



# **CONGRESSIONAL TESTIMONY**

## ***STATEMENT FOR THE RECORD***

**AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO**

**PROVIDED TO THE**

**HOUSE COMMITTEE ON VETERANS' AFFAIRS**

**SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS**

**HEARING ON UPDATE ON VA CONTRACTED EXAMS, QUALITY REVIEW PROCESS, AND  
SERVICE TO RURAL VETERANS**

**SEPTEMBER 19, 2019**

Chairwoman Luria, Ranking Member Bost, and Members of the Subcommittee:

The American Federation of Government Employees, AFL-CIO and its National Veterans Affairs Council (AFGE) appreciate the opportunity to provide our views on today's hearing titled, "Update on VA Contracted Exams, Quality Review Process, and Service to Rural Veterans."

AFGE represents more than 700,000 federal and District of Columbia government employees, 260,000 of whom are dedicated VA employees. Our membership includes the Veterans Benefits Administration (VBA) claims processors who order the compensation and pension (C&P) exams that are the subject of this hearing, as well as the VA clinicians who perform these exams internally for the Veterans Health Administration (VHA). Veterans are better served by receiving their care, including C&P exams, internally within the VA, and the problems identified in the Office of the Inspector General (OIG) Report titled "Inadequate Oversight of Contracted Disability Exam Cancellations" underscores the need to reverse the outflow of these exams into the private sector and bring them back within the VA.

### **Problems Identified By The IG**

The OIG Report titled "Inadequate Oversight of Contracted Disability Exam Cancellations,"<sup>1</sup> states that the IG, first alerted by a VA hotline tip, discovered that 8,770 C&P exams were cancelled because of the inability of a contractor, Medical Support Los Angeles, to meet the requirements of its contract, which resulted in significant delays for veterans who were waiting to have their claims completed and receive benefits. While this performance was unacceptable, unfortunately, this trend of cancelling appointments was not limited to a single contract. As the VA OIG continued its investigation, it noted that "VBA provided documentation showing that claims processors requested 1,342,123 DBQ [Disability Benefits

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<sup>1</sup> VA OIG 18-04266-115 | June 10, 2019

Questionnaires] exams from November 1, 2017, through April 20, 2018—an approximate 19 percent increase over the previous six-month period (May 1, 2017, through October 31, 2017). The OIG team determined that during these same time frames, cancellations increased by 74 percent. Given the recent increases in contracted disability exam cancellations and the number of veterans involved, effective oversight is critical.”<sup>2</sup> The gross inability of the contractors to live up to their obligations demonstrates the need for the VA to perform increased oversight, stop eliminating the jobs of VA C&P examiners, as the VA recently did at the Denver VA Medical Center, rebuild the VA’s internal C&P capacity, and eliminate the practice of contracting out C&P exams.

The Medical Disability Examination (MDE) program was established by the VA to monitor and track C&P exams performed by contractors. Upon examination “[h]owever, the OIG team found that MDE staff were hampered in their ability to provide oversight because of limitations with VBA’s electronic exam management systems, the lack of reliable data, and inadequate staffing of the program.”<sup>3</sup> AFGE urges the VA to immediately fill the nearly 50,000 current vacancies, including contract oversight positions. This will allow the VA to fulfill its oversight obligation over C&P contractors.

### **Problems Identified After the IG Report**

Subsequent to the release of the OIG report, an email from VBA to staff prohibited employees from sending C&P exams that need to be “Reworked” to a particular contractor. Such a disruption in service likely caused additional delays and costs for veterans seeking treatment and compensation. AFGE urges the Subcommittee to conduct immediate oversight on the accuracy and reliability of exams produced by contractors, as follow up to the GAO report

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<sup>2</sup> VA OIG 18-04266-115 | Page 10 | June 10, 2019

<sup>3</sup> VA OIG 18-04266-115 | Page ii | June 10, 2019

titled “VA DISABILITY EXAMS: Improved Performance Analysis and Training Oversight Needed for Contracted Exams (October 12, 2018).

### **Problems Identified By The GAO**

During a hearing on November 15, 2018, titled “Exploring VA’s Oversight of Contract Disability Examinations,” AFGE raised concerns about the problems with contract C&P exams highlighted in the U.S. Government Accountability Office report titled “VA DISABILITY EXAMS: Improved Performance Analysis and Training Oversight Needed for Contracted Exams (GAO-19-13, October 12, 2018).”<sup>4</sup> That hearing highlighted many inadequacies with contract C&P exams including that “VBA reported that almost all contractors missed VBA’s quality target of 92 percent in the first half of calendar year 2017.”<sup>5</sup> Moreover, the GAO also reported “VBA relies on contractors to verify that their examiners complete required training, [...] VBA does not review contractors’ self-reported training reports for accuracy or request supporting documentation, such as training certificates, from contractors.”<sup>6</sup> These findings further lengthen the record of problems plaguing contract C&P exams, and demonstrate why increased oversight is necessary and C&P exams should be conducted internally.

### **AFGE Recommendations**

VA’s own highly trained, highly credentialed, highly experienced, and highly accountable employees should perform C&P exams, with very few exceptions. The continued failures of C&P contractors make the elimination of in-house C&P capacity around the country all the more troubling. AFGE welcomes the opportunity to work with the Subcommittee on new legislation to restore VA’s internal C&P exam capacity and narrow the VA Secretary’s

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<sup>4</sup> U.S. Gov’t Accountability Office, GAO-19-13, “VA DISABILITY EXAMS: Improved Performance Analysis and Training Oversight Needed for Contracted Exams (October 12, 2018).

<sup>5</sup> *Id.* at 11.

<sup>6</sup> *Id.* at 24.

unrestricted authority to contract out these exams. In the near term, AFGE urges immediate action to stop the elimination of C&P examiner positions around the nation, and urges the VA to only provide internal C&P exams for mental health and specialty claims to better assist veterans when immediate or emergency treatment is needed.

AFGE appreciates the House Committee on Veterans' Affairs Subcommittee on Disability Assistance and Memorial Affairs holding this important hearing, and we look forward to working with the Committee to find ways to improve C&P exams for all veterans.