in outside consultants, experts to be able to define—it is one thing to have a contractor come in to implement a system; it is the other thing to objectively define the requirements.

And it seems to me that, at least certainly when we looked at the issue concerning the Post-9/11 GI Bill and the changes—and we are going to be doing that in the second round, so I don't want to really get into that now—but they were unable to assess, number one, could they do it and said that they could do it. And number two, even come up with a timeline. Number three, they couldn't manage the contract and the contract ultimately failed, is my understanding.

But is it they need professionals from outside the VA to come in and write these requirements and manage the contracts, or are they doing that?

Mr. MISSAL. In a number of situations, they do bring in people from the outside. The VA has thousands of contractors who are working at VA. And sometimes it is as simple as just working together to make sure that when you have a contractor working with the VA staff and systems, are they all integrated well? And that is one thing we find is that sometimes the integration is not what you would like it to be and then you are sometimes working across purposes.

Mr. COFFMAN. Okay. Mr. Chairman, I yield back.

Mr. BOST. Mr. Bergman, you are recognized.

Mr. BERGMAN. Thank you, Mr. Chairman. And thank you all for being here today.

These hearings are always informative, I believe, to all of us. I am very appreciative, as I know we all are, of your proactive nature in this.

People who serve in uniform have to be proactive by nature because the mission requires movement, adaption, and overcoming obstacles in order to succeed. And I would suggest to you that any culture, whether it be here in the Congress or whether it be in the VA or the Department of Defense, or anybody else related to veterans, if they don't have that same culture of adapt and overcome, we are going to have long-term failure.

Okay. So having said that, Dr. Lawrence, when you talk about, if you will, revamping, revising, building a new culture under your command, can you give me an instance of some of the things you might be doing outside a norm, that of we have always done it this way kind of thing, to build that culture with those under your command?

Mr. LAWRENCE. Sure. One of the things we have done, and I alluded to this in my opening statement, is really searching hard for best practices in industry.

If you think about what we do, for example, we maintain an insurance product line. We can learn from how the world-class insurance companies learn and copy those behaviors that are relevant. So I want to really draw on, leverage best practices from around the world. I don't mean as good as it gets in government. I mean world class elsewhere, because we can be that good because the talent at VBA is that strong.

Mr. BERGMAN. Let me ask a question because—you know, I appreciate that. Looking outside your organization for best practices is what I heard. Do people come to work because they have to or because they want to, under your command?

Mr. LAWRENCE. I don't know the answer for me specifically, but I will tell you the survey of why VBA employees come to work every day is the purpose of the mission of serving veterans. We have had outside studies done of that prior to me, and consultants come and talk to us all the time and say that is a very powerful draw to why folks come to work at VBA.

Mr. BERGMAN. Okay. The use of contractors, how do—if you have those who are on your payroll, if you will, as your employees under your command and then you have this adjunct group that melds into your organization for a time but not as permanent employees, how, then—what do you do within the culture that you are trying to create that will make those contractors feel part of that team, that they are actually—they are just trying to stay because they want to stay working for the veterans. What kind of programs or policies or training things do you have in place to bring those contractors in that it is just one group, you can't tell who is the contractor, and who is the employee?

Mr. LAWRENCE. So we focus on—when we use contractors the way you are describing, because sometimes we use them for spot solutions, right. They come, they assess something, and they leave, so they wouldn't quite qualify for what you are describing.

We focus on integrated product teams and try real hard to get contractors who are also focused on serving veterans. As you know, there is a requirement that we deal with generally veteran-owned businesses, and that sets us in a very good position as well. Many folks have traveled in and out of the VA processes and they get it.

So really, we have seen people working closely together. And quite frankly, we think VA is a good client to have if you are a contractor or consultant, and people come to us and they want to stay for long periods of time through the contractor relationship.

Mr. BERGMAN. Okay. And one last question, because I see I have about a minute left. Is there any current surge capability that—or on the horizon for you as you build your organization here going towards the future? Again, mission-oriented. We know we have—you know, we are talking military language here, but when you need a surge, is there anything in your plan to create some level—doesn't have to be a lot necessarily—but that idea within your organization that if you need to redistribute assets for a short period of time, is there anything in your plan that would indicate that that is part of it as well?

Mr. LAWRENCE. Yes, sir, there is. So, for example, in the September-October timeframe when we were experiencing real difficulties with the GI Bill, our call centers were overwhelmed. We are staffed for 15,000 calls a day. We were getting north of 25,000 a day.

I am looking at best practices for other call centers to figure out what the surge capabilities are. Often they have relationships with other external entities for situations like this. Christmas, for example. So, yes, that is definitely part of our plan, because I don't think the answer for our veterans should be "wait."

Mr. BERGMAN. Okay. Thank you. And I yield back.

Mr. BOST. Thank you.

Mr. Banks, you are recognized.

Mr. BANKS. Thank you, Mr. Chairman.

Dr. Lawrence, yesterday's news report regarding the Forever GI Bill is deeply concerning, even more than when we heard from you testify last before my Subcommittee, the Technology Modernization Subcommittee, a couple of weeks ago. Your IT systems continue to leave veterans in need. The mission of the VA should not continue to be compromised because of a foible like this.

What was the rationale behind you getting rid of the Booz Allen contract? And why would you not just have Booz Allen hire different subcontractors to do the job?

Mr. LAWRENCE. Sir, we have not made the decision to get rid of Booz Allen, so that is inaccurate. That is being discussed right now. They do many things for VA broadly, and they will continue. I think we are trying to figure out how to redirect them to the work they continue to do for =VA. So that is a misnomer.

To get to your broader question, though—

Mr. BANKS. Why don't we pause with that? How much have you paid Booz Allen?

Mr. LAWRENCE. I don't know. I don't administer those contracts. We can take that for the record.

Mr. BANKS. Okay. Please do. Go ahead.

Mr. LAWRENCE. More broadly, I think, you know, my recommendation for which the Secretary and others churned on and accepted dealt on sort of three primary tenets, and this was pretty clear to me based on my professional experience, as well as just traveling through this journey that I arrived on it.

We had real challenges with accountability, and so I stepped forward and said I would be the person accountable for implementing the GI Bill. We had difficulties with the program management structure, so we will engage our FFRDC, Federal Funded Research and Development Center, the special relationship we have with the MITRE Corporation, to provide conflict-free advice on the program integration, the schedule, and help us manage it. And then we will go find a world-class contractor to deal with the following: systems integration and software development.

Two weeks ago when I sat here, you listened to the contractor say, I do software development. We need to do systems integration. You will recall I drew the chart with all the boxes. That is what he was talking about.

In hindsight, we need a systems integrator and software development corporation to help us.

Mr. BANKS. Okay. Let me switch gears a little bit. One of the issues that came up on the Committee staff's trip recently to Muskogee GI Bill processing office was the problems that processors were having with Microsoft Word and other Microsoft systems.

It is my understanding that you were given a plan before Thanksgiving from OINT to bring in a team to try to address these problems. Have you acted on that plan? And if not, why not?

Mr. LAWRENCE. Sure. We had a team there when I visited the next week, so, yes.

Mr. BANKS. What have they done? What has that team done?

Mr. LAWRENCE. They have been de-conflicting the software and identifying workarounds to make it, so it does not lock up. And that has been dramatically reduced. I am still concerned that we are using workarounds versus a solution, so we are trying to figure out whether we need to engage Microsoft, for example. But, again, that has been—

Mr. BANKS. So you are still trying to figure out whether or not to engage Microsoft? What has that team accomplished? What has come out of—

Mr. LAWRENCE. They are about 95 percent of the way there. And the question is, you know, is it because we have workarounds or we solve the problems. And that is still being assessed.

Mr. BANKS. When do you think we will be 100 percent of the way there?

Mr. LAWRENCE. I don't know the answer. I will be happy to come back and talk to you about it.

Mr. BANKS. All right. I yield back.

Mr. BOST. Mrs. Radewagen, you have been recognized.

Mrs. RADEWAGEN. Thank you, Mr. Chairman. I want to thank the Ranking Member for holding this important meeting. I also want to welcome the panel. Thank you very much.

My question is for Inspector General Missal. Are there any of your recommendations in the MST report that VA is not addressing?

Mr. MISSAL. I am sorry, that VA is not?

Mrs. RADEWAGEN. Are there any of your recommendations in the MST report that VA is not addressing?

Mr. MISSAL. No. They have concurred with all of the recommendations and are in the process of implementing them. And we will review that to ensure that they are fully implemented.

Mrs. RADEWAGEN. And, Dr. Lawrence, how are you planning to address the rest of IG's recommendations? And when is the timeline to complete these actions?

Mr. LAWRENCE. We are going to address them aggressively. We have already started on some, so I know—let me draw on Willie here because he actually implements the plans we have.

Mr. CLARK. Good morning. We have a several-pronged approach to dealing with the MST. Beth spoke earlier on the training. We are updating the modules in a YouTube type of effect. We also, Beth, we have updated the manual, mandating the use of a checklist that all of our claims processors are supposed to use or will use. We are mandating a checklist for them to use. That way it will improve upon our quality if they are guided into a step-by-step process of what they need to do for the appropriate development of that case, and to rate the case.

We also have identified coordinators for MST for each of our regional offices. We have conducted training, all of which has happened. We completed some training in September, in the end of last month. We have another set of training that is supposed to be done—or has been completed at the end of this month. So every one of the recommendations, we have implemented.

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

Mr. BOST. Thank you.

I see that our colleague, Representative Peters, has joined us here, and I would like to ask unanimous consent that Representative Peters be allowed to sit at the dais and ask questions.

Hearing no objections, so ordered.

Mr. Peters, you are recognized.

Mr. PETERS. I am going to pass this round.

Mr. BOST. Chairman Roe.

Mr. ROE. I want to just get a couple things clarified. And this GI Bill is complicated. So that I understand and so that our students out there understand, Dr. Lawrence, is that when the law went into effect August 1, it contained two sections, 107 and 501. And as I understand it, the 501 section is a COLA, it is the cost of living adjustment. The 107 section is where a student would be paid a per diem based on where the bricks and mortar campus is. And then lastly, the online students are paid at a different rate.

So am I correct on all that? Do I understand that right?

Mr. LAWRENCE. That is correct.

Mr. ROE. Okay. And I want to make sure that I understand that when the law states that all this goes into effect on 1 August of this year, 2018, are we saying, and maybe I misunderstood you, but are we saying that the 107 provision and the 501 provision will be made whole, those students under both those provisions, will be made whole as of the law was stated on 1 August? Am I correct on that?

Mr. LAWRENCE. We are going to go back into the fall of 2018 and make sure they get the DoD uncapped rates.

Mr. ROE. Back, again, are we going to—are we going to follow the 107 section of law which says where the bricks—like a student, for instance, let's say the student is going to college in San Francisco. It has a much higher per diem than if they went to college where I did in Clarksville, Tennessee, which is a per diem that would be less than half or a third of that much. That student who took the majority of their classes in Clarksville will be paid a certain per diem. Am I correct?

Mr. LAWRENCE. That is correct.

Mr. ROE. And then the student who would be in San Francisco, which is obviously much more expensive to live there, we are going to go—because those payments may not be correct right now—are we going to look back and follow law and pay them going forward? Then what is the discussion about changing the statute to December of 2019? That is what I don't understand. If we are going to go back and make 107 and 501, we are going to follow that, then what is the point in moving it forward? I know it is a lot of work and it is complicated, but I want to make sure we get it straight here today for the people.

Mr. LAWRENCE. Sure. So this fall, we are using the 2017 rates. We need to use the 2018 rates. That is the true-up we are doing.

When we implement the law, the Forever GI Bill in December of 2019, we will not use the ZIP Code. We will be using the definition of campus, and that is what we use going forward.

Mr. ROE. But the law states now that in August 1 of now we should be doing that, correct?

Mr. LAWRENCE. That is correct.

Mr. ROE. So, again, why wouldn't we follow the—because there are going to be a group of students that for at least 1-1/2 academic years are not going to be paid correctly and are not going to be trued-up? Am I right on that?

Mr. LAWRENCE. No. They will be trued-up for this fall. Okay. It is not clear what the difference will become the implementation.

Mr. ROE. Maybe none.

Mr. LAWRENCE. Maybe none. We will have to assess the burden on schools to go back. We will have to assess the burden on VBA, and we will have to figure out the benefits to folks we are describing. It is not clear there will be any difference under this interpretation of what a campus is.

Mr. ROE. And again, I am not trying to overdo the point, but if we follow the law as is, then you have got to go back and look. It creates, I realize, a lot of work to do that, I understand that, to go back and make sure that those students who started class in the fall semester in August of this year are going to be made whole, according to the law as it was passed August 1, and stated in law August 1 of 2018.

Mr. LAWRENCE. Right. We will seek to work with you and your staff to better understand whether that is in the best interest of veterans, given all the work you described, the potential low benefits from doing that, quite frankly.

So I think we need to figure out whether we need to come back to you and ask for a legislative change to push the date to December 1 or not. It is not our intention to harm veterans. We also have to think about the broad veteran population and whether what you are describing yields any benefit, just work.

Mr. ROE. Well, I think—anyway, we will continue this. I will go ahead and yield back, but I want to make sure that we off-mike work through this and just see how many veterans we are talking about. Because there could be some that we have underpaid out there, and probably are veterans that have been underpaid. And we want to make sure that those veterans get what they earn and what the law stated.

I yield back.

Mr. BOST. It is the chair's intent to have a second round of questioning. The second round of questioning will be a 3-minute, so the Members know.

So recognizing myself, because we really want to focus—this GI thing is big, okay. And we want to know, and I think the people deserve to know, because when Representative Banks asked, there was still some confusion on the statements, I guess, that were made yesterday. And you clarified those, and I appreciate that.

That being said, how many—what is our actual number of GIs—that are receiving the GI benefit at this time?

Mr. LAWRENCE. I don't have the exact numbers in front of me, but when I was here 2 weeks ago, I said it was 450,000, approximately.

Mr. BOST. Do we know an approximate error ratio or how many people are being affected and which ones were underpaid? I know we can't get exact number but—

Mr. LAWRENCE. No. That is part of the problem, without the technology, we were unable to do anything but estimate that broad-

ly, and I am not so certain those were accurate estimates because of the way the changes were going through.

Again, I apologize I don't have subject matter experts here, but I would be happy to take questions for the record on the GI Bill as we get to—

Mr. BOST. Okay. Then the question I have on top of that is, as you go back and try to figure out these errors and then live up to the commitment to make someone whole, is it going to have to be done through the tech people that you were working with originally? Because the statement—was it Booz and—the contractor's—are they going to have to be able to pull that out or can your staff pull that out and figure that—

Mr. LAWRENCE. Sure. The—sorry, I didn't mean to cut you off, sir. The technology is in place to do the true-up I've described for the fall of 2018. The next two weekends, we will load the 2018 rates, we will compute them. And folks who were short will get a check in January for the difference.

Mr. BOST. Okay. I think another concern is where the Chairman was asking as well, this confusion about what your home ZIP Code is but where you were actually located and then getting the proper per diem is vitally important, especially whenever the law has been written, and so that is what we will do to make sure that everything is caught up and done correctly. And trying to get—I want to know from this Committee's standpoint that we have the commitment that that is going to be the case where your staff—your group as a whole is going to be aggressive to make sure that anyone that is owed is found out that they are owed and then made whole in each one of the areas.

