

**EXAMINING SHORTCOMINGS WITH
VA'S NATIONAL WORK QUEUE
VETERANS BENEFITS CLAIMS
MANAGEMENT SYSTEM**

HEARING

BEFORE THE

**SUBCOMMITTEE ON DISABILITY
ASSISTANCE AND MEMORIAL AFFAIRS**

OF THE

COMMITTEE ON VETERANS' AFFAIRS

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTEENTH CONGRESS

SECOND SESSION

—————
WEDNESDAY, JUNE 26, 2024
—————

Serial No. 118-70

Printed for the use of the Committee on Veterans' Affairs



Available via <http://govinfo.gov>

—————
U.S. GOVERNMENT PUBLISHING OFFICE

WASHINGTON : 2026

COMMITTEE ON VETERANS' AFFAIRS

MIKE BOST, Illinois, *Chairman*

AUMUA AMATA COLEMAN RADEWAGEN, American Samoa, <i>Vice-Chairwoman</i>	MARK TAKANO, California, <i>Ranking Member</i>
JACK BERGMAN, Michigan	JULIA BROWNLEY, California
NANCY MACE, South Carolina	MIKE LEVIN, California
MATTHEW M. ROSENDALE, SR., Montana	CHRIS PAPPAS, New Hampshire
MARIANNETTE MILLER-MEEKS, Iowa	FRANK J. MRVAN, Indiana
GREGORY F. MURPHY, North Carolina	SHEILA CHERFILUS-MCCORMICK, Florida
C. SCOTT FRANKLIN, Florida	CHRISTOPHER R. DELUZIO, Pennsylvania
DERRICK VAN ORDEN, Wisconsin	MORGAN MCGARVEY, Kentucky
MORGAN LUTTRELL, Texas	DELIA C. RAMIREZ, Illinois
JUAN CISCOMANI, Arizona	GREG LANDSMAN, Ohio
ELIJAH CRANE, Arizona	NIKKI BUDZINSKI, Illinois
KEITH SELF, Texas	
JENNIFER A. KIGGANS, Virginia	

JON CLARK, *Staff Director*

MATT REEL, *Democratic Staff Director*

SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS

MORGAN LUTTRELL, Texas, *Chairman*

C. SCOTT FRANKLIN, Florida	CHRIS PAPPAS, New Hampshire, <i>Ranking Member</i>
JUAN CISCOMANI, Arizona	CHRISTOPHER R. DELUZIO, Pennsylvania
ELIJAH CRANE, Arizona	MORGAN MCGARVEY, Kentucky
KEITH SELF, Texas	DELIA C. RAMIREZ, Illinois

Pursuant to clause 2(e)(4) of Rule XI of the Rules of the House, public hearing records of the Committee on Veterans' Affairs are also published in electronic form. **The printed hearing record remains the official version.** Because electronic submissions are used to prepare both printed and electronic versions of the hearing record, the process of converting between various electronic formats may introduce unintentional errors or omissions. Such occurrences are inherent in the current publication process and should diminish as the process is further refined.

C O N T E N T S

WEDNESDAY, JUNE 26, 2024

	Page
OPENING STATEMENTS	
The Honorable Morgan Luttrell, Chairman	1
The Honorable Chris Pappas, Ranking Member	2
WITNESSES	
PANEL I	
Mr. Willie Clark, Deputy Under Secretary, Field Operations, Veterans Benefits Administration, U.S. Department of Veterans Affairs	3
Accompanied by:	
Mr. Ken Smith, Assistant Deputy Under Secretary, Operations Management, Veterans Benefits Administration, U.S. Department of Veterans Affairs	
PANEL II	
Mr. Herman Breuer, Policy Director, National Association of County Veterans Service Officers (NACVSO)	15
Ms. Ashlynn Haycock-Lohmann, Deputy Director, Government and Legislative Affairs, Tragedy Assistance Program for Survivors (TAPS)	17
Mr. James R. Swartz, President, Local 2823, American Federation of Government Employees (AFGE)	18
APPENDIX	
PREPARED STATEMENTS OF WITNESSES	
Mr. Willie Clark Prepared Statement	29
Mr. Herman Breuer Prepared Statement	33
Ms. Ashlynn Haycock-Lohmann Prepared Statement	34
Mr. James R. Swartz Prepared Statement	40

**EXAMINING SHORTCOMINGS WITH
VA'S NATIONAL WORK QUEUE
VETERANS BENEFITS CLAIMS
MANAGEMENT SYSTEM**

WEDNESDAY, JUNE 26, 2024

SUBCOMMITTEE ON DISABILITY ASSISTANCE &
MEMORIAL AFFAIRS,
COMMITTEE ON VETERANS' AFFAIRS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:12 a.m., in room 360, Cannon House Office Building, Hon. Morgan Luttrell (chairman of the subcommittee) presiding.

Present: Representatives Luttrell, Franklin, Ciscomani, Self, Crane, Pappas, Ramirez, and McGarvey.

OPENING STATEMENT OF MORGAN LUTTRELL, CHAIRMAN

Mr. LUTTRELL. Subcommittee will come to order. Thank you to the witnesses for joining us today. We are here to take a closer look at the U.S. Department of Veterans Affairs (VA) National Work Queue, also known as the NWQ, which electronically manages and distributes the majority of the Veterans Benefits Administration's (VBA) workload of the VA benefits claims. In March 2013, the backlog of VA benefits claims peaked at over 600,000 claims. In response, VA created an electronic claims file system called the Veterans Benefit Management System, or VBMS, to electronically process veterans claims. In 2016, the National Work Queue was implemented to ensure that these paperless claims were efficiently processed. The National Work Queue avoids funneling claims through a single VA Regional Office (RO). Instead, the National Work Queue uses pre-programmed rules to automatically distribute claims every day to ROs across the country based on RO's capacity to take claims more efficiently. I am pleased that the National Work Queue has largely decreased wait times for veterans waiting for decisions on their claims.

Because of the VA's efforts, the backlog is half of what it was in 2013. There is still room for National Work Queue to improve, always in its goals of efficiently processing all veterans and survivors claims. Right now, the current system only allows the most recent VA employee who managed a claim to learn from when they have mistakenly undertaken unnecessary steps to obtain evidence. Therefore, most VA employees never are able to learn from those mistakes, and they continue to conduct unnecessary development

in other veterans claims. Although the National Work Queue has improved wait times for general types of disability compensation claims, veterans and survivors who have filed special types of claims continue to experience longer wait times for decisions. Today, we will take a closer look at the National Work Queue shortcomings when it comes to efficiently processing claims based on Military Sexual Trauma (MST) and claims for survivor benefits.

In October 2023, VA attempted to address the backlog of 20,000 military sexual trauma claims by consolidating MST claims with the San Juan, Puerto Rico Regional Office. Since then, the backlog of MST claims has grown to more than 26,000. In reaction to this, VA designated the Roanoke Regional Office as a temporary MST special mission site effective April 1, 2024, and it remains to be seen whether the effort will be enough to work down that extreme backlog. We have heard that this backlog was part due to the National Work Queue automated claims establishment rules failing to properly label MST claims. As a result, claims processors across the country manually relabeled claims as MST claims, resulting in a higher number of MST claims being routed to the San Juan office. There obviously are not enough employees assigned to the San Juan office to process all these military sexual trauma claims. Further, we continue to see backlogs in survivor benefits claims. At our full committee hearing in January, we learned about how certain claims for dependencies and indemnity compensations filed by surviving spouses and surviving children are not being routed in a timely manner through the National Work Queue. Today, we will examine what steps VA has taken and will take to address the wait times for the survivors. Every veteran and survivor has earned a timely decision on their claims. I look forward to hearing from our witnesses today about the National Work Queue and how it can be improved. Again, I thank you Mr. Clark and Mr. Smith for joining us today. I now recognize the Ranking Member for his opening remarks.

OPENING STATEMENT OF CHRIS PAPPAS, RANKING MEMBER

Mr. PAPPAS. Thank you, Chairman Luttrell. I appreciate you holding today's hearing as part of our efforts to continue to serve our Nation's veterans. For most veterans, the very first interaction they have with VA is when they file a disability claim. Once their claim is filed, it joins over 900,000 others in the national inventory. Our witnesses from the Office of Field Operations are tasked with managing the distribution and processing of these claims across the country. The National Work Queue is a tool developed by their office to manage that workload. The National Work Queue and the team managing its use have been critical to bringing veterans and survivors into VA's care to include over one million The Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act related claims granted to date. No IT system, no operational program is perfect. The needs of our veterans, their families, caregivers, and survivors continue to evolve. The National Work Queue must evolve with them. Right now, there are over 250,000 claims that are older than 125 days. That is 200,000 veterans or survivors that have been waiting over 125 days to gain access to the benefits and services that they have

earned. Unfortunately, I continue to hear from veterans and veteran service organizations and frontline VBA employees that older backlog claims are not being prioritized, or worse yet, they are stuck in the system.