Mr. LAWRENCE. So, yes, generally, but let me work specifically on this. There is a couple things going on here in the new path forward.

One of them is returning to the definition in the law of what a campus is. It is a building owned by an institution. That is different than the ZIP Code thing we explained where students could do an interim. This is different. That difference will go into place December 1, 2019, for the spring semester of 2020.

When we asked to go back, it is not clear what the differences will be, and that is what we have to figure out and work with your team to figure out, is all the processing going to end up with one person getting a check for a dollar. We don't know that yet. It is not our intention to harm veterans, but it is also our intention to process the GI Bill effectively and accurately going forward.

Mr. BOST. Okay. I am out of time.

Ms. Esty.

Ms. ESTY. Thank you, Mr. Chairman.

Again, I think we need clarity on this. And this is, again, an example of we had an intent in the law, veterans may have understood that to be a certain way, so we may still have an issue. You may look at the law and say, well, we interpret it this way. I assure you, we are going to have constituents who will say that is not what we thought that to mean.

So we need to be in close communication as you look at what is an error, to understand there are going to be veterans who believe

that they were promised this, and we need much greater clarity. And that takes me to sort of the second point.

The IG noted that some of these systematic problems going back, and I am thinking now with our hearing next week, we have got appeals modernization rolling forward. So what are we going to do, not only on the Forever GI Bill, but on appeals modernization to be looking at that IT capacity and knowing what the requirements are so that we are not faced with exactly the same kind of situation with appeals modernization where we are having to go back and redo and rerun and rework, which is one of the core things we need to stop doing, is having so much need for rework?

So if you can address what is being done now. Are we doing beta testing? How are we going to ensure that we understand the needs the system will have from an IT point of view that we aren't, you know, learning by the seat of our pants having done a national roll-out and actually not being ready to do that?

Mr. LAWRENCE. I don't want to steal the thunder from the team that will appear before you next week on appeals modernization, but they will tell you a very positive story with technology. The system is in place and they are doing end-to-end testing exactly the way you are describing.

I will tell you that the takeaway from my confirmation hearing were the two things that I should worry about going forward were the GI Bill and appeals modernization. And after I was in office for 1 week, I started meeting with both teams every week for an hour to understand the state of what is going on.

I will tell you that in terms of appeals modernization, you see a very different experience. The team began working together 3 years ago. The systems we used are some of the most mature, and the technology we use is new and invented just for this purpose.

So far along the way all tests have been passed. I am very positive. They will tell you more about it next week, I believe.

Ms. ESTY. Well, I hope we can take the lessons that are being learned there and make sure that those are used every time with forward-going programs. And to the extent we can, then put this back into the Forever GI, or at least maybe we cut that off and start over again with the kind of design we are doing to benefit from this approach. Because I think sometimes trying to bootstrap and rework a system that is not working well is not a good way to go. I am just going to put that out there as something for you to consider.

Thank you, and I yield back.

Mr. BOST. Mr. Coffman.

Mr. COFFMAN. Thank you, Mr. Chairman.

Dr. Lawrence, first of all, if you are unable to meet the statutory requirements that are very clear, you need to come before the Congress of the United States to have those altered. You can't simply change the law yourself, if you are unable to meet the obligations that your department agreed to and the Congress of the United States mandated through law and the President of the United States signed.

Let me ask you this. How many senior executive service positions do you have in VBA?

Mr. LAWRENCE. I don't know the exact number. It is approximately 100, I would guess, but I will get you the exact numbers.

Mr. COFFMAN. You have been there for 6 months. How many SES positions have you let go?

Mr. LAWRENCE. I think the answer is zero.

Mr. COFFMAN. Really? Because I have had a conversation with our new Secretary and followed up in writing to him that there are about 400 positions in the senior executive service level in the Department of Veterans Affairs.

After the scandal with the appointment wait times, on a bipartisan basis, the Congress of the United States passed and President Obama signed the ability for you and for the senior leadership of this department, the Department of Veterans Affairs, to expeditiously let go senior executive service personnel that were not competent.

In my discussions with the Secretary, he is unwilling to make that commitment to do that, to look through these 400 positions where there is objective failure and the inability to correct that failure by inspector general reports, by GAO reports. And yet you will never change the culture of bureaucratic incompetence in the VA unless you are willing to look through those 400 positions. And where there is a lack of competence, where problems are unresolved, that you are unwilling to make those hard decisions, which our Secretary is not willing to do, which you obviously haven't done, then nothing will change.

This President will fail the country in terms of the commitments that he made to change the VA. He changed the Secretary, but that was on the basis of his record in terms of personal spending or spending taxpayer dollars on a European vacation. It was not on his competence in terms of running the VA. This is the same VA of the prior administration, just papered over with saying how great things are when they are not great.

I yield back.

Mr. BOST. Mr. Lamb, you are recognized.

Mr. LAMB. Thank you, Mr. Chairman.

If it is okay, I am going to go back to one of the issues that this hearing was called for having to do with processing of benefits claims. In particular, our VAs in Pittsburgh process claims involving military sexual trauma. And I know—well, I guess you can confirm for me if I am correct, that each office is supposed to have a specialist dealing with military sexual trauma claims. Is that true, Mr. Clark?

Mr. CLARK. Good morning, Mr. Lamb. That is true. We have specialized individuals for military sexual trauma at each RO. That is true.

Mr. LAMB. Okay. And have you been able to fill all those positions? Are they full as of right now?

Mr. CLARK. They should be full, yes. We have military sexual trauma coordinators that are full. If for some reason, someone left yesterday that, you know, that I don't know about, but, generally, our leaders know to keep those positions filled and to make sure that they receive all of the requisite training and quality measures are filled in order do this work. They are not to do the work on an MST claim unless they have had the requisite training and they

follow the guidelines that we have set forth with this checklist and viewing the trainings materials and the like.

Mr. LAMB. Okay. Are they overseeing examinations for military sexual trauma done by contractors or more done by VA personnel?

Mr. CLARK. For the most part, contractors.

Mr. LAMB. Okay.

Mr. CLARK. But there are some instances where VHA doctors perform these examinations. And again, VHA sometimes uses contractors as well.

Mr. LAMB. Have you looked at the outcomes or quality of those examinations to see whether the contractors are doing an adequate job? Because I think this is an area where the VA's doctor's kind of particular training and familiarity with this population and this type of claim would really help.

Mr. CLARK. I would certainly let Ms. Murphy speak to that.

Ms. MURPHY. So, sir, I think it has generally been about a 50/50 split overall with exams as far as VHA versus contractors. I think we both entities, VHA and VBA, watch closely who is doing the exams and has quality controls, checking the reports.

So I can't, in the moment, speak to the specifics, but, yes, both sides are watching, both sides are engaged in this work.

Mr. LAMB. Okay. Thank you very much.

Mr. Chairman, I yield back.

Mr. BOST. Thank you.

And, Mr. Bergman, you are recognized.

Mr. BERGMAN. Kind of to continue on with my questioning along the line of building a culture. As we look at the GI Bill going forward and the payments and the coordination between the VA and the educational institutions—not the veteran, but the educational institutions—about a year ago, we had a hearing in here where I brought up the concept of in the brain core, the sand table exercise. And we did a little, you know, back and forth on that. But the idea of is there—and by the way, this Committee, bipartisan, is going to be the best partners that we can be with you, because we want results just like you do. Of course, it is our job to give you the money and then hold you accountable. It is your job to execute the mission.

Is there anything that we can do for you to, if you will, to participate in a—I am going to call it a sand table exercise that the goal of this exercise would be to see where the system can be gamed, whether it be accidental or on purpose, on either side of the equation? Because unless we take what we are about to implement and then put it into exercise to see and put the—I know all these minds on all sides of the table are smart, motivated, and potentially devious, okay? Because I have kids. I have grandkids. You know, that is how it works. And it is up to us to make sure that we make—that we, if you will, close accidental loopholes that cause others pain. Pain of loss of dollars or pain of loss of credits or whatever it happens to be.

Any thoughts on where we can do that? Or maybe that is already in your game plan.

Mr. LAWRENCE. Yes and yes. Absolutely want your help. A couple things immediately come to mind. One of them is when we do the user testing, to sort of, you know, get examples of veterans that we

think we need to make sure the system works for. So I know your staff has been great sort of identifying people who call you and say I am having trouble, so we do that.

In addition, I am sure the new plan going forward, we will spend a lot of time with you explaining things. So I think there is probably, you know, reason for engagement as our interpretations of some of the things that require and to make sure that we are coordinated on that as well.

Mr. BERGMAN. Okay. Well, again, I see my time is about to run out, but engage us early because the sooner we engage and the sooner we pick it apart, the less we are going to have to have hearings like this after the fact.

And I yield back.

Mr. BOST. Thank you.

Mr. Peters, you are recognized.

Mr. PETERS. Thank you, Mr. Chairman.

Dr. Lawrence, I just want to make sure I am clear on exactly what you're saying about Section 107 of the Forever GI Bill, which we passed last—or this session.

Section 107 is the section dealing with students being paid according to where they are taking the majority of their classes. And are you testifying right now that after the VA finally implements Section 107, that they will go back and recompute what students would have been paid had Section 107 been in place by the August 1, 2018, deadline in the law, and if they were underpaid between August 1, 2018, and when the section is finally implemented, pay them the difference to make them whole?

Mr. LAWRENCE. What I am testifying to is that we will go back into the fall of 2018, put the right rates in and make sure they get a check in January if they have been underpaid.

What changes as we go forward and think about December of 2019 is the way we thought about campuses. If you recall, there was a long discussion about ZIP Code in practicums—

Mr. PETERS. Right.

Mr. LAWRENCE [continued].—and that set-in motion some expectation of overpayments or underpayments and the like.

When we return to the definition of campuses defined by the law and our interpretation of it, it is not clear there is going to be any changes. We have got to figure out what the implications of that are and then go back or not as appropriate.

Mr. PETERS. So what you are suggesting is that there are some—you are having an issue with interpreting the law as to whether money is owed?

Mr. LAWRENCE. A couple thoughts. We are not interpreting the law. The law is pretty clear. It defines campus a certain way, and we are going to go execute that.

Mr. PETERS. Right.

Mr. LAWRENCE. It is not clear that—possibilities. What are the possibilities? There could be wide-scale variation, and we have to go back for exactly the way you described. There could be no variation and the going back would be energy that would be better spent processing claims going forward.

That is the unknown we have to figure out, and quite frankly, work with you on too. It is not our intention to harm people the way we are imagining. It is our intention to process efficiently.

Mr. PETERS. I want to get the sense of—it sounds to me like you are leaving yourself some flexibility as to whether to do that or not. Maybe you are assessing whether it is worth the trouble to go back in following the law as it is written. But we would like to know whether these people are going to be made whole by that formula. And I am having trouble getting that answer out of you, it sounds like.

Mr. LAWRENCE. We want to make people whole. I am not trying to give you trouble. I am just trying to not give you a blanket statement that requires tremendous activity for no gain.

So if you ask me what should we spend an extra hour on, processing things that yield veterans nothing, putting at risk the spring 2020 semester, or saying this doesn't yield much and we are going to move forward. We just have to figure it out.

It is not my intention to be evasive. It is my offer to work with you to make sure we all come away feeling this is the right way forward.

Mr. PETERS. What are you telling veterans and students now who are going into the process going forward? What are you telling them now to do?

Mr. LAWRENCE. We are telling them you will get trued-up for the fall of 2018 with the right rates. We will execute the new law in the spring of 2020.

Mr. PETERS. Okay. Thank you. My time is expired. I yield back.

Mr. BOST. Chairman Roe.

Mr. ROE. I want to go back with what Mr. Peters, the line he was taking. And I am not trying to be difficult, but the law states what we must do on 1 August. It is not an interpretation—like you said, it is fairly clear what the law states.

The question is, are we going to follow the law? That is the question. And if we are not, then we have got to change the law. It has got to be changed to a different time. Otherwise, you are required by statute to go back and implement Section 107 and 501, as stated in the law. Am I correct?

Mr. LAWRENCE. That is correct. And previously, I made a request for your help to do exactly that, if that is what we conclude based on the energy that it would take for potentially not much gain. We completely agree.

Mr. ROE. How would we know—I guess that is a question I have. I am putting myself as a student out there at somewhere, sitting there thinking I have a benefit that I have earned. Am I getting paid correctly for my benefit? Am I getting unpaid? How do we determine it is too much trouble to follow the law?

Mr. LAWRENCE. Let me—

Mr. ROE. How is that—do you follow? I am not trying—

Mr. LAWRENCE. I understand what you are saying. And I appreciate that you admit you are not trying to be difficult. And I don't mean to be difficult either. I am trying to be precise in my answer.

When we adjust the rates for fall to the 2018 rates, we will have honored the obligation. Nobody has yet been paid under this system that doesn't exist. So there isn't a feeling of I am owed some-

thing, unless they have been able to calculate something that we have been, quite frankly, unable to calculate. Okay?

When we put the new system in, we will know what that is. Somewhere along the line as we begin to see it coming into focus, we will make an estimate of what you are just describing, what is the difference and what should we do about it. And that is what we will have to continue to talk to you about.

Mr. ROE. So basically, what we did was, just for clarity, we stood up a system that didn't work and paid people what we had paid them in the past, and we don't know what we should have paid them. Am I correct?

That is pretty much what we did. Because our IT system didn't work. That is what happened.

Mr. LAWRENCE. Notionally, correct. That is correct.

Mr. ROE. Yeah. I yield back.

Mr. BOST. Well, I want to thank the panel for being with us. We did two rounds of questioning, and we have another panel that is coming forward. But thank you for being here and thank you for the opportunity to say that you will come back and try to work with us to try to straighten this out.

Thank you.

Mr. BOST. So we do want to invite the second panel to the table.

Okay. On our second panel, we have Mr. Michael Figlioli, the Deputy Director of National Veteran Services for VFW. We have Mr. Shane Liermann, Assistant National Legislative Director for DAV; and Mr. Greg Nembhard, the Deputy Director of the Veterans Affairs and Rehabilitation Division for the American Legion.

Thank you all for being here.

Mr. Figlioli, you are recognized to start and give your testimony for 5 minutes.

STATEMENT OF MICHAEL S. FIGLIOLI

Mr. FIGLIOLI. Thank you, Mr. Chairman.

Chairman Bost, Ranking Member Esty, Members of the Subcommittee, on behalf of the VFW, thank you for the opportunity to testify on VA's methods for developing and implementing policy changes for VA claims.

The VFW National Veterans Service established in 1919 begins its second century of service. VFW is encouraged by the VA's efforts to modernize the disability claims process.

The VA has a number of challenges to overcome. However, we feel the process is headed in the right direction. Our philosophy in dealing with VA's bureaucracy has always been praise when you can, be critical when you must.

Lately, we have found ourselves more on the critical side than we would like. VFW has consistently held the VA's speeding to completion of its workload for the sake of reducing volume is precarious for both VA and our claimants. It does no good to deliver benefits to veterans faster if the decisions made are incomplete or inaccurate. It is futile to implement policies for the sake of implementing policy and declare mission accomplished.

Over the last 3 years, the VA has rolled out programs that were intended to alleviate a number of claims and appeals-related

issues. VFW and our partner VSOs cautioned the VA on numerous occasions about the pitfalls of rapid development.

We are appreciative of the VA's efforts in seeking VSO input for newly developed platforms. Despite repeated attempts urging the VA to assess shortfalls and take corrective action before implementation, we have seen the VA forced to play catchup time and time again.

VFW has been concerned since the implementation of the National Work Queue. Why do some claims seem to move smoothly through the system while others are bogged down due to misunderstood guidance or improper application of the law? We have not discerned why, other than pointing to inconsistency in the system. Up until the decision was made to level the playing field, we had the ability to mitigate irregularities at the local level.

Since the implementation of National Work Queue, VSOs have been restricted more than ever in locally resolving problems at the regional office, such as the example we cited from Pittsburgh where our local advocate was told by RO leadership that calling the White House hotline was the only way they could move on a claim that required significant attention.

In my many years as an accredited VSO, this is one of the most absurd responses I have heard from VA staff on an issue that could have been easily resolved. To be frank, the VFW has been doing this longer than the VA. We pride ourselves on the advocacy we provide to our claimants.

But what happens when the VA no longer permits its employees to do the right thing locally? I fear that the drive to National Work Queue, while well-intentioned, has only amplified problems with the VA's inconsistency. The goal was to level the playing field, to ensure veterans receive consistent, timely, quality decisions. The playing field is certainly more level today but not in the way we intended.

Instead, we see shoddy work from all corners of the VA, with little accountability for what has gone wrong in the process. We see our leadership that is hamstrung from doing the right thing because it makes the national system look bad.

Regarding the recent IG reports, they all point to sloppy development at the regional office and significant gaps in training. None of what the IG found came as a surprise to VFW, and this is no way to serve veterans.

As with any new implementation, training is paramount to success. This is a persistent shortcoming in VBA. Across the VFW's field offices, our staff see little consistency in the application of law or the Code of Federal Regulation. VFW is acutely aware of instances where intent of a regulatory change is crystal clear, but applied irregularly at the majority of ROs, whether it is the acceptance of electronic signatures, recently updated forms, or simply processing dependency claims.

As we discussed in detail in our written statement, if the VA is fully committed to establishing a fully electronic and efficient claims process as they have touted over the past few years, they need to ensure consistency across all regional offices.

In all the scenarios we outlined in our prepared testimony, VFW maintains that proper training will result in better outcomes for

the VA and its customers. The VA needs to get it right the first time every time. The welfare of our veterans requires it. If quality training is not developed, implemented, and overseen, veterans and their families pay the price.

As said in our opening statement, VFW has been embedded in the claims process for longer than the VA has existed. We have always been able to provide a local mediation to assist the VA in getting it right only to be told in the name of efficiency, we can no longer do that. With the inconsistencies the VFW has seen recently, it becomes clear the policies and innovations the VA seems extraordinarily proud of don't exist in the eyes of veterans and family members who continue to suffer delays and denials.

In closing, the VFW does believe the VBA is headed in the right direction in establishing a fully electronic and easily accessible claims process. However, the VA still has significant problems in the system that need to be addressed, starting with the unrealized efficiencies of National Work Queue and the seeming lack of authority for ROs to resolve issues at the lowest possible level. We hope this Subcommittee takes a hard look at these issues and works to resolve them in a way that truly benefits veterans.

Mr. Chairman, this concludes my testimony. The VFW thanks you and the Ranking Member for the opportunity to testify on these issues, and I am prepared to take any questions you may have.

[THE PREPARED STATEMENT OF MICHAEL FIGLIOLI APPEARS IN THE APPENDIX]

Mr. BOST. Thank you, Mr. Figlioli.

Mr. Liermann, you are recognized for 5 minutes.

STATEMENT OF SHANE L. LIERMANN

Mr. LIERMANN. Thank you.

Chairman Bost, Ranking Member Esty, and Members of the Subcommittee, thank you for inviting DAV to testify at today's hearing on VA's implementation of policy initiatives and the challenges identified in the three recent OIG reports.

We are deeply concerned over the findings of the significant deficiencies in these reports from July and August of this year. The reason for these substantial errors can be broken down into three main categories: training, IT systems development, and quality review.

For example, the unwarranted medical reexaminations for disability benefits report estimated that during the 6-month review period, VBA spent over $10 million on examinations not required by VA policy. The reexaminations resulted in proposed benefit reductions for 3,700 veterans.

The OIG determined the main reasons for the unwarranted examinations were lack of pre-examination review, lack of system automation, and inadequate quality assurance reviews.

The report on processing inaccuracies involving veterans' Intent to File submissions for benefits found that 97 percent of the cases reviewed with errors resulted in underpayments. On a national level, this resulted in an estimated $72 million in underpayments to veterans and their families.

The reasons for the ITF processing errors were noted to be an absence of standard operating procedures and inadequate procedural guidance, deficient and delayed training, lack of quality assurance, and a lack of IT development as VBMS lacked functionality.

In reference to the OIG report on denied PTSD claims related to military sexual trauma, VBA staff did not always follow policy and procedures, and as a result, they incorrectly processed approximately 49 percent of the MST-related claims that were denied during the review period.

The reasons the MST-related claims were incorrectly processed were a lack of previous specialization, lack of additional review, and discontinuance of specialized focused reviews, and inadequate training.

In all three OIG reports, these errors could have been mitigated with the adoption of a VBA-wide strategic formula to apply prior to implementation of any new changes processes, benefits, or IT systems.

As demonstrated, VBA's erratic training, lack of planning for IT systems development, and uneven quality review has wasted millions of taxpayers' dollars, as well as underpaid, denied, and reduced thousands of veterans. The VA needs to develop proactive measures to lessen these deficiencies in future projects.

We recommend VBA to create a systematic strategic review process for new policies and initiatives. This could encompass each appropriate VA office potentially impacted by any of the new policies, such as the VA Office of Training, the VA Quality Assurance and Review, IT services, to include VBMS and the National Work Queue. However, to be truly effective, it requires VSOs and other stakeholders, as well as VA's frontline subject matter experts, including RVSRs and VSRs.

A good example is how VBA, VA agencies, GAO, VSOs, and other stakeholders were all engaged from the beginning in the development of the Appeals Modernization Act.

Before its implementation, VBA and BVA have collaborated to develop IT infrastructure, training programs, and quality review. This type of proactive strategy will lessen the preventable errors noted by the OIG.

Mr. Chairman, the need for this type of strategic review process is, again, reaffirmed by the most recent OIG report released just last week. The accuracy of claims involving service-connected ALS report projected that 45 percent of the ALS claims completed during the 6-month review had erroneous decisions. And once again, OIG recommended that VBA provide additional training, better quality review, and add functionality to VBMS.

A systematic strategic review process would focus on vetting new policies and initiatives to prevent these unintended consequences that negatively impact veterans and their families. It would be better for the VA to invest time and resources preventing these problems from occurring, rather than developing workarounds and patches after veterans have already been harmed. This pattern of systemic failures will continue unless action is taken.

Mr. Chairman, this concludes my testimony. I would be pleased to answer any questions you or any Members of the Subcommittee may have.

[THE PREPARED STATEMENT OF SHANE LIERMANN APPEARS IN THE APPENDIX]

Mr. BOST. Thank you, Mr. Liermann.

Mr. Nembhard, you are recognized for 5 minutes.

STATEMENT OF GREG NEMBHARD

Mr. NEMBHARD. The American Legion remains 100 percent committed to our veteran community and believe that our Nation's heroes should not suffer at the hands of institutions whose existence and mission is to care for them.

Chairman Bost, Ranking Member Esty, and distinguished Members of the Subcommittee on Disability Assistance and Memorial Affairs, on behalf of our national commander, Brett Reistad, and the nearly 2 million members of the American Legion, I thank you for the opportunity to testify on the Department of Veterans Affairs development and implementation of policy initiatives.

We believe in quality of care at the VA facilities. We remain committed to a strong VA, and we believe that the VA is a system worth saving.

Since 2003, the American Legion has conducted more than 500 nationwide visits to VA medical centers and regional offices to assess the quality and timeliness of veterans' health care and provide feedback from veterans about the care and service provided by the VA.

We compile reports from our visits into a publication for distribution to the President of the United States, Congress, and VA officials. This comprehensive report provides an understanding of VA challenges, best practices, and offers recommendations based on our observations and our nearly 100 years of experience.

The Department of Veterans Affairs Office of Inspector General recently published three reports addressing unwarranted medical reexaminations, processing inaccuracies involving veterans' intent to file for benefits, and denied post-traumatic stress disorder claims related to military sexual trauma.

The VA OIG reports cited inaccuracies, timeliness issues, lack of specialization, inadequate training, and overall poor quality of VA examinations completed by contracted medical examiners.

The American Legion wants to protect veterans from these and other inadequacies and urge the VBA to take swift, corrective action. We believe that a variety of factors cause these shortfalls, including lack of funding, understaffed VA facilities, and contracting companies solely focused on their bottom line at the veterans' expense.

Mr. Chairman, through American Legion Resolution No. 87, we support the implementation of policy aimed at ensuring veterans receive adequate, comprehensive VA examinations.

The VA OIG report regarding intent to file concluded that VBA staff did not always assign correct effective dates for compensation. The VA led the entire initiative and set the deadlines well before publishing a proposed and final rule. Time constraints and any

subsequent minimally viable product during this period was self-imposed. The VA must address processing issues associated with the intent to file to avoid additional costs and inconvenience to veterans and their families. VA claims must be processed accurately. Veterans should not experience additional harm in the process, especially when processing MST-related claims.

The improper denial of nearly half the MST-related claims submitted to the VA is unacceptable. Finding ways to ensure these veterans receive the services they deserve is one of the highest priorities of the American Legion. VBA should review all MST-related PTSD decisions since 2011 and share the results with Congress and VSOs to ensure accuracy, transparency, and accountability.

The growing diversity of veterans mean that a system which primarily provided care to male enrollees must now evolve and adapt to meet the needs of all veterans and to provide them the best possible care. The VA must continue to adjust to the changing demands of the population it serves.

The American Legion continues to work directly with veterans to help them overcome challenges associated with access to VA health care and claims process. We remain committed to a VA that is appropriately funded, staffed, trained, and empowered to conduct internal quality reviews and oversight.

Chairman Bost, Ranking Member Esty, and distinguished Members of this Subcommittee, thank you for the opportunity to share the American Legion's position on these vital issues impacting the men and women who have selflessly defended this Nation. This concludes my remarks, and I look forward to answering any questions you may have.

[THE PREPARED STATEMENT OF GREG NEMBHARD APPEARS IN THE APPENDIX]

Mr. BOST. Thank you.

So we are going to go to the 5 minutes of questioning. And I am going to start out.

Mr. Liermann, we are going to start with you. And this is probably the most simple, straightforward question, but probably a very difficult one to answer, but do it anyway. How about that?

Do you have any recommendations for how the VA can improve how it develops and implements new policies and initiatives?

Mr. LIERMANN. Yes, Mr. Chairman, we do. And I think one of the basic recommendations is to get everybody involved, whether it is upstream, downstream, within the VA system, make sure all the offices are touching each other and being aware of the changes that are being made.

For example, what happened with the MST-related claims? When they decided to put them in the National Work Queue, I don't know if everybody was fully aware we lost specialization. And prior to that in 2015, they stopped doing the special focus review or quality review of those claims. So both of those things happened, which created the problem we are currently in. So it is like those decisions were made in a vacuum.

What we need to do is bring everybody in together and discuss how these are going to touch, as well as VSOs. And I really believe RVSRs and VSRs should be a part of these conversations because

they are the ones dealing with this work on the local level. So they truly understand what changes will impact them and the choices or decisions they make.

So I think if we are able to get everybody together, maybe not in a formal setting, but be able to vet these things up and down with everybody involved so we can see some of these possible unintended consequences in the future and prevent these types of things from happening.

Mr. BOST. Mr. Figlioli, do you have anything to add to that that you might suggest?

Mr. FIGLIOLI. Thank you, Mr. Chairman. No, I can only concur with my colleague. It is something that we have brought up to the VBA, BAS, the VA a number of times. Get everybody in the room, listen to all of our experienced opinions. We are their partners.

I had to commend Dr. Lawrence, since he has been the new Under Secretary and being a bit more open and more inclusive, we see progress. But I concur with my colleague.

Mr. BOST. Mr. Nembhard?

Mr. NEMBHARD. Thank you, Mr. Chairman. I have to agree with my colleagues here, and I want to second Mr. Figlioli's comments about Dr. Lawrence bringing us to the table.

We have seen an increase in communication and in meetings with the VBA, and we truly appreciate that. I think that is the way forward, and we hope that relationship continues to build.

Mr. BOST. All right. That kind of springboards me into the other question that I have got for each one of you. Can you describe the extent to which your organization consulted prior to introduction of the NWQ and your organizations' suggestions and incorporated the rollout?

Mr. LIERMANN. Thank you, Mr. Chairman. I guess when the National Work Queue was rolled out, I am not aware of any consultation that was specifically done across-the-board before it was rolled out. I think it was brought to us once it was closer to a test subject and already being tested and piloted.

I guess what we would have liked to have pointed out at that time is to make sure that anything that is specialized can still be specialized within the system, because by removing that, it really has created a lot of the problems, not only with the MST but the ALS.

Mr. BOST. So what you are saying when I asked were you consulted before, you were not consulted or talked to until it was already rolled out?

Mr. LIERMANN. Well, Mr. Chairman, that happened before I was on our legislative staff.

Mr. BOST. Okay.

Mr. LIERMANN. So to answer that confidently, I am not sure. But I am not fully aware that we were. We may have been. I would have to discuss that with our service department.

Mr. BOST. Does the VFW or the American Legion, either of you know whether you were?

Mr. NEMBHARD. Well, I was not in this position at the time, Mr. Chairman, but I can get you a more accurate answer to that after this session.

Mr. FIGLIOLI. Mr. Chairman, thank you. I too was not in this position at the time National Work Queue was developed. I can only add to that that we did, after the fact, bring our concerns to the VA. There had been improvements made, but at the end of the day, we still have lost local advocacy through the system.

Mr. BOST. Thank you. And I yield back.

And, Ms. Esty, you are recognized for 5 minutes.

Ms. ESTY. Thank you very much. I want to thank the under secretary and his team for staying. It is really important that you are here to hear from the VSOs. And I think that—I want that on the record and I want that noted, because I think that is exactly what the three of you gentlemen are talking about, the importance of collaboration, of understanding we are all partners in doing better for veterans. And this is precisely what we always need to be doing.

And I think what you noted about, and I was pleased, I will also note that all three of you concurred with the Under Secretary's assessment that appeals modernization is proceeding with that kind of input from the beginning. And I think that needs to be baked in as what is standard operating procedure.

I also want to note, because I know from my conversation with the Under Secretary yesterday, to underscore the importance of what you do as VSOs.

We discussed yesterday, he talked to me about how he had reviewed our hearing about the sort of notices veterans receive and the unintelligible language that leads to lots of questions and lots of appeals. A great deal of work by VSO officers. He said he looked at that tape and has begun a complete overhaul of those letters.

So I think that speaks a lot to the importance of our collective efforts and our collaboration, whether it is Members of Congress, members of the public, VSOs, those at the VA, to genuinely find a better way forward to serve the veterans community. And I think we need to keep those lines of communication open. Accountability is, of course, important, but the main mission is really to do it better and get it right the first time.