We must also recognize that the administration of the National Work Queue tool does not only affect our veterans, but it affects the VBA employees that do their absolute best to carry out VA's sacred obligation. During visits to VA regional offices, we repeatedly hear the National Work Queue tools complex routing is causing frontline VBA employees to duplicate claim development already done by their colleagues in other parts of the country. That duplicated work wastes time and puts additional strain on claims processors abilities to meet increasingly demanding production quotas. As another unintended consequence claims processors rarely receive feedback on errors they have made in their work. This significantly hinders the rate an employee will learn and by effect, the overall quality of the workforce's service. To me, unnecessary deferrals and their unintended effects produce large scale inefficiency and inequity to both your employees and customers.

Today, I encourage our witnesses to recognize the need to address these key issues and to evolve National Work Queue alongside the needs of those most affected by its use. I thank you all for the work you have done, continue to do, and to ensure that we support our veterans, survivors and their families, and caregivers. I yield back.

Mr. LUTTRELL. Thank you, Mr. Pappas. Our lead witness from Veterans Affairs is Mr. Willie Clark, Deputy Under Secretary for Field Operations at the Veterans Benefits Administration. Mr. Clark is joined by Mr. Ken Smith, Assistant Deputy Under Secretary for Field Operations. I ask the witnesses, please stand. Please raise your right hand. Do you solemnly swear that the testimony you are about to provide is the truth, the whole truth, and nothing but the truth, so help you God? Thank you. Please be seated. Let the record reflect that the witnesses have answered in the affirmative.

[Witnesses sworn.]

Mr. LUTTRELL. Thank you again for being here, Mr. Clark, you now are recognized for 5 minutes to deliver your opening statement.

STATEMENT OF WILLIE CLARK

Mr. CLARK. Good morning, Chairman Luttrell, Ranking Member Pappas, and members of the subcommittee. I appreciate the opportunity to appear before you today to discuss the Department of Veterans Affairs National Work Queue. I am joined today by Mr. Kenneth Smith, the Assistant Deputy Under Secretary responsible for NWQ. We could not have processed the number of claims we have and handle the increase in receipts due to the PACT Act without the National Work Queue, we could not have done so. Prior to implementing NWQ in 2016, VBA used a manual process to move claims folders between regional offices. With NWQ, claims are distributed electronically using automated rules which allow for more consistent and reliable means for distributing work leading to improvement in customs service and efficiency, regardless of whether

veteran or survivor lives. Let me give you a recent example. A 10-percent service connected Minnesota veteran in his late seventies recently filed a claim for malignant condition based on a toxic exposure risk activity. The claim was established by the Houston Regional Office 4 days after submission and transferred by NWQ to the Milwaukee Regional Office. That evening, a Milwaukee employee developed for evidence to include ordering of examinations. The claim was marked as ready for decision, a status where VBA has a significant volume of nearly 300,000 claims that have been awaiting review for an average of 44 days. 5 days later, we received additional medical evidence which identified the veteran as terminal. The file was annotated, prompting NWQ's routing rules for terminal veterans to be reassigned back to the Milwaukee RO for priority action. On day 34, 1 day after the veteran was identified as terminal, the RO, Milwaukee RO completed a decision to award a 100 percent evaluation with eligibility for dependent educational assistance for his spouse, an increase of over \$3,700 per month in disability compensation.

NWQ now recalls and distributes more than 130,000 claims per day, which has led to an historic increase in output in Fiscal Year, FY '24. As of May 31st, VBA completed more than 10,000 disability survivor claims, disability and survivor claims, in a single day on 70 occasions, the first time in our history that we have accomplished this feat. Additionally, during the same period, VBA completed over 28 percent more claims compared to the same time last year. VA has historically centralized processing for certain claim types that require specialized handling, such as those related to mustard gas, radiation, pension or Agent Orange exposure, or from veterans residing overseas. Centralization develops the specialized knowledge required for each of these unique workloads, thereby improving efficiency through improved consistency, quality, and employee proficiency. As an example, VBA centralized this Military Sexual Trauma workload from eight interim locations to the MST Ops Center, a single site led by a senior executive director to enhance organizational oversight and effectiveness. In fact, we have more resources now assigned to MST than we had at the other eight locations combined.

As these new employees are onboarded and complete the unique requirements for MST claims processing, VBA is poised to further reduce inventory and improve service delivery. We also know many times MST claims are not initially identified as an MST claim. Rather, the claim is initially identified as a mental health disorder, with MST later being identified by the examiner. This necessitates additional development, elongating the claims process. Consolidating the MST claims provides focused attention to improve timeliness and quality while remaining compassionate to the mission of serving MST survivors. While VBA is providing more benefits and service to veterans than ever before, it is clear that we still face the twin challenges of unprecedented workload and workforce growth, and we are committed to continued improvements in NWQ. Accordingly, we have modernization improvements scheduled for completion by Fiscal Year 2026. In addition, our Under Secretary for benefits commissioned an NWQ Red Team to evaluate operational and functional capabilities, and we are currently reviewing

additional recommendations by the team. As always, VBA looks forward to the continued oversight provided by Congress and partnership of our stakeholders to improve service delivery. Chairman Luttrell, Ranking Member Pappas this concludes my testimony. I am happy to respond to any questions you or the subcommittee may have.

[THE PREPARED STATEMENT OF WILLIE CLARK APPEARS IN THE APPENDIX]

Mr. LUTTRELL. Thank you, sir. The written statement, Mr. Clark will be entered into the hearing record. Subcommittee will stand in recess, subject to call it a Chair. I expect us to reconvene 10 minutes after the closing of votes. Thank you. We will bring the committee back in order. Again, we will have a few others. Mr. McGarvey is, I am sure, moving as fast. What do you say? There he is. Outstanding. I now recognize myself for 5 minute questioning and then I will pass it off to the Ranking Member.

Mr. Clark, I am going to start with you, sir. As we know from the January '24 full committee hearing on survivors, National Work Queue, more or less fails to route surviving children's Dependency and Indemnity Compensation (DIC) claims for processing. They are just basically in a holding pattern in the National Work Queue for an extended period of time. Why does—if you will, if you can, please answer. Why do surviving children of veterans have to wait for VA to revise? From what I understand, there is a form that needs to be adjusted, and from what I understand, that is taking upwards of a couple of years before. Can you kind of walk me through that, sir, and tell me where we stand and—

Mr. CLARK. Yes, sir, 21674 is the form, but I would like to ask my colleague to answer that question, please.

Mr. LUTTRELL. Okay. Mr. Smith.

Mr. SMITH. Yes, sir. In January, when we identified the problem, or when the problem was identified, we began to manually find those forms and then get them out to the responsible Pension Management Center. We continue to do that at this point. We have already done more than 600 of those and we are continuing to do about 40 a week to keep that inventory down. We can keep those children of deceased benefit veterans enrolled in school and still receiving their benefits.

Mr. LUTTRELL. 40 per. You said 40 per week? I am sorry.

Mr. SMITH. About 40 per week.

Mr. LUTTRELL. 600 in totality. What is our gross number? You have that off top of your head?

Mr. SMITH. I do not have that off the top of my head.

Mr. LUTTRELL. Okay, I am sorry. Go ahead.

Mr. SMITH. Our pension service is working on the form to simplify it because right now when the child is ready to turn 18, a letter is sent to the parent 3 months before and that sometimes causes some confusion because the child may sign the form. We are working to revise that so we can get both signatures on it and continue that benefit or frankly, change the process altogether. Again, our pension service is working on that.

Mr. LUTTRELL. I do not know if I want to ask what changing the process altogether may look like that may be another hearing altogether.

Mr. SMITH. Yes, I believe that that is something that we would appreciate having a discussion with staff.

Mr. LUTTRELL. No problem.

Mr. SMITH. Get into further details.

Mr. LUTTRELL. Is there a timeframe if we go, let us say we go the route of revising the form. Do you have a window? Do you have bookends you can give me? Excuse me. Give the committee so we have a date that we are looking at. I do not want to have to revisit. When we revisit this National Work Queue, I do not want to ask this question again and say, where are we at? I want to say, why are not we done?

Mr. SMITH. The National Work Queue is distributing these cases manually. This is not a National Work Queue issue. The issue with the 2-years that you stated before is a rulemaking process to change when we send the forms out and can accept signatures from the children.

Mr. LUTTRELL. This does live inside the National Work Queue, from what I understand, or it is supposed to.

Mr. SMITH. Claims routing is inside the National Work Queue. We distribute the workload. The rules for adjusting or making these decisions is controlled by the policy lane. They are working on changes to that policy.