What I hear all three of you talking about is, in fact, what we have seen, which is by taking—and Under Secretary acknowledged, by focusing so much, I think, on the National Work Queue and that backlog and the timeliness issue, the eye got taken off of quality. Quality has to be there. And so your input as these processes move forward to make sure we pick back up specialization.

Mr. Figlioli, you mentioned something that has been, I think, much on our mind is how we utilize the benefits of the National Work Queue but don't have the siloing and don't have the delay that happens when you can't resolve claims within a single regional office. Could you expand on that a little bit?

Given that we have the National Work Queue in place now, how can you imagine—you mentioned empowering, you know, the ability to decide issues closer to that granular level. Can you talk about what you have seen or concepts you have or how we can try to better integrate the best of both worlds, right, that granular concentration in one office, yet the efficiency of having National Work Queue?

Mr. FIGLIOLI. Thank you, Ranking Member. It has been a concern for a while. I think my colleagues would also agree. Before

National Work Queue, you sat face-to-face with a veteran, you heard their story, you heard their concerns, you built a relationship with them. You knew the people in the regional office and you were able to have conversations as that claim went through the system.

As National Work Queue has been implemented, the claim may start off in Boston, it will go to New York, it can be out into the Philippines, all in the same day. And at some point, that local advocate has lost eyes on what that claim is.

Suddenly, we are asking a VSO that is in Houston, who had no input in the beginning of the session or the process, to review a claim and alert the VA to what is good, bad, or indifferent about that claim but not know the personal touch of that veteran or that veteran's personal story.

Then the other process is going back to get these things corrected, essentially moved across the country. We no longer had the ability to just, you know, get in the elevator and go downstairs and talk to somebody. We have to send things via email or via a phone call to several regional offices. And by the time you get caught up with it, it could be moved somewhere else. It is highly inefficient, and it is just a shame that we have lost that ability to get things resolved at the lowest possible level before they end up in appeals.

Ms. ESTY. Anyone else has thoughts on this? This is going to be an ongoing issue, I think, about how to get the efficiency of those medical records, electronic medical records and processing of claims, specialization, but also that personal touch.

So again, I want to thank you as we move forward in this Committee, over in the Senate, with our colleagues at the VA, how to do a better job and, again, try to get the best of that efficiency with the quality, the timeliness, and that human touch, you know, the hands-on that the VSOs have always provided and I think need to provide.

We should not expect our veterans to be experts in appeals law, Veterans Affairs regulations. That is not their job. It is our job to take care of them.

So, again, I want to thank all of you for joining us here today. And I want to thank the Chairman for his ongoing efforts and all of you to do better for our veterans.

Thank you.

Mr. BOST. I want to thank everyone for being here. With that, I want to recognize the Ranking Member if she has—for any closing remarks she might want to make besides what she—

Ms. ESTY. I think this is going to be my last Subcommittee hearing in Congress on this with this really wonderful Committee. And I want to thank all of you for your partnership, your hard work. And I am strongly urging this big new class of freshmen Members of Congress, whether they serve on this Committee or not, to honor that commitment to our Nation's veterans.

And, Mr. Nembhard, you mentioned a really important issue about the diversity that we see of our veterans now. And we need to keep our eye on that moving forward. We have a very diverse group of veterans we are serving now. World War II veterans who have certain life experience, certain way they want to interface with the VA, and we have got brand new veterans coming out, who

are unprecedented numbers of women, much younger, much different backgrounds.

And that is a challenge for all of us, but I hope we are all up to the challenge. And I hope the 116th Congress and this Committee will continue to do its best to be honest brokers and partners in doing better for our Nation's veterans.

And I want to thank the Chairman and the excellent staff on this Committee for their hard work and their bipartisan cooperation to make sure that we are all, to the best possible, rowing in the same direction and doing our level best every day for our Nation's veterans.

Thank you all, and I yield back.

Mr. BOST. Thank you.

And before we do adjourn, let me say this: It has been one of the greatest honors that you could ever imagine being Chairman of this Committee. And let me tell you that what we do as far as our veterans, those living and those passed, through this Committee is very humbling to work on this Committee.

Being Chairman of the Subcommittee, I will tell you, I couldn't ask for—I want to thank Ms. Esty. We were able to work together in a bipartisan manner when quite often in Congress, the bipartisanship doesn't occur as often as it should.

I also want to say a special thank you to the staff. The staff has been wonderful, both Republican and Democrat staff, hardworking. And it is the mission and our mission to make sure our veterans are taken care of.

And know this, as a marine—and I will continue to serve in Congress. I will still continue to focus on our veterans' issues. And I thank the American people and the people that voted in my district that gave me this opportunity. And thank you to Chairman Roe for giving me the opportunity to be Chairman of this Subcommittee.

So finally, as I said earlier—oh, hold on. Ah, and also to ways to improve with the Department and assist any way we can.

So with that, I am going to say as I did earlier, complete, written statements for today's witnesses will be entered into the hearing record. I ask for unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material.

Hearing no objection, so ordered.

This hearing is now adjourned.

[Whereupon, at 1:17 p.m., the Subcommittee was adjourned.]

A P P E N D I X

Prepared Statement of Dr. Paul R. Lawrence

VETERANS BENEFITS ADMINISTRATION (VBA)

Good morning, Chairman Bost, Ranking Member Esty, and Members of the Committee. Thank you for the invitation to speak today on VBA's methods for developing and implementing policy changes and initiatives. Joining me today is

Mr. Willie Clark, Deputy Under Secretary for Field Operations and Ms. Beth Murphy, Executive Director of Compensation Service. In this statement, I will provide an overview of how VBA develops, implements, and manages change within the organization. I will highlight some key initiatives and progress from recent internal reviews and will discuss strategies to enhance the effectiveness of our programs.

Developing Collaborative Initiatives

VBA's number one priority is to provide Veterans with the benefits they have earned in a manner that honors their service. While doing so, VBA also focuses on ensuring we are strong fiscal stewards of the money entrusted to us and fostering a culture of collaboration. These principles guide our modernization efforts and our approach to organizational changes and improvements.

VBA is a learning organization that embraces oversight and continually seeks to improve the business of serving Veterans and their families. VBA manages a wide range of Veterans' benefits and programs-governed by laws, regulations, and procedures-administered across 56 regional offices (RO). VBA operates in a dynamic community uniquely positioned to identify existing challenges and propose new solutions to improve the benefits claims process and its outcomes. This community includes key stakeholders such as Veterans, VA employees, Congress, Veterans Service Organizations (VSO), and other Veterans' representatives.

VBA welcomes the oversight role of Congress and other entities, such as VA's Office of Inspector General (OIG) and the Government Accountability Office (GAO), to identify areas for improvement and change. VBA's partnership with VSOs also helps identify the needs and concerns of Veterans and gather ideas for policy and operational changes while leveraging external resources.

VBA also relies on its employees for input on operational and procedural innovations. Annual leadership training events are critical forums for the exchange of ideas between field and VA Central Office (VACO) leaders. Recurring training, quality, and collaboration calls between VACO and ROs are vital in sharing information and gathering suggestions for change.

Implementing Change and Achieving Results

VBA has transformed and modernized its claims processing activities dramatically over the past several years, primarily by becoming an organization that operates in a paperless, electronic claims processing environment for a significant portion of its work, which allows us to more efficiently and effectively assess and manage workload.

We have previously shared information about our successes with the National Work Queue, our automated workload prioritization and distribution tool that enables VBA to maximize the capacity of claims processors nationally. The National Work Queue has contributed to more efficient claims processing; for example, during the last fiscal year, 76 percent of disability rating claims were completed within 125 days, a 10 percent improvement over 2017. Also in 2018, VBA began distributing non-rating claims using the National Work Queue, reducing inventory by 31 percent and improving timeliness by 36 percent over 2017 production levels. In Fiscal Year (FY) 2017 and FY 2018, data-driven employee performance standards were developed to better match the NWQ environment. Employee performance standards continue to be monitored as changes occur to ensure they are fair and obtainable while still maximizing productivity.

Similarly, in October 2017, Compensation Service launched the Quality Management System (QMS) that utilizes a national approach to automating and routing individual quality reviews and corrections for employees. QMS was created using a customized commercial off-the-shelf product, which allowed VBA to leverage the usage of existing products. Today, more than 10,000 VBA field employees across the 56 ROs use QMS to manage error corrections, with nearly 700,000 cases reviewed to date in QMS. Overall, QMS has allowed quicker reviews, more timely corrections, and fairness in the review process to help lead to a higher quality product delivered to veterans. VBA remains focused on mitigating performance risks by improving training, and providing a faster quality feedback loop on completed work. Such efforts are reflected in a positive quality trend in the past fiscal year across rating and authorization accuracy measures.

Another milestone in VBA's paperless efforts was achieved in September 2018, when the last paper records exited the Records Management Center (RMC) in St. Louis, Missouri. This is the culmination of a multi-year plan to extract and scan all claims folders and service treatment records from the 56 ROs and RMC. The goal behind this extraction was to make Veterans' records instantaneously available electronically in the Veterans Benefits Management System (VBMS) for faster claims processing. In all, more than 7.8 million inactive paper claims records have been extracted for scanning. Some of the space in RO's previously designated to store files has been reallocated to support initiatives such as Appeals Modernization.

In FY 2018, VBA updated systems, policies, and data matching agreements to develop a more streamlined and efficient audit process to certify continued entitlement to the Individual Unemployability (IU) benefit. IU payments are provided to Veterans who are unable to follow a substantially gainful occupation due to service-connected disability. Instead of manually mailing annual income certification forms to all Veterans in receipt of IU, VBA now sends forms only to those Veterans with incomes above the eligibility threshold, based on its existing automated data match with the Social Security Administration. In September 2018, VBA sent a paper copy of the certification form to fewer than 10 percent (only 3,163 out of 368,979) of IU recipients compared to prior years because of the data match capability. This process strengthens internal controls, reduces burdens on Veterans, and redirects over 300,000 staff hours annually to processing other types of claims.

These are examples of VBA's continuous improvement efforts to serve Veterans and their families. In each instance, VBA identified procedural or operational opportunities. These opportunities were then discussed, planned, and executed with key partners or industry experts. Options were tested and risks were identified and mitigated while keeping actively engaged in change management, training, and communications to ensure improved outcomes.

Recent Inspector General Reports and VBA Actions to Address Report Recommendations

In addition to internally-driven improvements, VBA also incorporates recommendations from oversight organizations, such as GAO and OIG. I will briefly address three recent OIG reports and subsequent VBA actions taken in response to these reports.

Military Sexual Trauma (MST) - OIG conducted a review of VA's processing of Posttraumatic Stress Disorder (PTSD) claims related to MST. VBA concurred with OIG's findings of inadequate processing of these sensitive issue claims and has taken immediate steps to implement the recommendations, which include a special claims review. VBA issued guidance to its ROs on the processing of MST-related claims and continues to emphasize the importance of training and appropriate processing of these claims on national calls with the field. Recommendations included updating training and development checklists for MST-related claims at the end of FY 2018. The checklists and the first training course focused on development and identification of markers and were implemented at the end of September 2018. By October 2nd, 2018, VBA provided updated training and guidance to claims processors. Additionally, VBA developed an action plan that has us on track to conduct special focus reviews and consistency studies in a timely manner. VBA has plans to designate specialized groups of trained Veterans Service Representatives and Rating Veterans Service Representatives to process MST-related claims by the end of November. These specially-trained employees will maintain proficiency by working MST claims on a regular basis.

Intent to File (ITF) - The purpose of this OIG review was to determine whether VBA staff assigned correct effective dates on claims for compensation benefits with an ITF, which is an effective date placeholder in lieu of the previous "informal claim." OIG found errors in VBA's assignment of effective dates but acknowledged

improvement in ITF effective date quality over time as VBA implemented a variety of training products and system enhancements. Specifically, VA modified its procedures in July 2016 to include guidance and specific details on how to identify ITFs received electronically or by mail. In June 2017, VA updated VBMS to create a banner to remind staff that an ITF exists. The most recent accuracy reviews reflect an error rate of less than 4 percent, down from 44 percent. VBA will continue to monitor the quality of ITF effective dates to include determining if additional VBMS functionality is needed.

Reexaminations - OIG conducted this review to determine whether VBA employees required Veterans to undergo unwarranted reexaminations. VBA agreed with OIG recommendations to establish better internal controls, design system automation features, and enhance quality assurance reviews to minimize unwarranted reexaminations. Prior to the audit, VBA had already initiated process improvements to address reexaminations, including a FY 2017 data-mining initiative that removed 44,000 marked claims which were determined to be unnecessary, saving exam costs and reducing the burden on Veterans. OIG's audit reinforced this initiative, and in FY 2018, VBA conducted Phase 2 of this initiative by removing another 32,000 claims designated for reexamination. VA will continue to utilize six-month periodic reviews of data and will implement new updates to our rules in VBMS in FY 2020. In October 2018, VA also updated its National Quality Review checklist to ensure employees are correctly requesting reexaminations.

Looking Ahead

In fulfilling the mission to deliver timely and high-quality benefits and services, VBA serves as a leading advocate for Veterans, Servicemembers, and their families. A few important components of how VBA will mitigate risk and maximize our effectiveness in this role will be highlighted.

VBA is committed to continuously increasing collaborative efforts internally and externally. VBA currently holds monthly meetings with OIG and has begun similar recurring meetings with GAO. In addition to these collaborative sessions, VBA and the acting Chief Information Officer along with their teams meet regularly in person to track key information and status of technology projects. Supportive of these engagement sessions, we continue to embrace VBA's longstanding practice of engaging VSOs in several monthly and quarterly forums to share information, listen, and engage them as project partners and strong Veteran advocates.

Conclusion

In conclusion, VBA develops and executes change initiatives with input from a myriad of sources both within and outside of VA. VBA continues to incorporate technology and process improvements while embracing oversight and accountability, which are beneficial to improving our level of service and ensure good stewardship of taxpayer dollars. At the heart of VBA's strategy to manage change is our focus on assisting and serving Veterans and their families.

VBA is focused on continuous, deliberative, and collaborative improvement by fostering relationships in place and further developing our planning processes. In doing so, VBA continues to strive for excellence in the service and products it provides to our Veterans.

This concludes my testimony. I would be happy to address any questions from you and other Members of the Committee.

Prepared Statement of Michael J. Missal

INSPECTOR GENERAL

Chairman Bost, Ranking Member Esty, and members of the Subcommittee, thank you for the opportunity to discuss the Office of Inspector General's (OIG's) oversight of the programs and operations of the Veterans Benefits Administration (VBA). We recently made changes to our oversight model for VBA to allow us to better review national policy changes and focus on their high-impact programs and operations. Aside from reporting on specific problems and providing targeted solutions to VBA, we have emphasized identifying the underlying root causes of issues that have negatively impacted current programs and future initiatives. Among other causes, we have identified program leadership and governance as common deficiencies. We are committed to uncovering the source of problems that put taxpayer dollars and veterans' benefits at risk of fraud, waste, and abuse or that undercut the quality and timeliness of services to veterans and their families.

We believe that recent VBA initiatives and policy changes were well-intentioned to expedite the benefits process. Our recent reviews and audits, however, have revealed that VBA's emphasis on efficiency has affected its ability to review and process claims accurately. Our reports identified recurring deficiencies, such as the lack of adequate controls and information technology functionality, that resulted in the inefficient delivery of services and inaccurate benefits rendered to veterans.

Background

The OIG is committed to conducting effective oversight of VA programs and operations through independent audits, inspections, reviews, and investigations. VBA is responsible for delivering approximately $100 billion in federally authorized benefits and services to eligible veterans, their dependents, and survivors.

In October 2017, the OIG implemented a new national inspection model for VBA oversight. Previously, the OIG largely conducted oversight through inspections of VBA's 56 regional offices. Under the new model, the OIG now conducts nationwide audits and reviews of high-impact programs and operations within VBA. The purpose of these audits and reviews is to

- Identify systemic issues within VBA that affect veterans' benefits and services,
- Determine the root causes of identified problems, and
- Make useful recommendations to drive positive change across VBA.

Since October 1, 2017, the OIG has published 15 oversight reports related to VBA.[1] In these reports, the OIG made 55 recommendations to VBA for improvement,[2] and identified nearly $278 million in potential monetary benefits. VBA has generally concurred with our recommendations and provided acceptable action plans. It must now follow through with the difficult work of implementation if they are to carry out their responsibilities effectively and be good stewards of taxpayer dollars.

Recent OIG Oversight Reports

We want to highlight four recently-issued reports related to the OIG's oversight of VBA that we believe are illustrative of our efforts:

- Unwarranted Medical Reexaminations for Disability Benefits
- Denied PTSD Claims Related to Military Sexual Trauma
- Processing Inaccuracies Involving Veterans' Intent to File Submissions for Benefits
- Accuracy of Claims Involving Service-Connected Amyotrophic Lateral Sclerosis (ALS)

In these four reports, the OIG made a total of 14 recommendations to the Under Secretary for Benefits and identified about $187 million in potential monetary benefits. The reports' findings identify a number of systemic problems that VBA needs to address:

- Deficient control activities
- Inadequate program leadership and monitoring
- Lack of information technology system functionality
- Unintended impacts of the National Work Queue

Unwarranted Medical Reexaminations

The OIG conducted a nationwide review to determine whether VBA staff required veterans with disabilities to be subjected to unwarranted medical reexaminations.

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[1] Audit of VBA's National Pension Call Center, November 1, 2017; Review of Claims Processing Actions at Pension Management Centers, November 1, 2017; Review of Alleged Appeals Data Manipulation at the VA Regional Office, Roanoke, VA, December 5, 2017; Audit of Vocational Rehabilitation and Employment Program Subsistence Allowance Payments, March 15, 2018; Review of Timeliness of the Appeals Process, March 28, 2018; Alleged Contracting and Appropriation Irregularities at the Office of Transition, Employment, and Economic Impact, May 2, 2018; VA's Compliance with the Improper Payments Elimination and Recovery Act for FY 2017, May 15, 2018; Unwarranted Medical Reexaminations for Disability Benefits, July 17, 2018; Denied Posttraumatic Stress Disorder Claims Related to Military Sexual Trauma, August 21, 2018; Processing Inaccuracies Involving Veterans' Intent to File Submissions for Benefits, August 21, 2018; Accuracy of Effective Dates for Reduced Evaluations Needed Improvement, August 29, 2018; VA Policy for Administering Traumatic Brain Injury Examinations, September 10, 2018; Review of Accuracy of Reported Pending Disability Claims Backlog Statistics, September 10, 2018; Timeliness of Final Competency Determinations, September 28, 2018; Accuracy of Claims Involving Service-Connected Amyotrophic Lateral Sclerosis, November 20, 2018.

[2] As of November 19, 2018, 35 of the 55 recommendations (64 percent) remain open/not fully implemented.

According to VBA policy, medical reexaminations can be requested when there is no qualified exclusion from reexamination. A qualified exclusion could include, for example, a disability that is permanent and not likely to improve, a disability without substantial improvement over five years, and updated medical evidence in the claims folder sufficient to continue the current disability evaluation without additional examination. If not subject to exclusion, reexaminations may be requested when there is a need to verify the continued existence, or current severity, of a disability. VBA policy also requires staff to exercise prudent judgment in determining the need for reexaminations by requesting them only when necessary and making every effort to limit those requests.

The OIG reviewed a statistical sample of 300 cases with reexaminations from March through August 2017 and found that VBA staff requested unwarranted medical reexaminations in 111 cases. Based on this sample, the OIG estimated that VBA staff requested unwarranted reexaminations in 19,800 of 53,500 cases. As a result, the OIG projected that VBA spent about $10.1 million on these unwarranted reexaminations. The OIG further estimated that VBA would waste an additional $100.6 million over the next five years unless it ensures that staff only request medical reexaminations when necessary. The OIG made four recommendations for

(1) establishing internal controls to ensure that a reexamination is necessary, (2) prioritizing the design and implementation of system automation to minimize unwarranted reexaminations,

(3) enhancing VBA's quality assurance reviews of requested reexaminations, and (4) conducting a focused quality improvement review of cases with unwarranted reexaminations to understand and redress the causes of avoidable errors. The Under Secretary for Benefits concurred with the recommendations and provided acceptable action plans.

Denied Military Sexual Trauma-Related Claims

The OIG conducted a nationwide review to determine whether VBA staff correctly processed claims related to veterans' military sexual trauma (MST) in accordance with VBA procedures prior to denying the claims. Some service members are understandably reluctant to submit a report of MST, particularly when the perpetrator is a superior officer. Service members may also have concerns about the potential for negative performance reports or punishment for collateral misconduct. There is also sometimes the perception of an unresponsive military chain of command. If the MST leads to posttraumatic stress disorder (PTSD), it is often difficult for victims to produce evidence to support the occurrence of the assault. VBA policy, therefore, requires staff to follow additional steps for processing MST-related claims so veterans have additional opportunities to provide adequate evidence.

VBA reported that it processed approximately 12,000 claims per year over the last three years for PTSD related to MST. In fiscal year 2017, VBA denied about 5,500 of those claims (46 percent). The review team assessed a sample of 169 MST-related claims that VBA staff denied from April through September 2017. The review team found that VBA staff did not properly process veterans' denied MST-related claims in 82 of 169 cases. As a result, the OIG estimated that VBA staff incorrectly processed approximately 1,300 of the 2,700 MST-related claims denied during that time (49 percent).

The OIG made six recommendations to the Under Secretary for Benefits including that VBA review all approximately 5,500 MST-related claims denied from October 2016 through September 2017, take corrective action on those claims in which VBA staff did not follow all required steps, assign MST-related claims to a specialized group of claims processors, and improve oversight and training on addressing MST-related claims. The Under Secretary concurred with the recommendations and has already taken steps to address them. The Under Secretary recently stated that VBA was increasing its focus on MST claims by updating required training for claims processors, as well as adding more quality and accuracy reviews of MST claims. The Under Secretary also stated that, in FY 2019, VBA will review every denied MST-related claim decided since the beginning of FY 2017.

Intent to File Submissions

The OIG conducted a nationwide review to determine whether VBA staff assigned correct effective dates for compensation benefits with submissions of an intent to file (ITF). Before March 24, 2015, VBA could grant entitlement to benefits as early as the date of receipt of an informal claim as long as a formal claim was submitted within one year of the date VBA sent the claimant the application form. However, to standardize its claims process, VBA removed the informal claims from its regulations and replaced them with the ITF process. With the new process, claimants can

submit an ITF electronically, by mail, or by calling a VBA representative. The submission date of an ITF is important because VBA may use the ITF's date of receipt as the effective date for paying benefits.

From March 24, 2015, through September 30, 2017, VBA reported receiving more than 1 million claims using ITF submissions. The OIG reviewed a statistical sample of 300 claims with ITF submissions during this period and found that VBA staff incorrectly assigned effective dates in 56 cases. Based on this sample, the OIG estimated that 22,600 of the 137,000 cases (17 percent) completed during this period had incorrect effective dates assigned. The OIG estimated that these errors resulted in an estimated $72.5 million in inaccurate benefits payments to veterans-of which about 97 percent were underpayments. Most of the errors occurred during the initial period of ITF implementation, and the OIG found that VBA made significant improvements over time. VBA has since reduced the number of incorrectly dated claims to 4 percent. The OIG recommended that the Under Secretary for Benefits prioritize the modernization of the ITF system and consider integrating ITF submissions into the Veterans Benefits Management System (VBMS), VBA's electronic claims processing system. The OIG also recommended a special review of veterans' claims with ITFs submitted during the initial implementation period. The Under Secretary concurred with the recommendations and provided acceptable plans for implementation.

Amyotrophic Lateral Sclerosis Claims

The OIG conducted a nationwide review to determine whether VBA accurately decided veterans' claims involving service-connected Amyotrophic Lateral Sclerosis (ALS). VA describes ALS, commonly referred to as Lou Gehrig's disease, as a rapidly progressive neurological disease that attacks the nerve cells responsible for directly controlling voluntary muscles. Because a statistical correlation was found between military service activities and the development of ALS, VA established a presumption of service-connection in 2008. As a result, veterans who develop the disease during service, or any time after separation from military service, generally receive benefits if they had active and continuous service of 90 days or more. Although VBA prioritizes claims for veterans with ALS, staff must also accurately decide these claims because it is a serious condition that often causes death within three to five years from the onset of symptoms.

The OIG reviewed a statistical sample of 100 veterans' case involving service-connected ALS from April 2017 through September 2017. The team found that VBA staff made 71 errors involving 45 veterans' ALS claims. We then projected that 430 of 960 total ALS veterans' cases had erroneous decisions.

For example, rating personnel incorrectly decided ALS claims related to one or more of the following categories:

- special monthly compensation benefits
- evaluations of medical complications of ALS
- effective dates
- benefits related to adapted housing or automobiles
- inaccurate or conflicting information in decisions
- proposals to discontinue service-connection

These errors resulted in estimated underpayments of about $750,000 and overpayments of about $649,000 over a six-month period. The OIG estimated that VBA could make an estimated $7.5 million in underpayments and $6.5 million in overpayments over a five year period if VBA staff continue to make errors at the rate identified in this review. Also, VBA staff generally did not tell veterans about special monthly compensation benefits that may be available. The Under Secretary for Benefits agreed to implement the OIG's two recommendations to implement a plan to improve and monitor decisions involving service-connected ALS and to provide notice regarding additional special monthly compensation benefits that may be available.

Systemic Issues

Within just these four reports, the OIG identified common systemic issues that contributed to the troubling outcomes detailed in their findings. As mentioned earlier, these include deficient control activities, inadequate program leadership and monitoring, a lack of information technology system functionality, and the unintended impacts of VBA's National Work Queue implementation.

Deficient Control Activities

The Comptroller General is required by the United States Code to issue standards for internal control in the federal government.[3] The Government Accountability Office (GAO) Standards for Internal Control in the Federal Government provides the overall framework for establishing and maintaining an effective internal control system. It further defines control activities as the actions that management establishes through policies and procedures to achieve objectives. In all four reviews, the OIG determined that inadequate control activities contributed to the deficiencies identified.

VBA currently requires an additional level of review for some types of complex claims, such as traumatic brain injury cases, but does not require this additional level of review for MST-related claims. The OIG determined that an additional level of review for MST-related claims would serve as a control activity to ensure VBA staff processes claims in accordance with applicable regulations.

We reported in our ALS work that VBA policy requires an additional level of review for decisions involving higher levels of special monthly compensation. The OIG identified errors in 25 ALS decisions despite having additional reviews by rating personnel or VA regional office managers. The OIG determined VBA should implement a plan to improve the decisions and additional reviews of claims involving ALS and monitor these claims to ensure staff demonstrate proficiency.

In the ITF review, errors generally occurred because the ITF process was new and had a six-month implementation and delivery period. VBA did not take the time to set up adequate standard operating procedures before implementing the new initiative. The OIG determined that errors generally occurred due to inadequate procedural guidance that lacked specific details for locating electronic ITF submissions within VBMS. Since nationwide implementation of the ITF process, VBA has taken steps to improve its control activities, which has resulted in improved accuracy.

We found in the unwarranted reexaminations review that VBA policy requires a pre-exam review of the veteran's claims folder before requesting that a veteran appear for a medical reexamination to determine whether it is needed. The pre-exam review should be completed by a rating veterans service representative and would serve as a control activity to prevent unwarranted reexaminations. However, VBA management routinely bypassed the pre-exam review, which contributed to the significant number of unwarranted reexaminations ordered by VBA staff.

Inadequate Program Leadership and Monitoring

One of the key requirements set forth by federal internal control standards is program monitoring. Management should establish and operate activities to monitor the internal control system and evaluate needs, as well as remediate identified internal control deficiencies in a timely manner. In two of the four reviews, the OIG determined that inadequate program monitoring was a contributing factor to the problems identified.

VBA's quality assurance programs consist of the Systematic Technical Accuracy Review (STAR) team nationally and the Quality Review Teams (QRT) at each VA regional office. During the MST review, the OIG determined that the STAR team stopped conducting special focused quality improvement reviews of MST-related claims in December 2015. VBA managers stated that they reallocated resources toward other areas because the error rate declined for MST-related claims from 2011 to 2015. However, since the volume of MST-related claims is less than other types of claims, many of these claims do not appear in the typical samples reviewed by STAR and QRT staff, who therefore lacked proficiency. The OIG concluded, and VBA agreed, that special focused reviews should be reinstated and targeted feedback and training provided to claims processors.

In the unwarranted reexaminations review, the OIG determined that VBA's quality assurance processes did not measure whether VBA employees requested reexaminations only when necessary. VBA also stated that the quality assurance division had not conducted any trend analysis or special focused quality improvement reviews of the reexamination process. VBA agreed with the need for modifying the quality review processes to include a review of reexaminations and with conducting a special focused quality improvement review in this area.

Lack of Information Technology System Functionality

The OIG identified issues that can be traced to a lack of information technology system functionality. For example, VBA could add features to VBMS to prevent scheduling reexaminations in cases that meet the exemption criteria. Specifically, VBMS could issue an alert if a claims processor tries to request a reexamination

[3] Section 3512 (c) and (d) of Title 31.

for a veteran that meets exception criteria. Implementing this strategy would help prevent errors and reinforce training by providing immediate feedback to staff.

VBMS contains ITF data; however, the system lacked the functionality to assist rating personnel when assigning effective dates for benefits based on ITFs. More than two years after the implementation of ITF, in June 2017, VBA updated VBMS. Additional modernization of functionality within VBMS could further improve accuracy of assigning effective dates related to ITF submissions. The OIG recommended that VBA prioritize the design and implementation of system automation reasonably designed to minimize these issues.

Unintended Impact of National Work Queue

VBA's National Work Queue (NWQ) distributes claims daily to each VA regional office based on factors such as workload capacity, national claims processing priorities, and special missions. While the NWQ is designed to create efficiencies, it has created other unintended consequences. In 2016, when VBA implemented the NWQ, it no longer required VA regional offices to use specialized staff to process claims that VBA designated as requiring special handling, which included MST-related claims. As a result, all claims processors became responsible for a wide variety of claims, including MST-related claims. However, many claims processors did not have the experience or expertise to process these types of claims. This was a contributing factor to VBA staff incorrectly processing almost half of veterans denied MST-related claims. The Under Secretary for Benefits has agreed to reinstate specialized teams to process these claims.

Ongoing OIG Oversight

In addition to the recently completed oversight, the OIG continues to work on matters designed to improve the delivery of benefits to veterans and their families, including several ongoing nationwide reviews to identify systems-level barriers to effective and efficient implementation efforts.