Mr. LUTTRELL. Okay, thank you, Mr. Smith. Mr. Clark, National Work Queue only allows the most recent VA employee who made an avoidable deferral to learn from that mistake. Why does not the National Work Queue have the capability to ensure that all VA employees who have made an avoidable more or less deferral can learn from the mistakes in the past? Let me preface this one, sir, cause I am almost pretty positive how you are going to answer this question. Just remember where we engage with the ROs, and we are at the, I am going to say the front line trace, and we are hearing exactly what they are telling us. It is sometimes in conflict from what we are hearing from leadership. Go ahead.

Mr. CLARK. Yes, thank you for that, for that question. I will start, and then again pass on to the NWQ.

Mr. LUTTRELL. I am not going to let you off the hook again there Mr. Clark. I appreciate it.

Mr. CLARK. Yes, sir. Here is what happens. The National Work Queue again distributes work.

Mr. LUTTRELL. Yes, sir.

Mr. CLARK. By age and what we have got is a situation where when there is an avoidable deferral, that deferral then is set back. It is a mistake that is made by a particular person. Again, it should have been avoided. That is why it is called an avoidable deferral. We route those back to the individual that made the error. Now, our quality review staffs take all of those errors that are done at a particular RO as well as it goes back to our comp service. That is rolled up and it is then used to provide better training. That phenomenon that you speak of is happening for all employees to get the training or the results of the errors that are made by individuals. We do take those errors and again push them back into training for VBA. Mr. Smith.

Mr. LUTTRELL. My time is actually up, sir. I am going to pass. We will revisit that in second line of questioning. Mr. Pappas, you are recognized, sir?

Mr. PAPPAS. Thank you, Mr. Chairman. I want to start by recognizing the great work that our VBA employees do day in and day out to assist our veterans. Sometimes we look at statistics, but I know that these VBA employees that work directly with veterans do not see them as numbers. They see them as human beings, and they do incredible work to make sure they get the help that they need and deserve. Mr. Clark, you mentioned in your testimony that National Work Queue prioritizes veterans whose claims are the oldest. But we heard from VA Office of the Inspector General (OIG) recently in a report last month where a senior VBA employee said that age is just a guideline, not a rule. I am wondering if you could clarify that. What priority does National Work Queue give to backlog claims, especially in relation to new or new specialized or packed presumptive claims?

Mr. CLARK. We do specialize or, excuse me, we do prioritize all of our work. First in, first out is what we typically use to determine what work is given to regional offices. There are times, such as when cases are terminal, such as if we have financial hardship, we have exceptions to those rules, and certain cases then go to the front of the line.

Mr. PAPPAS. But can you comment on the issue of age and whether age gets priority, or whether that is just a guideline that the oldest claims get worked on?

Mr. CLARK. Well, it is a priority, and that is that first in, first out is the acknowledgement to age. Our guiding principle is to work the oldest case that comes into our inventory. However, there are times when the age of the case does not take the preeminent priority for all work that is being done.

Mr. PAPPAS. Let me move to another area. Character of discharge determinations. To my knowledge, these determinations are initiated automatically once a veteran submits their claim and are completed by the same Veterans Service Representatives (VSR) that assess benefits claims. Could you clarify, are character of discharge determinations routed through the National Work Queue, or is the eligibility determination completed separately before the claim reaches the work queue?

Mr. SMITH. Thank you for the question, sir. Those are handled by the National Work Queue, and they can come in through one of two different directions. One is with an original claim. We will make that character of discharge determination based on military records and information from the veteran. The second avenue is a referral from Veterans Health Administration (VHA) for healthcare purposes, so they will present to the hospital. The hospital will not be able to establish eligibility based on their character discharge and will ask us for a determination. We do both. All of those claims are managed by the National Work Queue.

Mr. PAPPAS. These discharge determinations require a fundamentally different experience than benefits claims, I would imagine. Would you agree that character of discharge determinations would be a good candidate for specialization?

Mr. SMITH. I would say that they are very much part of our training background for all of our Veteran Service Representatives. I think that all of them need to understand basic eligibility criteria for VA benefits, and all of them are trained to do that.

Mr. PAPPAS. But not carved out specifically as an area of specialization?

Mr. SMITH. I would have to look at that, but I think based on the volume, they are probably better handled by a larger workforce so that we can ensure that we keep those claims moving. I should say though, they are specialized at nine regional offices when we receive them through the hospital, which is our biggest intake point.

Mr. PAPPAS. Okay. We have repeatedly heard from frontline VBA employees that one unintended consequence of deferrals within the National Work Queue is that VSRs and Rating Veterans Service Representatives (RVSR) are duplicating the work that is already been done by their colleagues. Duplicated work means that for every claim completed, there may be several VA employees that do not receive performance credit for the work that they have done on these claims. What is preventing VBA from finding a solution here? One example could be to make prior assignment routing logic the default. A single regional office maintains accountability for a claim, if possible. But can you comment on this credit issue?

Mr. SMITH. I am unaware of duplicate or redundant work. I would have to see some examples and would happy to have further discussion about that. I would say that in terms of routing claims back to the last employee, we have logic already established for that, and we are looking to refine that to ensure that we route it back to the last person that actually produced work that moved the claim forward.

Mr. PAPPAS. Well, thanks for those responses. Look forward to continuing the conversation. I yield back.

Mr. LUTTRELL. Thank you, Mr. Pappas, Mr. Self, you are recognized, sir, for 5 minutes.

Mr. SELF. Thank you, Mr. Chairman. I want to follow up on that because the committee tells us that multiple VSRs might handle any particular claim. Why do you even allow? Redundancy is the key point here, I think, because, and apparently they, every VSR handles it without deference to any previous VSR action. If that is correct, redundancy is built into this because that suggests to me that every time a new VSR handles a claim, they start over from ground zero. If that is the case, I think that we have a major fundamental infrastructure issue here with allowing, not only allowing, but directing this redundancy. Why do you pass it to multiple VSRs? First question.

Mr. SMITH. The National Work Queue is designed to send it back to the last person that touched the claim. We have logic that is built in both at the national level, to send it back to the last regional office, and we have a local logic that allows those claims to go back to the last person that touched it. All employees that touch a claim are expected to perform all necessary actions to move it to the next stage. If that happens, the claim should move forward and continue down the process. Avoidable deferrals, or mistakes, as Mr. Clark referred to them earlier, sometimes happen. It will come

back from the more senior employee and it should be routed back to that same person to make sure that they learn from those mistakes and can make that right.

Mr. SELF. Let us go to the avoidable deferrals. Do you know, do you keep track of how many avoidable deferrals any individual VSR has?

Mr. SMITH. Yes, that data is available.

Mr. SELF. That data is available. You know, you have people that make more mistakes than other people?

Mr. SMITH. Yes.

Mr. SELF. Now, how in the world if multiple VSRs and only the last VSR. Yes, the only last VSR is going to be corrected, what are you going to put in place so that every VSR can learn from their mistakes?

Mr. SMITH. I would say that the quality mechanism is in place to do just that. We have a separate quality mechanism that looks at the individual work of each employee as a sample. As those errors are identified, there is interaction with the quality review specialist, as well as the supervisor to provide feedback and mentoring to those employees.

Mr. SELF. Next question is how many VSRs? Order of magnitude. Order of magnitude. How many VSRs work every avoidable deferral claim? You got an idea?

Mr. SMITH. One avoidable deferral is worked by one VSR.

Mr. SELF. No, I mean, because we know, we are told that multiple VSRs might work an avoidable referral. On average, for an avoidable deferral, how many VSRs actually work them? One? Two? Three? Five?

Mr. SMITH. If a claim is deferred back, it goes to a single employee to correct and then move forward.

Mr. SELF. That is not what the committee staff is telling us. They said, in fact, it is rare over the lifetime of a claim, many VSRs may differ a claim, that is what I am trying to get at. What is the order of magnitude here that we are dealing with?

Mr. CLARK. If I can chime in here, claims do not come in just one issue at a time. You will have upwards of 20, 30, 40, 50 issues or more. If multiple exams are ordered, what has to happen is that as these exams come back and what we want to do in VBA is get the benefits out. That is what we are supposed to be doing, not waiting until the claim is ready in its totality for all 50 or 30 or whatever issues. As a result of that, when that claim goes back, when multiple sets of evidence comes back, then that claim is looked at by different people.

Mr. SELF. Actually, Mr. Clark, I think I am talking about an avoidable deferral. How many VSRs work each and every avoidable deferral? That is my question. If you need to get back to me, I would appreciate it. Because the committee staff is under impression that many VSRs could work an avoidable deferral. Because I think this redundancy is a major part of the problem, not going back to a single VSR and the redundancy that we have built in, if there is no deference to the previous work, I think that could be a major part of the infrastructure issue here. I yield back, Mr. Chairman.