For example, in August 2018, the OIG initiated a review related to the Decision Ready Claims (DRC) program. VBA established the DRC program to streamline claims processing and improve timeliness. Like the ITF process, VBA prioritized the DRC program and implemented it within about six months. VBA piloted the program in May 2017 and implemented it nationally in September 2017. As of October 2018, VBA's self-reported data shows that DRC cases have been completed in an average of about 15 days. However, the number of claims submitted through the program has fallen far short of what VBA initially anticipated. As a result, the OIG initiated a review to determine whether VBA effectively planned and implemented the program. The OIG anticipates publishing the final report for this review in early 2019.

In May 2018, the OIG also initiated a review related to canceled contract medical examinations. VBA requests Compensation and Pension medical exams from a Veterans Health Administration (VHA) clinician, or through one of the Medical Disability Examination contract vendors. Exam cancellations can delay veterans' claims, waste appropriated funds, and increase VBA's workload because they duplicate the exam request process. Exam cancellations can also cause an adverse decision on veterans' claims. The OIG anticipates publishing the final report for this review in early 2019.

Conclusion

VBA attempts to quickly implement programs and policies and reduce claims backlogs have resulted in unintended consequences. These include sacrificing accuracy for timeliness, rolling out national initiatives after small and short pilot programs, and other efforts to meet the changing and growing demands for benefits and services. The OIG's efforts to identify important systemic issues and focus on high-impact programs and initiatives will help limit those unintended consequences, and better position VBA to provide service to veterans and their families in the most effective and efficient manner possible.

Mr. Chairman, this concludes my statement. I would be happy to answer any questions you or other members of the Subcommittee may have.

Prepared Statement of Michael Figlioli

Chairman Bost, Ranking Member Esty, and members of the Subcommittee, on behalf of the Veterans of Foreign Wars of the United States (VFW) and its Auxiliary, thank you for the opportunity to provide our comments on evaluating the Depart-

ment of Veterans Affairs' (VA) methods for developing and implementing policy changes.

As the VFW National Veterans Service (NVS), which was established in 1919, begins its second century of service to our nation's veterans and their families, the VFW is encouraged by VA's efforts to modernize and update the disability claims process. We take into account a number of challenges, both technical and administrative, that VA has had to overcome to arrive where we are today. Yet, despite our support for some changes and opposition to others, we feel the process is headed in the right direction overall. Our philosophy in dealing with VA's cumbrous bureaucracy has always been "praise when you can, be critical when you must" if it is in the best interest of our veterans. Lately, we have found ourselves more on the critical side than we would like.

The VFW has consistently held that VA speeding to completion of its claims workload for the sake of reducing volume is precarious for both VA and our claimants. It does no good to deliver benefits to veterans faster if the decisions made are incomplete or inaccurate. It is futile to implement policies for the sake of implementing policies and declare mission accomplished. Often, employees are just becoming comfortable with the former system only to be forced to employ a new system or business process in the name of efficiency.

Over the last three years, VA has rolled out programs that in theory were intended to alleviate a number of claims and appeals related issues. The VFW and our partner veterans service organizations (VSOs) cautioned VA on numerous occasions about the pitfalls of rapid development. We are appreciative of VA's efforts in seeking VSO input for newly developed platforms. Yet in the final analysis, despite our repeated attempts urging VA to assess shortfalls and take corrective action before programs went fully operational, we have seen VA forced to play catch up time and time again.

The VFW has been concerned since the implementation of the Veterans Benefits Administration's National Work Queue (NWQ), and other programs, about how VA evaluates its workforce and products. Why do some claims seem to move smoothly through the system while others are bogged down due to misunderstood guidance or improper application of the law? We have not discerned why, other than pointing to one consistency: inconsistency in the system. We are well aware this is going to take place, but up until the decision was made to "level the playing field" we had the ability to mitigate irregularities at the local level.

Since the implementation of NWQ, VSOs have been restricted more than ever in locally resolving problems at the VA Regional Office (VARO). In Pittsburgh, we worked through our local representative to resolve a foreign claims issue, or so we thought. VA failed to properly evaluate a claimed condition in 2015, pushing the veteran into a lengthy appeal process that affected other subsequent claims. After going through the normal protocols, the end result was that VA would not correct the issue locally. However, our local advocate was instructed that if we contacted the White House veterans' helpline, the case would be given priority and the proper attention it should have been given without the roadblocks.

In all my years as a VA-accredited veteran service officer, this is one of the most absurd responses I have heard from VA staff on an issue that could have been easily resolved. To be frank, the VFW has been doing this work longer than VA. We pride ourselves in the advocacy we can provide to our claimants. But what happens when VA no longer permits its employees to do the right thing locally? I fear that the drive to NWQ, while well intentioned, has only amplified problems with VA inconsistency. The goal in leveling the playing field was to ensure veterans received consistent, timely, quality decisions. The playing field is certainly more level today, but not in the way we intended. Instead, we see shoddy work from all corners of VA with little accountability for what has gone wrong in the process. We see VARO leadership that is hamstrung from doing the right thing because it may make the national system look bad. This is no way to serve veterans.

As with any new implementation, training is paramount to success. Unfortunately, this is a shortcoming in VBA on a number of levels. Across the VFW's field offices, our staff continues to see little consistency in the application of law or the Code of Federal Regulations. The VFW is acutely aware of instances where the intent of a regulatory change is crystal clear but applied irregularly at the majority of VAROs.

One recent and ongoing example is the acceptance of electronic signatures. VA transitioned claims submissions to an electronic format. VSOs asked repeatedly if a "wet signature" was required or if an electronic facsimile was acceptable. VBA Office of Field Operations (OFO) advised us that a signature created on a VA-approved signature pad would be acceptable, and we alerted our field staff. Despite our best efforts to comply, we almost immediately began to receive reports that claims were

being rejected at certain VAROs due to veterans not physically signing the form. Needlessly wasted time had to be taken from claim processing for VACO to issue corrective guidance to those offices that were in error, despite prior notification being sent to the field and guidance being clearly published in the M21–1, the standard operating procedure for adjudicating claims. Despite clear guidance from VBA on this matter, we still receive sporadic reports from the field that this has not been completely resolved. Similarly, each time VA updates its standard claims forms, we receive reports that VAROs immediately stop accepting the previous version both in paper and electronic formats, even though this directly contradicts VA's own rules allowing for continued use of recently expired forms. If VA is earnest in seeking to establish a fully electronic claims process as they have touted over the past few years, they need to ensure consistency across the VAROs in allowing for electronic submissions.

Another instance of a breakdown in development and implementation is dependency claims. This has been an issue for years, and one that seems highly inconsistent. Some dependency claims move quickly through rules-based processing. But there seems to be no consistency when a dependency claim may be off-ramped, or even if a dependency claim will be addressed in a timely manner. We cite an example regarding a veteran living in Maryland whose claim was adjudicated through VA's NWQ across several VAROs. The veteran meets the schedular requirements for additional compensation for dependents. The VARO in Iowa denied his claim based on a 21–686c that was filed with his original application stating that he did not meet the criteria upon filing, citing erroneous M–21 references that failed to reinforce why VA did not address the dependency issue when adjudicating the veteran's claim. This is preposterous and speaks to the larger training issue of VA staff.

We received a number of reports from our office in Boise where veterans have had to endure multiple examinations for the same disability over and over. All seemingly attempting to reach a conclusion that was desired by VA. In another example, a supplemental claim was submitted electronically to VA for a specific veteran. The claimants direct deposit information was already of record and, therefore, not included on the application as he was already being paid. Upon receipt of this new application, VA deleted his current banking data and set him up to receive a physical check exposing him to potential fraud, benefit and identity theft. On the same day, VA was notified by our office that another of our claimants needed to adjust his income and net worth for pension purposes. This veteran also received a letter from VA telling him that his direct deposit information had been updated and he would now receive a hard copy check to his home address.

Intent to File

From the inception of the policy change in 2015 until the end of fiscal year 2017, it was discovered that 17 percent, or nearly 23,000 ITFs received by VA were improperly processed. This resulted in more than $72 million in underpayments to deserving veterans. A senior VA manager reported that this program was deployed within 6 months from inception and development, which affected VBAs business model, and those six months were not enough to produce sound guidance. VA's own Office of Inspector General OIG) reported that mandatory intent to file (ITF) training, which was not made available to VA staff until January 2017, was deficient. Despite VA knowing that it had hastily and indiscriminately fielded a flawed product, it took more than two years to update their Veterans Benefits Management System (VBMS) to assist rating personnel when assigning effective dates based on ITFs.

The under secretary for benefits acknowledged that there were errors involving proper processing of ITFs, and agreed to implement recommendations made by the VAOIG. This notwithstanding, the under secretary did not agree that most errors occurred because standard operating procedures had been published. The VFW does not concur; neither does the OIG. Regardless of rules having been published in the M21–1, VBMS User Guide and Delta Training, the under secretary held that "standard operating procedures were unnecessary for this critical new approach to claims processing." The OIG found that to be perplexing, as do we.

Military Sexual Trauma

On August 24, 2018, the VFW released a statement critical of the handling of nearly 18,000 improperly decided claims related to military sexual trauma (MST) that VA had received over the previous 36 months. VA leaders assured us that a review would be conducted to determine what course of action VA would take to make these dually victimized claimants whole. While the headlines were alarming and reprehensible, the VFW was not surprised by any of the OIG's findings. In our

reading of the report, we determined that, like most claims that are improperly adjudicated, these claims seemed more the result of careless development rather than a deeper systemic problem or bias against victims of MST. In fact, VA's own figures on MST claims processing show the year covered by the OIG investigation was actually more successful in adjudicating MST claim grants than prior years.

The VFW finds it inexcusable that claimants who have experienced this type of trauma and whom may have explained their circumstances several times could be forced to relive the experience due to untrained adjudicators; adjudicators who must adhere to unrealistic timelines; or adjudicators who are beholden to a flawed work credit system. The VAOIG concurs with our position that inaccurate claims decisions related to MST may lead to additional psychological harm to MST victims.

In all of these scenarios, the VFW maintains that proper, consistent, and pointed training will result in better outcomes for VA and its customers. Benefits Assistance Service (BAS) has testified before this very committee, as recently as two weeks ago, that it delivers training in a number of ways and on a number of topics to better serve veterans. If in fact the training were effective and overseen, we probably would not be in the current situation. VA needs to get it right the first time, every time. The welfare of our veterans requires it. Thousands of man hours and millions of dollars have been spent on modernization, yet despite VA's best efforts, it continues to find ways to put corners on a circle. If quality training is not developed and implemented, and so-called efficiencies overseen, veterans and their families pay the price. As said in our opening statement, the VFW has been embedded in the claims process for longer than VA has existed. We have always been able to provide local mediation to assist VA in getting it right, only to be told in the name of efficiency that we can no longer do that.

In closing, the VFW does believe that VBA is headed in the right direction philosophically in establishing a fully electronic and easily accessible claims process. However, VA still has significant problems in the system that need to be addressed, starting with the unrealized efficiencies of NWQ and the seeming lack of authority for VAROs to resolve claims issues at the lowest possible level.

With the inconsistencies the VFW has seen over the past couple of years, it becomes clear that the efficiencies and innovations that VA seems extraordinarily proud of do not exist in the eyes of veterans and the family members who continue to suffer delays and denials due to incorrect rating decisions. We hope this subcommittee takes a hard look at these issues and works to resolve them in a way that truly benefits veterans.

Mr. Chairman, this concludes my testimony. Again, the VFW thanks you and Ranking Member Esty for the opportunity to testify on these important issues before this subcommittee. I am prepared to take any questions you or the subcommittee members may have.

Prepared Statement of Shane L. Liermann

Chairman Bost, Ranking Member Esty, and Members of the Subcommittee:

Thank you for inviting DAV (Disabled American Veterans) to testify regarding the Department of Veterans Affairs (VA) development and implementation of policy initiatives and the reasons for the challenges identified in three recent VA Office of Inspector General (OIG) Reports.

Mr. Chairman, as you may know, DAV is a congressionally chartered national veterans' service organization of more than one million wartime veterans, all of whom were injured or made ill while serving on behalf of this nation. To fulfill our service mission to America's injured and ill veterans and the families who care for them, DAV directly employs a corps of more than 260 National Service Officers (NSOs), all of whom are themselves wartime service-connected disabled veterans, at every VA regional office (VARO) as well as other VA facilities throughout the nation. Together with our chapter, department, transition and county veteran service officers, DAV has over 4,000 accredited representatives on the front lines providing free claims and appeals services to our nation's veterans, their families and survivors.

We represent over one million veterans and survivors, making DAV the largest veterans service organization (VSO) providing claims assistance. This testimony reflects the collective experience and expertise of our thousands of dedicated and highly trained service officers.

DAV is deeply concerned over the findings of significant deficiencies in three VA OIG reports from July and August of this year. As revealed by these reports, the reasons for these substantial errors can be broken down into three main categories: training; IT systems development and resources; and quality review. As we will con-

clude, these deficiencies could be mitigated with the adoption of a VBA-wide strategic formula for application prior to implementation of any new changes, processes, benefits or IT systems.

"UNWARRANTED MEDICAL REEXAMINATIONS FOR DISABILITY BENEFITS"

On July 18, 2018, VA OIG published its findings on "Unwarranted Medical Reexaminations for Disability Benefits". The OIG team reviewed a statistical sample of 300 cases with reexaminations from March through August 2017 and found that employees requested unwarranted medical reexaminations in 111 cases. Veterans Benefits Administration (VBA) employees requested reexaminations for veterans whose cases qualified for exclusion from reexamination for one or more of the following reasons:

- Over 55 years old at the time of the examination, and not otherwise warranted by unusual circumstances or regulation;
- Permanent disability and not likely to improve;
- Disability without substantial improvement over five years;
- Claims folders contained updated medical evidence sufficient to continue the current disability evaluation without additional examination;
- Overall combined evaluation of multiple disabilities would not change irrespective of the outcome of reexamining the condition;
- Disability evaluation of 10 percent or less;
- Disability evaluation at the minimum level for the condition.

The three main reasons for the requested unwarranted examinations were lack of pre-examination reviews, lack of system automation and inadequate quality assurance reviews.

Lack of Pre-Examination Reviews

VBA policy requires a pre-exam review of the veteran's claims folder prior to requesting that a veteran appear for a medical reexamination to determine whether the reexamination is needed. It was estimated that 15,500 of 19,800 unwarranted reexaminations (78 percent) lacked a pre-exam review. Determining the necessity of a reexamination was a Ratings Veterans Representative Specialist (RVSR) responsibility, however, in 2017, this task was removed from RVSR performance standards as they do not receive work credit for this function. It has been assigned to Veterans Representative Specialists (VSRs). Bypassing the pre-exam review caused unwarranted reexaminations because VSRs lacked the training and experience needed to determine whether a reexamination is warranted. Similarly, 14 of the 24 VSRs interviewed told the review team that they were unfamiliar with the criteria for determining whether a reexamination was necessary. In addition, managers with Compensation Service's Quality Assurance Program indicated there would be fewer unwarranted reexaminations if RVSRs reviewed cases before VSRs request reexaminations.

Lack of System Automation

VBA did not invest in developing alternative internal controls to make up for the lack of a pre-exam review, such as information system automation. Veterans Benefits Management System (VBMS) automation to address pre-examination review, is scheduled for FY 2019 or later. However, VBA did not maximize any of their electronic automation systems to help prevent employees from requesting unnecessary reexaminations.