Mr. LUTTRELL. Thank you, Mr. Self. Mr. McGarvey here. Recognized for 5 minutes, sir.

Mr. MCGARVEY. Thank you, Mr. Chairman. Appreciate the comments from everyone today. Mr. Clark, these issues we are discussing today have a devastating impact on veterans and their families. Claims that require special handling are getting caught in a system that is not equipped to manage the complex reviews necessary. As you know, the process itself, as well as staffing shortages, cause extreme delays. I just want to highlight a few of the things we have dealt with in the last year and a half in my office. There is one veteran in my district who filed a military sexual trauma case in February 2023 requesting a higher level review after previous denial. Two months later, she received a response from the VA stating they would found a, quote, duty to assist error. But there has been no contact from the VA since then, and that was more than a year ago. When our office reached out to the VA, we learned that her claim is being processed at, quote, the Decision Review Operations Center that specializes in military sexual trauma cases, and that her claim is still in the decision phase, awaiting distribution, quote, when capacity allows, more than a year.

Another veteran submitted a disability claim after experiencing a stroke. He has not heard anything back from the VA in 8 months. Another veteran we were assisting in Kentucky, he submitted a claim in early 2023 when he was diagnosed with cancer. He was notified of a duty to assist error. Unfortunately, he passed away in February of this year and still has never heard back from the VA. These are the kind of claims we are talking about today. These are the issues with the process itself, with the distribution of the claims back and forth between the NWQ division, the VBA regional offices, and there are problems with the incentive structure for the veterans service representatives as reviews are being completely restarted when a federal deferral has been made because of representatives that may be penalized for mistakes made in previous stages of development.

Mr. Clark, my question is, what is the VA doing today to address these problems and mitigate these inefficiencies, especially considering the recommendations of the VBA Red Team? Could you provide a concrete update on those recommendations, for example, the timeline on fulfilling each of those recommendations?

Mr. CLARK. We are doing several things. First, we just had a quality stand down day where we, rather than rating claims, we took a look at all of the errors that we were making being forthcoming here. Obviously, we do not get it right all the time. When you rate or you make 2.4 million decisions in a year, then some of them will not be right. But we understand and we keep foremost in our minds that our purpose is to serve veterans because decisions make changes in their lives. Our quality standdown day, we used to do just that. We wanted to find out what errors are being made and we provided training that entire day. We did wellness training for 2 hours, and the other six we provided training on mistakes being made. We will continue that process. That was our down payment. Our first time we have ever not produced ratings with the benefit expectation that we will discern what errors we are making, develop additional and better training products, and

then provide that training back to regional offices. This was a joint VA central office, regional office endeavor, and it was successful. Very successful. Again, our efforts here are to continue to improve upon what we are doing.

Mr. MCGARVEY. Thank you. I appreciate your acknowledging the errors, and I appreciate you stating the desire to improve. That is something we all share. Just because of the limited time we have here today, I am going to ask you my next question, but do want to continue to hear from you all on what you need to make sure these veterans are getting what they need from the VA. My next question is going to be: the Veterans Service Officers (VSOs) and American Federation of Government Employees (AFGE) are here today to offer testimony as well, and they are explicitly advocating for more special mission regional offices, like the one processing Camp Lejeune water contamination claims in Louisville, Kentucky, to manage the claims that require this type of special handling. What is the VA's response to those views?

Mr. CLARK. Our response is we do specialized training, as the VSOs mentioned, MST. I gave an example of military sexual trauma. We discern the receipts, the amount of income and claims coming in, and we need to keep our requisite indices at a point that represents outstanding service to the folks that make it possible for us to live in this great country. However, having said that, we have a lot of work as a result of the PACT Initiative, which we are responsible. We appreciate Congress passing that bill and giving us the moneys and funding to take care of that. We have hired a lot of people, and what we are doing is funding these special missions and putting the amount of resources in there to make sure that we provide optimum service for veterans and their survivors and independents.

Mr. MCGARVEY. Thank you very much. I yield back.

Mr. LUTTRELL. Thanks, sir. The machine, the National Work Queue, it is moving forward as best it can. You guys are doing a great job. Okay, just , and I understand, and I say this quite often in here. I mean, that is a very, extremely heavy rucksack you guys are carrying. The committee here is kind of pointing out a few things that we are trying to thread this needle. From what we are hearing from everyone inside the organization to the leadership, that is, there seems to be like a hinge point or a choke point or a bottleneck, where because what you are saying, Mr. Smith, is that the system is designed to bring the information back to the originator of the file. That is not what we are hearing. We are also hearing that, you know, VSOs, sometimes they do not have enough work, and they are sitting idly by while other VSOs are saying, hey, overwhelmed. I think there is a more or less, maybe a glitch in the matrix somewhere. We are trying to figure out exactly what that looks like, because our concern is, one, is that the individuals are not receiving information if they have made a mistake, if it progresses up to multiple VSOs, because we—I got to say, more or less here, that multiple VSOs touch a single package more than one individual touches a package from start to finish. But that kind of conflicts what you guys are telling us today. Kind of help me out on this one, Mr. Smith.

Mr. SMITH. It is possible that more than one Veteran Service Representative will touch a single claim—

Mr. LUTTRELL. VSR. Excuse me, I am sorry.

Mr. SMITH [continuing]. from start to finish. That is true. We prioritize returning claims to the last regional office that touched that claim so that they can use local rules to route it back to the last VSR that touched the claim. However, if that VSR does not have capacity, it has to go to someone. What we are trying—

Mr. LUTTRELL. Who makes the decision. Is it a supervisor's decision to move packets back down inside to the VSRs? It is correct?

Mr. SMITH. Yes. The division level and frontline supervisors have the ability to leverage automated rules or to make that decision.

Mr. LUTTRELL. Supervisor can make the decision to not push that back down inside the organization and send it out into the, what we most certainly would call the metaverse or the NWQ?

Mr. SMITH. No, they would have to send it back to another employee at their regional office.

Mr. LUTTRELL. It will not leave the regional office and go to another regional office somewhere in the United States? I think that is—that happens.

Mr. SMITH. Once it is been assigned to an office for action, it is that office's responsibility to take full and appropriate action to move that claim forward.

Mr. LUTTRELL. Until completion, or until it moves?

Mr. SMITH. Until the next, until, you know, they have fully developed the claim. Then it would be recalled to the NWQ to wait for that evidence request to come back.

Mr. LUTTRELL. Then if that happens, it may not necessarily go back down to give me a little rope here. It may not go down to Houston. It will go to Ohio, or could possibly.

Mr. SMITH. Could possibly. If there is not capacity at that regional office that touched it, it could go to another place.

Mr. LUTTRELL. Okay.

Mr. SMITH. Because we are trying to make sure that we are sequencing these claims to get the fastest decision possible for a veteran.

Mr. LUTTRELL. Should it go back to the original office from start to finish?

Having discussions, it seems like there is—they are almost having to start the process completely over if it leaves a regional office. These are discussions I am having with my particular office where I come from. I am not saying it is not, it is not effective means of moving these packets. Again, I am not trying to wire brush you here. I am just trying to make—continue to increase the National Work Queue in a way that, hey, we do not have outstanding numbers. We are down to zero and with no mistakes. That is a grandiose statement. Just hear me out on that one, Okay?

Mr. SMITH. There is no shortage of work right now, sir. We will push claims back whenever possible to the last regional office that touched it. But again, like, if they do not have the ability to take that claim because they are already, you know, over their three and a half days worth of work onsite, then it will go to another site.

Mr. LUTTRELL. That is a supervisor's call?

Mr. SMITH. No. Well, that is part of the NWQ logic if it is coming from NWQ down.

Mr. LUTTRELL. Okay, Mr. Pappas? Thank you.

Mr. PAPPAS. Thank you. I will not keep on that issue, but I share the Chairman's concerns there. I think we have got a system that is, you know, obviously quite complicated given the nature of the work, but that there is duplication and inefficiency here that, you know, we should continue to take a look at.

I want to ask about one specific issue, and it was raised in the VA OIG report, which identified over 10,000 specialized herbicide related claims that were ready for a decision, but instead were stuck in the National Work Queue Division and committee staff continues to hear about this issue despite corrections that have been made in response to the report. Can you talk about specific actions that have been taken out of the Office of Field Operations to improve these rule sets and what progress you think has been made? What work needs to continue to be done?

Mr. SMITH. The work that was identified by the OIG audit was related to the 2019 Blue Water Navy Act, as well as the National Defense Authorization Act that added new Agent Orange related disabilities. VBA at the onset knew that we were going to have to re-adjudicate, I think, about 140,000 claims, and we dedicated about a quarter of our workforce to doing just that. We knew that we would develop, you know, that it would take time to work through this massive workload that was identified on one single day. But we also knew that we had to continue providing benefits and services to people filing normal claims each and every day. That is why we fenced off 25 percent of our workforce. We communicated that to the court as well as to all of our stakeholders, and we have made good progress. We have resolved all of those claims. We continue to receive some new claims, but we continue to get them worked as quickly as we can.

Mr. PAPPAS. The 10,000 that were mentioned in the report, those have all been resolved?

Mr. SMITH. I believe so, yes.

Mr. PAPPAS. Okay. There are additional claims that continue to be processed, you know, through, under the same circumstances?

Mr. SMITH. Correct. On that basis, for, you know, as new veterans and survivors identify claims based on Blue Water Navy Service or the three new Agent Orange presumptives.

Mr. PAPPAS. Okay, well, we will certainly bring you specific examples if we do still have some pending, but appreciate your attention to those. I yield back.

Mr. LUTTRELL. Thank you, Mr. Pappas. Mr. Self, you are recognized for 5 minutes, sir.

Mr. SELF. Thank you, Mr. Chairman. As I have listened to, just real quickly, as I have listened to all the comments about the redundant work, it looks to me like we might have multiple ROs for any single claim. We might have multiple VSRs for any single claim, and we might have multiple RVSRs for any single claim. Again, I just share my colleagues comments with, it looks inefficient. I want to go to MST's backlog. You consolidated back in November 2023, right? Puerto Rico.

Mr. SMITH. Yes, sir.

Mr. SELF. The backlog looks to be growing by basically several hundred per month over the 6-months between October and April. Then in April of this year, you designated 225 out of 478 Full-Time Equivalents (FTEs) at Roanoke to help process. My first question is, from a managerial standpoint, were those 225 people gainfully employed before you redesignated them? Since you have redesignated them, what has fallen through the cracks of what they previously did, or were they gainfully employed?

Mr. CLARK. They were gainfully employed.

Mr. SELF. What is fallen through the cracks now that you have redesignated them to work on MSTs?

Mr. CLARK. Well, MST claims are part and parcel of the general population of claims, so we are working all of those claims. It is not a separate subset.

Mr. SELF. What were they, Mr. Clark?

Mr. CLARK. Yes, sir.

Mr. SELF. What were they doing before you put them onto MSTs, and what is falling through the cracks? Because 225 is a significant workforce across all of VA, I would submit. I fail to see how you have taken 225 employees out of some function, put them toward MSTs, and something is not suffering.

Mr. CLARK. Our backlog is being reduced. You made a comment which was spot on when you mentioned that the inventory in MST had been going up.

Mr. SELF. Right.

Mr. CLARK. We were not meeting receipts. Receipts were coming in faster than the output. While we do not like for that to happen, it was a result of a couple of things. Just like in the general population of claims, we crested at a particular point and receipts. We used mandatory overtime to assist us in exceeding the receipts, thus lowering the backlog. Right now, in MST, we have actually crested and the inventory is going down just like it is going down in the rest of the remaining cases. We realize we have a lot of work. This is why we are producing 2.4 million, and we have exceeded, on pace to exceed that again this year.

Mr. SELF. Okay, so a simple question. Let us simplify this. What were these 225 FTEs doing before they got assigned to MSTs?

Mr. CLARK. They were working the remaining. They were part of the 2.4 million claims that we had worked for the year. Which are part of that general number of claims. I understand your question. It is as if they are now what they are not doing is working the remaining portion of that 2.4 million. But keep in mind, sir, we are hiring new individuals every month. We are training new individuals and we are working overtime to make up for the work they are not doing with the regular output of claims.

Mr. SELF. Right. You peaked at 600,000. What is your backlog? Total backlog today in the NWQ?

Mr. SMITH. The total rating claims inventory backlog right now is about 278,000. That is as of end of May.

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

Mr. LUTTRELL. Thank you, Mr. Self. That is down. What was the number at the start of the year? I am sorry, Mr. McGarvey, I am jumping in front real quick.

Mr. CLARK. That was an excess of 400.

Mr. LUTTRELL. 400, now it is down to 200. Okay.

Mr. CLARK. Yes. We are, again, going back to your question, sir. The inventory is going down across VBA.

Mr. LUTTRELL. You good? Okay. Okay. Mr. Clark, Mr. Smith, thank you for your time. You are excused. Second panel. You are welcome to join us, please. You guys ready? Outstanding. Thank you for coming today. I will introduce our second panel. Mr. Herman Breuer, Policy Director of the National Association of County Veterans Service Officers. Ms. Ashlynn Haycock-Lohmann, Deputy Director of—I got it right? All right. Deputy Director of Government Legislative Affairs at the Tragedy Assistance Program for Survivors (TAPS). Mr. James Swartz, President, local president, Local 2823, American Federation of Government Employees. I ask that you all please stand. Please raise your right hand.

Do you solemnly swear that the testimony you are about to provide is the truth, the whole truth and nothing but the truth, so help you God? Thank you. Please be seated. Let the record reflect that the witnesses have answered in the affirmative.

[Witnesses sworn.]

Mr. LUTTRELL. Mr. Breuer, you are now recognized. 5 minutes, sir, for your opening remarks.

STATEMENT OF HERMAN BREUER

Mr. BREUER. Distinguished members of the subcommittee, the National Association of County Veterans Service Officers, commonly referred to as NACVSO, thanks you for the opportunity to provide testimony before you today, as well as for your time and your dedication to improving the benefits for the men and women who have worn our Nation's uniform. I am here today to bring to your attention some opportunities for refinement as it pertains to the claims adjudication process. As you are all aware, and I am happy to attest, the VA claim process has been significantly reduced with the implementation of the NWQ, but further efficiency can be achieved by enhancing collaboration between VA representatives and the veterans advocate to expedite the collection of necessary information and evidence.

I am an army veteran of the Iraq War. I was wounded by an Improvised Explosive Device (IED) in March 2004. My personal experience with VA came at a time when documents were reviewed on paper rather than electronically. The initial development of my own claim took approximately 14 months, primarily to the delays caused by the location of my medical records within the Pennsylvania Army National Guard. A year after returning home, I became a Veteran Service Officer. Delays in the disability process were evident, particularly during the development phase, and I would like to emphasize that. At that time the VA would issue a development letter called the Veterans' Claims Assistance Act (VCAA) Notice Response. Similar to today's 5103 Notice. This letter allowed veterans to declare whether they had submitted all of their evidence or needed an additional 30 days to gather more. The Regional Office would only send this letter after opening the mail and beginning to build the file, a process that often took 60 days. If the veteran did not reply promptly, they would then issue another letter 30-day response time, perpetuating a cycle that could extend

the claim development phase up to 12 to 18 months, and that is an extra year plus before veterans could even attend a compensation and pension exam.

As an advocate at that time, we submitted the claims by US Mail or fax and then we waited. These delays were frustrating, especially when telling veterans or their dependents to be patient, many of whom had just returned from Walter Reed, where they were literally patients just being patient. The practice of transferring files from busier ROs to less busy ones helped reduce workloads, but continued to add delays. The transfer process taking a minimum of 30 days to complete the National Work Queue was introduced to address these types of issues. While it was initially met with skepticism from advocates who feared losing the personal touch of knowing the right people in their RO, which can be very helpful to the advocate. Personally, I welcomed the NWQ as I fielded hundreds of calls each month from veterans and dependents inquiring about the status of their claim. The NWQ, combined with the fully developed claim process led to noticeable reductions in wait times.

Now that the NWQ has been standard operating procedure for the last 8 years, we can provide an honest assessment. The NWQ system is a solid improvement, but I know we can make it better. To optimize this system, it is crucial to truly partner with the advocates on the ground. If a Veteran Service Representative or a Rating Veteran Service Representative sees that a claim requires additional information or evidence, they should first work together with the veteran and then the veteran's accredited representative to obtain that information expeditiously. Currently, a phone call or email will be sent to the veteran alone, and if they do not respond immediately, the claim is returned to the NWQ for an additional 30 days. In the past, the VA was shuffling paper and files manually. Today, the shuffle still occurs, but it is digitally. Seeing this happen as an advocate can be extremely frustrating. Unfortunately, there are incentives in the current system to kick the claim back to the NWQ because there are no risks to following the procedure to the letter. The unfortunate outcome is that this often leads to unnecessary delays in benefits to a veteran who may desperately need them. By adding contact between VSRs, RVSRs, and a veterans accredited representative as a required step within the development procedure, we will empower those with the greatest understanding of the claim to collaborate on behalf of the veteran. This will also discourage delays in the claim development, all while making that personal touch to the NWQ that detractors were initially so worried about.