Inadequate Quality Assurance Reviews

VBA's quality assurance program measures claims processing accuracy for each VARO and for individual employees and provides feedback and training. The program consists of the Systematic Technical Accuracy Review (STAR) office and the Quality Review Teams (QRT). Neither the STAR office nor the QRT measured whether VBA employees requested reexaminations only when necessary or whether they conducted pre-exam reviews. The Deputy Under Secretary for Field Operations and the Director of Compensation Service both agreed with the need for modifying VBA's quality review processes to include a review of reexaminations, and with conducting a special focused quality improvement review in this area.

Impact of Unwarranted Medical Reexaminations for Disability Benefits

The review team estimated that during the six-month review period, VBA spent $10.1 million on unwarranted reexaminations. It also estimated that VBA would waste $100.6 million on unwarranted reexaminations over the next five years unless

it ensures employees only request reexaminations when necessary. The review team estimated that VBA required 19,800 veterans to report for unwarranted medical reexaminations during the review period. Approximately 14,200 veterans experienced no change to their disability evaluations. The reexaminations resulted in proposed benefit reductions for about 3,700 veterans.

Veterans and their families depend on their VA benefit payments to provide a better quality of life. VA has threatened that quality of life by creating unwarranted examinations that possibly led to thousands of veterans having their compensation benefits significantly reduced.

"PROCESSING INACCURACIES INVOLVING VETERANS' INTENT TO FILE SUBMISSIONS FOR BENEFITS"

On August 21, 2018, VA OIG published its findings on "Processing Inaccuracies Involving Veterans' Intent to File Submissions for Benefits". The OIG review team found that VBA staff did not always assign correct effective dates for compensation benefits with Intent to File (ITF) submissions. VA OIG estimated that 22,600 of 137,000 cases (17 percent) completed from March 24, 2015, through September 30, 2017, had incorrect effective dates assigned for compensation benefits whenever a veteran submitted an ITF.

The OIG review team selected a sample of 300 cases completed from March 24, 2015, through September 30, 2017, to determine the accuracy of effective dates assigned. Most of the errors occurred from March 24, 2015, through July 21, 2016, during the initial ITF implementation period. The OIG estimated that in 15,200 of 35,400 cases (43 percent) completed during that period, rating personnel assigned incorrect effective dates. Most of the errors occurred with electronic ITF submissions.

VBA modified its ITF procedures on July 22, 2016, to include guidance and specific details on how to identify ITFs received electronically or by mail. The OIG review team estimated that in 6,000 of 66,400 cases (9 percent), rating personnel assigned incorrect effective dates. The number of errors decreased significantly during the post-procedure update period ranging from July 22, 2016, through June 12, 2017. Significant improvement was shown following the initial ITF implementation period, with the improper processing of effective dates decreasing from a 43 percent error rate to 4 percent.

The reasons for the ITF processing inaccuracies were summed up as absence of standard operating procedures, inadequate procedural guidance on electronic ITF submissions, deficient and delayed ITF training, quality assurance and VBMS lacked functionality.

Absence of Standard Operating Procedures

When VBA initially implemented the ITF policy, its procedures mainly focused on what to do with an incomplete ITF and how to enter ITF data into VBMS. However, the guidance did not give rating personnel instructions on how to identify the electronic submission of an ITF. The Compensation Service's office of Procedures' lack of standard operating procedures when implementing ITF guidance contributed to a high error rate.

Inadequate Procedural Guidance on Electronic ITF Submissions

VBA's Compensation Service Acting Assistant Director and program analysts for Procedures provided inadequate procedural guidance associated with ITF submissions. The manual procedures in use from March 24, 2015, through July 21, 2016, lacked details on the identification of electronic ITF submissions for rating personnel to correctly assign effective dates, despite numerous updates.

The Acting Assistant Director for Policy stated that the ITF process was not part of the original proposed rule but resulted from negative feedback received from Veterans Service Organizations about the elimination of the informal claim process. Consequently, VBA had to restructure policies, procedures, and claims processing systems within a short time frame.

Deficient and Delayed ITF Training

The OIG reviewed all completed mandatory ITF-related training from March 2015 through March 2017 and determined that the training completed before March 2017 was deficient; because it lacked specific information related to identifying an electronically submitted ITF.

Compensation Service provided the OIG with an instructional video dated March 2015. Although the video provided instructions on how to record the receipt of an ITF in VBMS, it did not show how rating personnel would locate an electronically submitted ITF. Furthermore, a program analyst for Procedures indicated the video

was later removed because it was not compliant with accessibility standards. The OIG was unable to substantiate whether any staff were able to view this video because it was no longer available.

Quality Assurance

In March 2016, Quality Assurance conducted a national quality call to inform VBA staff of an error trend with effective dates and ITF. Based on the error trend, Quality Assurance provided explicit instructions on how to identify the presence of an electronic ITF filing in VBMS. It took until July 22, 2016, approximately four months from identification of the error trend, to provide these instructions.

The VBA official reported that the development of mandatory training should ideally occur within a three-month time frame following identification of an error trend, depending on other competing priorities. Mandatory training was created and made available to rating personnel in January 2017. The same official required VARO staff to complete the training by March 31, 2017, a delay of approximately one year following the discovery of the error trend.

Impact of ITF Processing Inaccuracies

Compensation Service's absence of standard operating procedures, inadequate procedural guidance for electronic ITF submissions, deficient and delayed mandatory training, and lack of VBMS functionality resulted in improper payments made to veterans from March 24, 2015, through September 30, 2017.

Of the 22,600 cases with errors, 21,900 (97 percent) resulted in underpayments and represent money that should have been paid to veterans between the correct effective date and the one assigned. On a national level, this resulted in the OIG's findings of an estimated monetary impact of $72.5 million in under payments to veterans and their families.

In many cases, earned benefits from the VA, prevent veterans and their families from being homeless or at-risk of homelessness. Therefore, it is unconceivable that VA would act so slowly to correct their severe under payments. To correct also possible deficiencies and to afford justice to all veterans affected, we recommend that VA review all ITF submissions from March 24, 2015 to the present and correct all under payments.

"DENIED POST–TRAUMATIC STRESS DISORDER CLAIMS RELATED TO MILITARY SEXUAL TRAUMA"

On August 21, 2018, VA OIG published its findings on "Denied Post-traumatic Stress Disorder Claims Related to Military Sexual Trauma". The OIG report team stated that VBA staff did not always follow VBA's policy and procedures, which may have led to the denial of veterans' military sexual trauma (MST)-related claims.

In reviewing the MST-related claims denied by VBA, the review team found that staff did not follow the required claims processing procedures. The most commonly encountered errors in processing were:

- Evidence was enough to request a medical examination and opinion, but staff did not request one;
- Evidence-gathering issues existed, such as VSRs not requesting veterans' private treatment records;
- MST Coordinators did not make the required telephone call to the veteran, or VSRs did not use required language in the letter sent to the veteran to determine whether the veteran reported the claimed traumatic event in service and to obtain a copy of the report; and
- RVSRs decided veterans' claims based on contradictory or otherwise insufficient medical opinions.

The reasons the MST-related claims were incorrectly processed were lack of previous specialization, lack of additional level of review, discontinued special focused reviews and inadequate training.

Need for Specialization

VBA previously implemented the Segmented Lanes model. It had required VSRs and RVSRs on Special Operations teams to process all claims VBA deemed highly complex, as well as sensitive issues such as MST-related claims. The OIG review team concluded that staff on the Special Operations teams developed subject matter expertise on these highly sensitive claims due to focused training and repetition. Under the National Work Queue (NWQ), VBA no longer utilized the Special Operations teams. Under this new model, the NWQ distributed claims daily to each VARO and the VARO determined the distribution of MST-related claims.

As a result, MST-related claims could potentially be processed by any VSR or RVSR, regardless of their experience and expertise. The OIG review team determined VSRs and RVSRs at offices that did not specialize, lacked familiarity and became less proficient at processing MST-related claims.

VARO staff suggested VBA reestablish specialized processing, allowing employees to develop the necessary expertise to ensure consistency and accuracy in processing these sensitive claims. The Deputy Under Secretary for Field Operations agreed that dedicated staff working MST-related claims would help improve the quality of claims processing.

Lack of Additional Level of Review

VBA currently requires an additional level of review for some types of complex claims, such as traumatic brain injury cases, but does not require this additional level of review for MST-related claims. RVSRs, quality review personnel, and supervisors interviewed at the four VAROs visited generally thought an additional level of review would be helpful and could improve accuracy. An additional level of review serves as an internal control and quality check to help ensure:

- Claims processors followed all applicable statutes, regulations, and procedures;
- Evidence of record properly supports the decision; and
- RVSR adequately explained the decision.

The Deputy Under Secretary for Field Operations and Compensation Service Quality Assurance personnel agreed that an additional level of review would help improve the accuracy of processing MST-related claims.

Discontinued Special Focused Reviews

The national Systematic Technical Accuracy Review (STAR) team for Compensation Service and the Quality Review Teams (QRT) at each VARO execute VBA's quality assurance programs. MST-related claims are included in the STAR and QRT claim reviews. However, MST-related claims are only a small percentage of the overall claim volume and are less likely than other claim types to be randomly selected for STAR and QRT reviews. Therefore, STAR and QRT staff did not frequently review them.

STAR staff completed special focused quality improvement reviews of MST-related claims beginning in 2011, based on the deficiencies identified in a 2010 OIG report related to combat stress in women veterans. These reviews continued based on a 2014 Government Accountability Office (GAO) report on MST-related claims that found the problems persisted. Staff performed the reviews twice a year and identified errors like those this OIG review team found, such as missed evidence or markers and failure to request necessary medical examinations.

The STAR office stopped completing special focused quality improvement reviews of MST-related claims in December 2015. VBA's Quality Assurance Officer indicated the STAR office stopped performing special focused quality improvement reviews because it had met the GAO requirement. The Assistant Director of Quality Assurance for Compensation Service also stated that they reallocated resources towards other areas because the error rate declined for MST-related claims from 2011 to 2015.

Given the high error rate identified during its review, the OIG review team determined the STAR office should reinstate special focused quality improvement reviews of MST-related claims.

Inadequate Training

Compensation Service delivered MST training through four modules using VBA's online training management system. The OIG reviewed the four training modules and identified the following issues:

- Consistently referred to a development checklist that was outdated and inaccurate;
- Included erroneous development procedures, such as instructing claims processors to use incorrect medical opinion language;
- Misstated the MST Coordinator's role and responsibilities;
- Did not address how to rate claims where a diagnosis other than PTSD was provided; and
- Included incomplete information regarding what constitutes an insufficient or inadequate examination.

The MST-related claims training was one-time only and there was no requirement for annual refresher training. The Compensation Service Quality Assurance Officer stated that VSRs and RVSRs needed refresher training, and staff at the four VAROs visited, generally agreed it was not adequate. The Director of Compensation Service

and Assistant Director of Compensation Service Training agreed that the training needed improvement and indicated that VBA was in the process of creating a new training program. The Deputy Under Secretary for Field Operations stated that training for MST-related claims should be an annual requirement.

Impact of Improperly Adjudicated MST–Related Claims

The review team found that VBA staff did not properly process veterans' denied MST-related claims in 82 of 169 cases. As a result, the OIG estimated that VBA staff incorrectly processed approximately 1,300 or 49 percent of the 2,700 MST-related claims denied during that time. Due to the severity and volume of these errors, VA OIG recommended that VBA review all denied MST-related claims since the beginning of FY 2017 and reopen the cases with errors to ensure veterans receive accurate claims decisions as well as better customer service.

Those who experience sexual military trauma often suffer in silence. However, nearly 50 percent of those claiming MST-related PTSD have been denied due to VA's own failures. How long will these veterans continue to suffer without justice?

PATTERN OF SYSTEMIC FAILURES

The VA's requesting unwarranted examinations was estimated to require 19,800 veterans to report for unwarranted medical reexaminations during the review period at a cost of over $10 million. The report specifically noted that these were caused by lack of training, lack of automated systems, and no quality review.

VBA's absence of standard operating procedures, inadequate procedural guidance for electronic ITF submissions, deficient and delayed mandatory training, and lack of VBMS functionality resulted in improper payments made to veterans.

49 percent of denied MST-related claims were processed incorrectly and were not processed within VBA's own guidelines and policies. The reasons the MST-related claims were incorrectly processed were lack of previous specialization, lack of additional level of review, discontinued special focused reviews and inadequate training.

The new VA OIG report "Accuracy of Claims Involving Service-Connected Amyotrophic Lateral Sclerosis" released on November 20, 2018, continues to show these same patterns. The report projected that 430 of the 960 total ALS veterans' cases (45 percent) completed during the six-month review period had erroneous decisions. It was recommended that VBA provide additional training, better quality review and add functionality to VBMS.

RECOMMENDATIONS

As demonstrated, VBA's erratic training, lack of planning for IT systems development and uneven quality review has wasted millions of taxpayers' dollars, as well as underpaid, denied and reduced thousands of veterans. While VA is implementing the recommendations from the VA Office of Inspector General, we believe VA needs to develop proactive measures to lessen these preventable errors in the future.

VA has used production goals and other metrics to drive down the backlogs of claims and appeals and provide timely decisions. However, as noted by the OIG reports, VA is not placing enough emphasis on comprehensive training and quality review. As evidenced, lack of training and improper quality review of claims decisions led to multiple denied claims, reduced benefits, unnecessary examinations conducted, and inaccurate effective dates for claimants.

Training and feedback are instrumental in shifting VA's culture to one primarily driven to achieve quality, rather than merely productivity. After all, proper quality review, training, and feedback will lead to more claims decisions being made right the first time, and thereby lead to a reduction of appeals.

Updated and modern IT is critical to the ultimate success of VBA. Despite past failed attempts to modernize its claims processing systems over the past two decades, VBA made a critical decision to transform its paper-based systems and replace them with streamlined business processes supported by modern IT systems. However, unless VBA is provided sufficient resources to fully implement and program new IT systems at the front end, both productivity and quality will continue to suffer, resulting in more errors and veterans waiting longer to receive their earned benefits.

Over the past several years, VBA has developed and implemented new IT systems to support the transformations, including VBMS, the NWQ, and e-Benefits. Unfortunately, VBA must compete with other offices and agencies within VA for the limited IT funding available each year, delaying development and deployment of critical IT systems and programming. As a result, critical IT systems are rarely fully developed before business process changes are implemented; instead they are phased in over several years, forcing VBA to rely on an inconsistent mix of old and new IT systems, as well as an endless stream of suboptimal "work around" solutions.

While it may be understandable from a purely budgetary view to stretch out development and deployment of new IT systems, it is a failure from a functional perspective. Providing only partial IT solutions inevitably results in a loss of productivity, and often leads to lower quality and less accurate decisions on claims and appeals by veterans. Similar problems caused by inadequately developed technology can be seen in the Vocational Rehabilitation and Employment's (VR&E) $12 million IT debacle and the Education Service's continuing problems in making accurate payments under the new GI Bill program.

As VA is correcting the deficiencies outlined in the OIG reports, we believe that if VA shifts from a reactive position to a preemptive and aggressive approach to future changes and new policies, they can lessen the types of errors noted. VA needs to devote their attention to developing a process to address future changes and potential new policies in advance of the actual changes.