In conclusion, while the NWQ has brought about many improvements, fostering a collaborative relationship between VA and veteran advocates will further enhance the efficiency and effectiveness of the claim process, minimizing delays and ensuring that veterans receive the benefits that they deserve in the timeliest manner possible. Chairman, Ranking Member and members of the subcommittee, thank you for the opportunity to share your input from the field regarding the issues before the panel today. We look forward to your continued work together and we would be happy to take any questions for the record. Thank you.

[THE PREPARED STATEMENT OF HERMAN BREUER APPEARS IN THE APPENDIX]

Mr. LUTTRELL. Thank you, sir. The written statement of Mr. Breuer will be entered into the hearing record. Ms. Haycock-Lohmann, your opening statement. You have 5 minutes.

STATEMENT OF ASHLYNNE HAYCOCK-LOHMANN

Ms. HAYCOCK-LOHMANN. Chairman Luttrell, Ranking Member Pappas, and distinguished committee members, the Tragedy Assistance Program for Survivors is grateful for the opportunity to testify on behalf of the over 120,000 surviving family members of all ages, representing all services and with losses from all causes, who we are honored to serve. TAPS appreciates the committee for holding this important hearing as challenges with the National Work Queue are one of the biggest pain points in the survivor community. The most crucial is for our surviving children. If a surviving child turns 18 before graduating high school, dependency and indemnity compensation should be paid to the child through high school graduation. This is not happening. TAPS has consistently raised this issue with the VA over the past 5 years. Unfortunately, the VA has yet to develop a way to process these claims in a timely manner, leading to 18 months and longer delays in payments for these students. These should be easy supplemental claims, but every child has experienced a delay in payment due to the lack of a reasonable process.

The biggest challenge is that instead of these forms automatically dropping into the National Work Queue, they disappear into a file and have to be manually placed into the NWQ for processing. Many of these surviving children give up after years of trying and never receive the back pay they are owed. In addition, not only is DIC supposed to be paid until a child graduates high school, they should receive DIC for the months between graduating and starting college. Despite this being the law, students are rarely paid during those summer months. This is happening during an incredibly financially difficult time for our surviving families when costs for graduation, college applications, deposits, and other costs are incurring. VA has put forward a proposal to address both issues by updating VA form 21-674 to allow both the child and parent to sign, as well as an option for students to acknowledge that they will be using education benefits the following semester. Their expected timeline on that updated form is 18 to 24 months from the January oversight hearing. At that point, they intend to look at the larger problem, the fact that these forms do not automatically drop into the National Work Queue.

TAPS recommends a process for students to submit a single school certification form that will generate into the NWQ. Additionally, the VA's education services should be required to notify the pension management center of a surviving child enrollment and education benefits. Most importantly, TAPS highly recommends that the Office of Field Operations prioritize the fix to automatically drop these claims into the National Work Queue. TAPS also has concerns about the current wait times we are seeing for initial claims for DIC. We have seen cases where the where the processing time is over a year for an initial claim. We are also concerned that the response our team is receiving from VA has generally been

along the lines of we are backlogged. A case example of this is a Navy Vietnam veteran who died in June 2023 from Chronic Obstructive Pulmonary Disease (COPD) as a result of Agent Orange exposure. His surviving spouse applied for accrued benefits in DIC in September 2023. In December, she received a request for additional information as they did not have him listed as having deployed to Vietnam. The surviving spouse immediately provided the relevant information. TAPS reached out to the VA for an update on the status of the claim in February 2024 and received a response on April 8th. At that time, TAPS was informed that there had been no movement on the claim. TAPS followed up on May 6th and again on June 6th, where it was confirmed that claims processing was quite behind and that processing for many Agent Orange claims for non-Vietnam boots on the ground in littoral waters are temporarily suspended.

We understand that many of these DIC cases are incredibly complicated due to challenges such as contributing factors not being listed on death certificates, but the delays leave surviving families and financial hardship in the interim. Additionally, because the backlog is so high at the Philadelphia Regional Office where most of the DIC claims are processed, they have been sending them to Milwaukee, who appears to be ill equipped to handle them. We have seen several letters that were erroneous due to the backlog. One example is a letter that stated denied service connection on the first page, but all subsequent pages stated that the service connection was approved. VA did later confirm that the death was ruled service connected and that the letter was erroneous due to human processing error. VA has confirmed that they have hired 35 new Veteran Service Representatives and 25 new Rating Veterans Service Representatives that should be fully trained in August. We are hopeful that this will fix the backlog in Philadelphia.

In conclusion, while we appreciate VA sharing these updates, our biggest challenge has been and still is a lack of updated timelines. We know that the additional staff will help decrease wait times and clear the backlog, but an updated timeline would help TAPS and survivors better manage expectations for such critical benefits. We thank you for the opportunity to testify today and I look forward to your questions.

[THE PREPARED STATEMENT OF ASHLYNNE HAYCOCK-LOHMANN APPEARS IN THE APPENDIX]

Mr. LUTTRELL. Thank you, ma'am. The written statement of Ms. Haycock-Lohmann will be entered into the hearing record. Mr. Swartz, you are now recognized for 5 minutes to deliver your opening statement.

STATEMENT OF JAMES SWARTZ

Mr. SWARTZ. Chairman Luttrell, Ranking Member Pappas, and members of the subcommittee on behalf of AFGE and the National VA Council (NVAC), I appreciate the opportunity to testify today. My name is James Swartz, and I am President of AFGE Local 2823, representing the Cleveland, Ohio VBA Regional Office. I am a US Army vet service connected disabled veteran and have had the privilege of continuing to serve my fellow veterans, first as a registered nurse at the Cleveland, VA and then in VBA for the last

23 years. On behalf of the 304,000 VA employees AFGE represents, including thousands of claims processors, it is a privilege to offer AFGE's views on the National Work Queue and how VBA could better utilize this tool to serve veterans. I also want to personally thank Chairman Luttrell and Ranking Member Pappas for attending the AFGE VBA roundtable in February of this year, listening to the frontline employees and holding today's hearing.

Before the National Work Queue, each Regional Office sorted claims into an efficiency lane, regular lane, and special operation lane. AFGE agrees with the Inspector General's (IG) 2018 conclusion that VBA's decision to eliminate specialization of claims processing had harmed veterans with more complex claims. VBA has heeded those recommendations and created several special operations centers, allowing claims processors to repeatedly use their nuanced experience and expertise on certain complex claims benefiting veterans with these conditions. AFGE encourages VBA to identify additional complex claims suitable for special operations centers. The VBA should reestablish the efficiency in moderate lanes. An efficiency lane provides newer claims processors a chance to hone their skills and gain experience. Also, the veteran will not have to wait in line behind more complex claims and receive benefits sooner.

Within these lanes, there should be a first in, first out system to ensure that veterans of all complexity levels receive timely benefits. VA should modify the National Work Queue so that the claim remains within the same Regional Office for the duration of its processing. Variations between regional offices can cause claims processors from different regional offices to misunderstand each other's work and result in correct claim being unnecessarily deferred. Furthermore, by keeping a claim in a single Regional Office, managers have more control to send claims back to the original VSR who worked on it. This would allow VSRs to learn from the error and not repeat it, especially because the employees are responsible for any error that occurred prior to them receiving it. This would also let the VSR and RVSR who are already familiar with the claim quickly address follow-up work, saving other employees from using time to familiarize themselves with a new claim.

Despite the claims backlog, one of the most consistent complaints from claims processors is that they are not assigned enough work to meet their performance metrics and must wait time asking for more work. The reason for this problem is the internal controls VBA has put on the National Work Queue. To address this, AFGE recommends, first, the National Work Queue should automatically provide claims to an individual claims processors work queue when they are out of cases to develop a rate. Second, claims processors should have the limited ability to temporarily hold onto a claim before it is retracted by the National Work Queue. Claims processors will benefit from the National Work Queue, notifying them on how much longer they have to work on a claim before the claim is retracted. Having a claim stay within one Regional Office for its duration would avoid delays and give ROs more control over their workload. Third, the National Work Queue must better filter automatically ready to rate cases, ensuring employees do not waste

time on cases that the National Work Queue can determine are still not ready to rate. Fourth, VBA should program the National Work Queue so employees who have previously worked on the claim have claims returned to them. This would allow claims processors to learn from any mistakes that were previously made and improve efficiency.

Each veteran's claim could have many contentions not necessarily related to each other. Often, some contentions are developed and ready to rate prior to other parts. Unfortunately, VBA has an internal metric that awards credit to regional offices only on the claims that are rated and promulgated on all contentions. For example, if a veteran's claim has ten contentions and nine can be advanced prior to providing benefits, VBA does not credit ROs for rating almost completed claims. In contrast, individual claim processors are incentivized based on actions taken, not claims completed. The incentives that the RO's and claims processors have should be aligned so that they are working toward the same goal. Otherwise, the claims processor is pressured to complete a claim that may not be ready. AFGE and NVAC stand ready to work with the VA committee and VBA to fix the national war queue to better serve veterans. Thank you, and I look forward to answering your questions.

[THE PREPARED STATEMENT OF JAMES SWARTZ APPEARS IN THE APPENDIX]

Mr. LUTTRELL. Thank you, sir. The written statement of Mr. Swartz will be entered into the hearing record. We will move to questioning. Mr. Swartz, have you had that exact conversation about internal controls with any leadership in the National Work Queue infrastructure?

Mr. SWARTZ. Thank you for your question. I have had that conversation with multiple levels of VBA leadership, including the director at the Cleveland Regional Office. Well, as we are sitting here today, a lot of it has not been taken really into consideration.

Mr. LUTTRELL. Who in that? Who in the organization? Let us just say the committee was to have a hearing, and I am taking the internal controls and that list you just rattled off. Who needs to be sitting there in front of us to talk to about this?

Mr. SWARTZ. I believe, sir, the best. Thank you for that question. I believe the best answer to that would be Mr. Clark.

Mr. LUTTRELL. I am sure Mr. Clark is listening to everything you just said because he is still in the room with us. Next time I will be curious to see if any of those internal controls have been moved left or right of center. They seem to be viable, in my opinion. It comes—when it comes from your organizations and you all. I mean, you are the ones that are getting dirty. It seems like it would be a good win.

Ms. Haycock-Lohmann, with the age limit on the coming out of high school, what is the pushback and why? Okay, so I am trying. When you said that, I have been trying to play this out in my head, and believe it or not, I graduated high school with a guy that was 20 and I am, you know, from the South Texas area. You know, we kind of stretch it out a little bit. We like to do that. But what is the give or take on this one? Why is it 18 and you are done? Because I get that. But play this out for me.

Ms. HAYCOCK-LOHMANN. We understand all benefits generally end at age 18. Just reaching majority. That is about the age most children graduate high school. I graduated at 17, my brother graduated at 19. But kind of in that age range. But what we are seeing is that they cannot figure out whose issue this is. Pension and fiduciary has said it is an Office of Field Operations issue of OFO just told us that it is a policy issue.

Mr. LUTTRELL. There is an argument between two organizations trying to figure out who is supposed to handle it.

Ms. HAYCOCK-LOHMANN. Correct.

Mr. LUTTRELL. That just keeps going back and forth?

Ms. HAYCOCK-LOHMANN. Yes.

Mr. LUTTRELL. Okay. I am assuming we have those names. We will address that for you. Thank you. Okay, Mr. Breuer, it is almost the same question as I asked Mr. Swartz, in your opening testimony, the information you provided is the receiving end of that conversation, are they receptive of what you are saying?

Mr. SWARTZ. We have addressed that at the highest levels.

Mr. LUTTRELL. What is—Okay.

Mr. SWARTZ. Secretary.

Mr. LUTTRELL. The Secretary? Mr. McDonough?

Mr. SWARTZ. The Secretary.

Mr. LUTTRELL. Okay. Mr. McDonough is always very open eared and wide eyed when he is in front of us. I am going to just make the assumption that he was very—he received that very well?

Mr. SWARTZ. Absolutely.

Mr. LUTTRELL. Should I make the assumption, which I normally do not do, that once it goes down inside the organization is where it hits friction points?

Mr. SWARTZ. I would think that is correct.

Mr. LUTTRELL. Okay, interesting. Mr. Pappas. Go ahead, sir.

Mr. PAPPAS. Thank you. I appreciate all of your testimony. I think you contribute greatly to this discussion. Mr. Swartz, maybe I can start with you. I think you gave us some terrific ideas that we should be taking a look at and working with VA on here. Is there a top priority that you can name that will help us address the effectiveness of the National Work Queue?

Mr. SWARTZ. Thank you for that question. Yes, sir. I think the top priority would be that the Regional Office would receive the claim and keep it through its entirety. I believe that the rationale behind that would be for the relationship between a VSR and the RVSR. If there is a question about some development that was done, it could be answered immediately without having to worry about sending emails or trying to get somebody that perhaps works in a different time zone. With a lot of that as well, it also gives better control over the workflow within the Regional Office itself. While an employee is responsible for any of the errors that are called before them, as an employee, I would rather be responsible for my own errors and to be able to learn from them so I could correct it and develop as an employee, and also to ensure that the claims are being done as efficiently as possible.

Mr. PAPPAS. Well, no one knows this work better than you and the other VBA employees, so we are grateful for that suggestion. Wondering if you can elaborate on the benefits of specialization and

claims processing, and if you feel like there are other areas where we should move toward special missions?

Mr. SWARTZ. Thank you. The specialization, I believe, is very important if they were to keep the different lanes. For instance, the MST claims, you have certain areas that you have to go to get the information, certain things that need to be addressed specifically for development of that claim or that type of claim. If you have specialized areas that are doing it, they are more familiar with it and less likely to make developmental errors. That would allow for employees to move quicker and also for greater accuracy in those decisions. The same would go for the Blue Water Navy or any of the other claims that there are in specialized lanes. As far as it goes with any of the other things that need to be specialized at this point. That may be a little bit farther than I am able to answer at this time, but I am more than happy to look into it and follow up with your office.

Mr. PAPPAS. Terrific. Thank you. I have heard a great deal about the production quotas, Mr. Swartz, from workers in the Regional Office in my district, but also from that roundtable discussion we had with VBA employees. It creates an environment that incentivizes Regional Offices to prioritize throughput over quality in some circumstances. Is that a concern of yours? Are you seeing that? What recommendations would you have with respect to production quotas?

Mr. SWARTZ. Thank you for that question. I believe that, yes, that is a very big concern that we have as employees, and also for the union as well. When they have certain. As I mentioned earlier, the Regional Offices have metrics of claims completed per month. As a result of this, often less complex claims are moved to the head of the list so that they can increase their production. This usually occurs during the overtime where I have been told that the rationale behind that was a greater bang for the buck. My response to that was, we are not a business, we are a Federal Government agency. We do not have investors, we have constituents. All veterans deserve to be treated fairly and equally, despite the number of claims that they may have. I do think that it is used by the Regional Offices to meet self-imposed metrics from either CO or from the office itself.

Mr. PAPPAS. Mr. Breuer, would you agree that the performance production quotas, excuse me, create some different incentives and that affect the performance of the National Work Queue?

Mr. BREUER. Absolutely. What I see is that, you know, when we are looking at the claims through VBMS, and we are working remotely out there with the boots on the ground, and we are watching in real time as that claim gets processed, we are painfully watching a claim get returned to the NWQ for some piece of evidence that was missing. That is why we are asking for more cooperation from the VA with the veterans advocates on the ground, because that could have been taken care of immediately, either by phone call, email, fax, whatever medium that they chose. We could have given that information and avoided that, extending the life of that claim.

Mr. PAPPAS. Great. Thank you. I am out of time, so I will yield back.

Mr. LUTTRELL. Thank you, Mr. Pappas. Mr. Self, sir, you are recognized for 5 minutes.

Mr. SELF. Thank you Mr. Chairman. For each of you, what do you think the percentage of backlog is reasonable? Percentage of the total claims? Backlog of total claims over the year? What is a percentage?

Mr. BREUER. In my opinion, I would say maybe 10 percent. That may even be too high. I do not see why we have the backlog that we have.

Ms. HAYCOCK-LOHMANN. I would say probably no more than 5 percent. But once again, we do not see any reason why there should be a backlog.

Mr. SWARTZ. Thank you for the question. I would actually think that the backlog itself, and this is going to sound a little bit backward, the backlog should not be the major concern. It is the timeliness that it takes to get the claim from beginning to end is where it needs to be, the efforts need to be concentrated. As a veteran, I actually think that the backlog, as long as things continue to move appropriately, means that the VA is actually reaching out to more and more veterans, and more and more veterans are applying for the benefits that they deserve.

Mr. SELF. Okay, so it looks to me, if I heard Mr. Clark right, we are at about 10 percent right now, and I think for anyone to have that. Mr. Swartz, I want to read from your written testimony. Now understand who Mr. Schwartz is. He is the President of a Local Union. Is that correct?

Mr. SWARTZ. Yes sir, that is correct.

Mr. SELF. I quote from your written testimony, despite a claims backlog that has significantly grown following the enactment of the PACT Act, one of the most shocking yet consistent complaints from claims processors is that they are not assigned enough work to meet their performance metrics and must frequently ask their coaches for more claims to work on. Mr. Swartz, why is that in your written testimony?