We recommend VBA to create a systematic strategic review process for new policies and initiatives. This could encompass each appropriate VA office potentially impacted by the changes, such as VA Office of Training, VA Quality Assurance and Review, VA IT services including VBMS and NWQ. However to be truly effective, it requires VSOs and other stakeholders, as well as VA's front line subject matter experts including RVSRs and VSRs.

This systematic strategic review process should be focused on vetting new policy initiatives to prevent unintended consequences that can negatively impact veterans and their families. It would be better for VA to invest time and resources preventing these problems from occurring rather than developing "work arounds" and patches after the veterans have already been harmed.

A good example is how VBA, VA Agencies, GAO, VSOs, and stakeholders were all engaged from the beginning in the development of the Appeals Modernization Act (AMA). Before the implementation of the AMA, VBA and BVA have collaborated to develop IT infrastructure, training programs, and quality review. This type of systematic strategic review process will lessen the preventable errors noted by the VA OIG reports.

Mr. Chairmen, this concludes my testimony on behalf of DAV. I would be happy to answer any questions you or other members of the Subcommittees may have.

Prepared Statement of Greg Nembhard

Chairman Bost, Ranking Member Esty and distinguished members of the Subcommittee on Disability Assistance and Memorial Affairs, on behalf of National Commander Brett P. Reistad and the nearly two million members of The American Legion, we thank you for the opportunity to testify on the Deartment of Veterans Affairs' (VA) development and implementation of policy initiatives. As the largest patriotic service organization in the United States, with a myriad of programs supporting veterans, The American Legion appreciates the committee focusing on these critical issues that will affect veterans and their families.

Background

The Department of Veterans Affairs Office of Inspector General (VAOIG) published three reports about unwarranted medical reexamination for disability benefits, processing inaccuracies involving veterans' intent to file submissions for benefits and denied Post-Traumatic Stress Disorder (PTSD) claims related to Military Sexual Trauma (MST), in July and August 2018.

Congress approved the use of contract examiners within the Veterans Benefits Administration (VBA) in 1996 to expedite the scheduling of disability exams, so the Veterans Health Administration (VHA) can focus resources on treating patients. VA dramatically expanded the size and cost of the program since its inception. On November 15, 2018, the United States House of Representatives Committee on Veterans Affairs Disability Assistance and Memorial Affairs (DAMA) Subcommittee held a hearing regarding VA oversight of contract disability examinations and the use of contractors to provide disability examinations. The Government Accountability Office's (GAO) testimony before the Subcommittee illuminated how VBA has limited information regarding whether contractors who conduct disability compensation medical exams are meeting the VA's quality and timeliness targets.[1] Contracted providers perform approximately half of VA's disability examinations, and their national accuracy rate does not achieve VA's prescribed 92 percent accuracy

[1] VA DISABILITY EXAMS Improved Oversight of Contracted Examiners Needed, GAO Testimony, November 2017

goal.[2] These findings raise The American Legion's concerns about numerous factors. Specifically, the accuracy of claims decisions, the adequacy of training for contractors, VA's inability to comply with timeliness goals, and whether or not the cost of contracting these services would be considered exorbitant if program oversight and management were factored in, bringing services up to par with VA standards.

The American Legion believes that our nation's heroes should not suffer at the hands of institutions whose existence and mission is to care for them. We believe in quality of care at VA facilities, remain committed to a strong VA, and that VA is a "system worth saving."

System Worth Saving

The System Worth Saving program, created in 2003, by then-American Legion National Commander Ron Conley, focuses on what works best at VA Medical Centers (VAMC), identifies any challenges, and makes recommendations that help veterans. The mission of the System Worth Saving program is to assess the quality and timeliness of veterans' health care, the claims process at VA Regional Offices (VARO), and provide feedback from veterans about the care and services offered. We conduct site visits at VAMCs and Regional Offices nationwide. The American Legion compiles the reports from our visits into a publication for distribution to the President of the United States, Congress, VA officials, and members of The American Legion. A copy of which can be found at: https://www.legion.org/systemworthsaving. The compressive report provides an understanding of VA challenges, best practices, and offers recommendations based on our observations through our nearly 100 years of experience.

Unwarranted Medical Reexaminations for Disability Benefits

The VAOIG conducted a review to determine whether VBA employees required disabled veterans to report for unwarranted medical reexaminations.[3] VBA employees have authority to request reexaminations for veterans "whenever VA determines there is a need to verify either the continued existence or the current severity of a disability," and when there is no exclusion from reexamination.[4]

The VAOIG found that VBA did not consistently follow policy regarding reexamination requests. The Inspector General's office found that VBA required unwarranted medical examinations in 19,800 of the 53,500 cases in the review period (37 percent).[5] The OIG review team estimated that during the six-month period, VBA spent $10.1 million on unwarranted reexaminations - $5.3 million involving VHA clinicians, and $4.8 million involving VBA contractors.

Intent to File (ITF)

The VAOIG sought to determine whether VBA assigned correct effective dates on claims for compensation benefits with an intent to file (ITF). VA issued guidance to require claims for benefits be filed on standard forms to improve the quality and timeliness of processing veterans' claims in March 2015. VA acknowledged that some veterans might need additional time to gather all of the information and evidence necessary in support of their claims; therefore, VA allows applicants to notify them of their intent to file a claim to establish the earliest possible effective date for benefits, if determined eligible.

The VA's Acting Assistant Director for Procedures stated that the absence of granularity in the procedural guidance is a cause for the processing inaccuracies. The Assistant Director also indicated that the ITF process was an initiative with a six-month implementation and delivery period.[6] VA's effort affected VBA's policy and procedures considerably. VBA asserted that six months was not enough time to produce sound guidance, restructure policies, procedures, and claims processing systems. The VA's Acting Assistant Director for Policy stated that VBA produced a minimally viable product, as related to system functionality because of time constraints. The VA published the proposed rule to implement ITF on October 31, 2013, and finalized it on September 25, 2014. VA bears responsibility for setting the time frame of implementation. They led the initiative and set the deadlines before publishing the proposed rule more than five years ago.

PTSD and MST

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[2] U.S. Department of Veterans Affairs Annual Performance Plan and Report, Accuracy Goals Table

[3] VBA also refers to medical reexaminations as routine future examinations.

[4] 38 CFR §3.327, Reexaminations

[5] VA OIG 17–04966–201, Page i, July 17, 2018

[6] VA OIG 17–04919–201, Page ii, August 21, 2018

MST can lead to PTSD, but VA denies granting MST victims benefits based on a claim of PTSD because they cannot produce the required evidence to support the occurrence of the reported assault. Victims of MST have difficulty providing the necessary evidence because reporting the incident when it occurs is challenging. Victims of MST typically do not report the incident due to concerns about negative implications for performance reports, worries about punishment for collateral misconduct, and the perception of an unresponsive military chain of command. VBA issued guidance in 2011 to ensure consistency, fairness, and a "liberal approach" regarding acceptable types of evidence to support and identify stressors related to MST that can lead to PTSD.[7]

A review team assessed a sample of 169 MST-related claims denied during the review period, according to the VAOIG report dated August 21, 2018. The review found that VBA did not correctly process veterans' denied MST-related claims in 82 of 169 cases. VAOIG estimated that VBA incorrectly processed approximately 1,300 of the 2,700 MST-related claims denied during that time (49 percent) as a result.[8] This is unacceptable. Finding ways to ensure these veterans receive the services they deserve is one of the highest priorities of The American Legion.

What is The American Legion Doing

The American Legion continues to work directly with veterans to help them overcome challenges associated with access to VA health care and the claims process, and through our System Worth Saving program provides first-hand observations and analyses to VA and members of congress

Recent VAOIG reports cited inaccuracies, timeliness issues, lack of specialization, inadequate training, and overall poor quality of VA examinations completed by contracted medical examiners. The American Legion seeks to protect veterans from these, and other inadequacies. A variety of factors cause these shortfalls, including a lack of funding, understaffed VA facilities, and unscrupulous contracting companies who solely focus on their bottom line -at the veterans' expense. The American Legion works closely with and urges the VA to take swift corrective action.

Recommendations

VA's hiring and incentives process need greater emphasis. If VA needs additional resources to secure fulfillment of critical positions to complete tasks associated with exams, The American Legion calls on VA to communicate that need to Congress and urge Congress to allocate the necessary funding to make those critical hires. This will ensure veterans receive the prompt care they need within the system that is designed to treat the unique nature of their wounds.

The American Legion encourages Congress to conduct oversight to ensure veterans receive adequate and comprehensive VA examinations. We also urge the secretary of VA to establish appropriate requirements for examiners and to enforce the use of those requirements. The American Legion also urges the VA secretary, through resolution,[9] to review the effectiveness of the requirements for examiners, including contracted disability compensation medical exams, and how that effectiveness impacts the appropriate ratings for compensation claims. The American Legion understands VA is working hard to eliminate unnecessary reexaminations, but timeliness and functionality of processing systems associated with ITF must be addressed to avoid additional costs and inconvenience to veterans and their families.

The American Legion continues to advocate for the improved delivery of timely and quality health care for women using VA, including specific attention to MST-related claims. The proportion of female servicemembers and veterans is at its highest point in history, with projections for continued growth.[10] The growing numbers of female veterans mean that a system which primarily provided care to male enrollees must now evolve, and adapt, to meet the needs of both male and female veterans. Veterans, regardless of gender, must receive the best possible care from VA, and the system needs to continue to adjust to the changing demands of the population it serves. VA must develop a comprehensive health care program for female veterans that extend beyond reproductive issues.

Conclusion

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[7] VBA Training Letter, Adjudicating PTSD Claims Based on MST. (Historical)

[8] VA OIG 17–05248–241, Page ii, August 21, 2018

[9] The American Legion Resolution No. 87: Establishing and Enforcing Requirements for Contract Examiners Conducting Medical Examinations for VA Compensation Purposes

[10] Department of Veterans Affairs Study of Barriers for Women Veterans to VA Health Care, April 2015

Chairman Bost, Ranking Member Esty, and distinguished members of this veteran-centric committee, The American Legion thanks you for the opportunity to illuminate the positions of the nearly two million veteran members of this organization.

Ensuring those who have selflessly raised their right hand in defense of this nation receive the benefits and care they deserve is a priority of The American Legion, and by the action of this committee, we can see that it is for you as well.

For additional information regarding this testimony, please contact Ms. Lindsay Dearing, Legislative Associate in The American Legion's Legislative Division at (202) 861–2700 or ldearing@legion.org.

Statements For The Record

American Federation of Government Employees, AFL–CIO (AFGE)

December 12, 2018

Chairman Bost, Ranking Member Esty, and Members of the Committee:

On behalf of the American Federation of Government Employees, AFL–CIO (AFGE), and its National VA Council, which represents more than 700,000 federal and D.C. Government Employees, including over 250,000 front line employees at the Department of Veterans Affairs (VA) who provide vital care and services for our veterans, I write to you today about the hearing held by the House Committee on Veterans' Affairs, Subcommittee on Disability Assistance and Memorial Affairs (DAMA) on November 29, 2018 titled "VA's Development and Implementation of Policy Initiatives." This includes serving as the representatives of staff who work throughout the Veterans Benefits Administration (VBA) and are on the front lines serving veterans every day. In turn, AFGE has several comments on how proposed policy changes by VBA will impact the VBA workforce and its mission to serve veterans.

The National Work Queue:

During the hearing, members of subcommittee addressed several aspects of the National Work Queue (NWQ), and how in many ways it has hurt veterans. First and foremost, AFGE agrees with the Inspector General's (IG) conclusion that eliminating specialization has had a detrimental impact on veterans with claims, particularly those that are more complex and sensitive in nature. As the IG report explains, prior to the implementation of the NWQ:

The Segmented Lanes model required VSRs and RVSRs on Special Operations teams to process all claims VBA designated as requiring special handling, which included [Military Sexual Trauma]-related claims. By implementing the NWQ, VBA no longer required Special Operations teams to review MST-related claims. Under the NWQ, VSRs and RVSRs are responsible for processing a wide variety of claims, including MST-related claims. However, many VSRs and RVSRs do not have the experience or expertise to process MST-related claims. [1]

Because of the level of difficulty in processing these claims, AFGE would support returning these and other former "Special Operations" cases including Traumatic Brain Injury back to a specialized lane or lanes in Regional Offices. Much like a doctor choosing to become a pediatrician and not being expected to be an expert in podiatry, not all VSRs and RVSRs should be expected to process highly specialized cases.

Furthermore, AFGE encourages the VA to modify the NWQ so that cases remain within the same regional office while they are being processed, and that VSRs and RVSRs are more clearly identified on each case file. This will allow for better collaboration between VSRs and RVSRs (as was done prior to the implementation of the NWQ) and allow the staff of Veteran Service Organizations to better assist their members.

Information Technology:

AFGE also believes that the VBA can create a better environment to allow VBA employees to succeed by fixing Information Technology (IT) problems plaguing the agency. Highlighting the written testimony of Shane L. Liermann, Assistant National Legislative Director of the Disabled American Veterans (DAV), AFGE agrees with several of the recommendations made by DAV, including the need for VA to

[1] VA OIG 17–05248–241 / Page iii / August 21, 2018

invest in and improve its IT infrastructure by fixing system automation with the Veterans Benefits Management System (VBMS). To quote Mr. Liermann:

Updated and modern IT is critical to the ultimate success of VBA. Despite past failed attempts to modernize its claims processing systems over the past two decades, VBA made a critical decision to transform its paper-based systems and replace them with streamlined business processes supported by modern IT systems. However, unless VBA is provided sufficient resources to fully implement and program new IT systems at the front end, both productivity and quality will continue to suffer, resulting in more errors and veterans waiting longer to receive their earned benefits.

Furthermore:

Over the past several years, VBA has developed and implemented new IT systems to support the transformations, including VBMS, the NWQ, and e-Benefits. Unfortunately, VBA must compete with other offices and agencies within VA for the limited IT funding available each year, delaying development and deployment of critical IT systems and programming. As a result, critical IT systems are rarely fully developed before business process changes are implemented; instead they are phased in over several years, forcing VBA to rely on an inconsistent mix of old and new IT systems, as well as an endless stream of suboptimal "work around" solutions.

AFGE would add that these delays and "'work around' solutions" make it more difficult for VBA employees to complete their duties, and that VBA employees suffer negative impacts on their production and quality ratings because of malfunctioning and uncooperative technology.

Training and Collaboration:

AFGE would also like to reiterate the DAV's points on the need for improved training. Whether it is related to the "Intent to File" process for claiming benefits or special procedures for highly complex claims including Military Sexual Trauma, the additional training given to VBA employees will help them to better serve veterans and help them prevent facing unfair discipline for mistakes that they did not know how to avoid. With the misuse of the Department of Veterans Affairs Accountability and Whistleblower Protection Act of 2017 by VA management to unnecessarily terminate employees, the more training employees receive, the more likely they will be able to grow in their positions instead of constantly fearing removal.

Lastly, as the subcommittee and the VA decide what polices to implement in the future, as a stakeholder AFGE expects to be consulted. As the front-line employees processing the claims and using the IT in practice, and not just in planning, AFGE strongly encourages the VA to consult with AFGE, the exclusive representative of employees who have extensive experience and expertise and actually perform these duties.

Thank you, and I respectfully request that this letter be submitted for the record.

Sincerely,

Thomas S. Kahn
Director, Legislative Affairs
American Federation of Government Employees, AFL–CIO