Mr. SWARTZ. Thank you for that question. The reason that is in my written testimony is because the way the National Work Queue works, if you have not been able to address a claim quick enough within the 3-days or whenever it was put into your queue, there is a certain amount of time, the National Work Queue will pull it back into the void. A lot of times they will do that at the end of the day, so often you will have the people who promulgate or complete the claim itself cut the check, so to speak, will not have work in the morning because anything that was already made, completed will go back, and then the National Work Queue will redistribute that work in the morning. Which is one of the reasons I think if you keep the work at the Regional Office from being beginning to end, you could avoid a lot of that problem.

Mr. SELF. My point, and I think we need to explore this because I think that is a major issue and I will be putting in a question for the record. Mr. Chairman, I yield back.

Mr. LUTTRELL. Thank you, Mr. Self. Mr. McGarvey, you are recognized for 5 minutes, sir.

Mr. MCGARVEY. Thank you, Mr. Chairman. Appreciate you all being here today. I think regardless of where things come out, what

you see is we need to do everything in our power to ensure that all of our veteran's claims are processed accurately and efficiently. Of course, that means without delay. I appreciate your testimony to this committee so that we may better understand what steps need to be taken to improve the system.

Ms. Haycock-Lohmann, in your testimony, you suggest the VA increase the number of Special Mission Regional Offices to manage the development, rating, and promulgation of claims that require special handling. I understand VA did operate this way prior to the National Work Queue, which was designed to improve the efficiency of all claims. But given the specific expertise required for special mission claims, the VBA has been bringing them back. My question is, I am curious what you think are the risks and benefits of implementing these specialty offices. Under the NWQ system, the special mission claims are delayed when there is a lack of specific expertise needed to complete the development and rating these claims. But then when there is a specific team with that particular expertise, claims may be delayed due to staffing shortages on those teams. Just truly asking you, what is the right balance?

Ms. HAYCOCK-LOHMANN. I do not know if that was specifically in our testimony, but where we have seen specialization work very, very well has been the Philadelphia office, where they handle an overwhelming majority of DIC claims. Claims that are straightforward move very quickly if it is very straightforward, if everything is in the file to begin with, we see turnaround oftentimes for an initial claim in three to 9 months. Where we see issues is these less straightforward claims. Issues with things like the death certificate stating the cause of death as heart failure, but that heart failure was caused by cancer, or as they were declining, something along those lines, and the coroner's office is not putting those on the death certificate. The extra steps of having to prove that. But we have found that having those cases very specialized has helped at least increase the process. But of course, we do see a major backlog right now in those processes, because they are understaffed. Though, VA has assured us that they have hired about 55 new VSRs and RVSRs that are expected to start, start July 1st and be fully operational by August.

Mr. MCGARVEY. Thank you. You know, sometimes up here we ask questions to make a point. Sometimes we ask questions to get answers. I am truly interested in the answers of these questions. Mr. Swartz, I will go to you next. Thank you for your service. What are your thoughts on the risks and benefits of implementing more specialized offices?

Mr. SWARTZ. As far as the risk of more specialized offices, I think that it is very low risk. The more specialized offices we have, as I had mentioned in the testimony, that the different nuances for the development of specialized areas would be a lot more efficient. If you have people who are used to doing it and know what tools and where to go for the information, I could only see it benefiting. The slightest risk that I could see is if everything is specialized, then the less or non-specialized claims, you only have so many employees. Even with the PACT Act, we have a lot of employees that came on who have really little experience at this point. But the more people that are pulling the different carts in different direc-

tions, it is going to leave less employees to handle more generalized claims.

Mr. MCGARVEY. Thank you. Mr. Chairman, I yield back.

Mr. LUTTRELL. All right, ladies and gentlemen, thank you very much. Thank you to all the witnesses for testifying for us today about the important issues of ensuring that National Work Queue accomplishes the goal and timely processing of all types of veterans and survivors claims, and ensuring that the National Work Queue allows VA employees to learn from their mistakes when developing claims. With that, I yield to the Ranking Member for any closing remarks.

Mr. PAPPAS. Well, thank you, Mr. Chairman, for holding this session. I thank all of our witnesses for their testimony. Clearly, this is an issue where I think we have received some important feedback that we have to continue to dig in on. But I just want to thank all those who assist veterans, all our VA workers, for what they do each and every day. We have got to make sure that the systems that are in place ultimately are serving our end veterans in the best way possible, the most efficient way possible, and that we are rewarding those who are doing this work. I think we have got some constructive feedback that we can get to work on here, and look forward to working with you, Mr. Chairman, on some improvements. I yield back.

Mr. LUTTRELL. Thank you, Mr. Pappas. Thank you all for joining us. Mr. Clark, Mr. Smith, again, thank you for taking the time today. I ask unanimous consent that all members have 5 legislative days to revise and extend their remarks and include extraneous material without objection, so ordered. This meeting is adjourned. [Whereupon, at 12:23 p.m., the subcommittee was adjourned.]

A P P E N D I X

PREPARED STATEMENTS OF WITNESSES

Prepared Statement of Willie Clark

Good morning, Chairman Luttrell, Ranking Member Pappas, and Members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the efficacy of the Department of Veterans Affairs (VA) National Work Queue (NWQ) I am joined today by Mr. Kenneth Smith, the Assistant Deputy Under Secretary directly responsible for NWQ.

VA is committed to providing outstanding customer service to all Veterans, their families, and their survivors. VA built its NWQ with this goal in mind: to ensure that our claims processing workforce renders timely benefit eligibility determinations to Veterans, especially those who have been waiting the longest for a decision or fall into one of the agency's priority categories. Today I will focus my testimony on the purpose and functionality of claims distributions by NWQ for the Veterans Benefits Administration's (VBA) disability compensation, pension, survivor, and decision review programs.

NWQ Purpose and Functionality

Prior to implementing the NWQ in 2016, the Veterans Benefits Administration (VBA) historically processed claims according to the beneficiary's State of residence and addressed imbalances in workload distribution by manually transferring large cohorts of claim files from one regional office (RO) to another who had greater processing capacity. This manual transfer process, known as "brokering," was able to address small workload imbalances, but it was impossible to adjust each RO's workload in "real time," address large or chronic capacity shortfalls at some ROs, or enforce a "first in, first out" strategy uniformly, while also ensuring VA priority claims were addressed expeditiously. VBA's national brokering strategy relied on shipping massive quantities of paper files between ROs across various states. Once entirely paperless in 2015, claims could be moved electronically, but still through a very labor-intensive process that replicated the paper-based manual brokering due to a lack of central management structure or a workload distribution functionality to support daily reprioritization and assignment of oldest claims or local rules to assign claims to individual employees. Now, national claims distribution using automated rules allows more consistent and reliable means for distributing workload to the field, leading to improvement in customer service by reducing variance in processing timeliness across RO, regardless of where the Veteran or survivor lives. Prior to NWQ, claims awaiting initial evidence development at one RO waited an average of 123 days, while at another, claims in the same cycle were waiting 15 days—a 108-day variance. Today, that same variance is approximately 5 days.

NWQ Workload Distribution

The NWQ is a rules-based, technology solution that automates workload distribution to assign the national workload assignment to the existing capacity at each RO or special mission site. The Central Office NWQ Team is comprised of 28 employees, about half of whom are Veterans themselves, conduct daily reviews and assessments of VBA's entire workload, adjusting as necessary to ensure equitable distributions via automated production jobs. Each night, NWQ's rules engine ranks claims based on age and priority to assign claims for action while also balancing the national workload across all ROs to provide the same level of timely customer service to Veterans, their family members, and their survivors, no matter where they live. As the VBA team assesses the distribution, they make adjustments and additional claim assignments to ensure the oldest and highest priority claims are distributed to deliver benefits decisions as timely as possible.

At times, the implementation of new legislation, such as the Honoring our Promise to Address Comprehensive Toxics Act of 2022 (PACT Act) and the Blue Water Navy Vietnam Veterans Act of 2019, or court orders like those in the *Nehmer* case have increased workload demands through an influx of new claims or re-adjudications. In other instances, unexpected circumstances such as the coronavirus disease

(COVID-19) pandemic have disrupted supply chains and slowed processing. Local circumstances, such as weather related emergencies, can be easily mitigated by NWQ's capability to quickly recall and redistribute claims from impacted offices. Despite these challenges, using a national workload distribution system has been very successful in leveraging resources to balance workload across the Nation and help VBA rapidly recover from unforeseen challenges.

The NWQ's daily rules ensure that each RO has approximately 3.5 days' worth of work, which ensures that all employees have sufficient work to complete based on their performance standards. RO performance metrics are structured to ensure that claims are worked within 3 days of assignment to the RO. This process ensures that VBA uses full capacity to produce decisions, and that the oldest and highest priority work as distributed by the NWQ continue to advance through the process efficiently. As VA has added new staff, its capacity has increased. NWQ now recalls and distributes more than 130,000 claims per day, which has led to a historic increase in output—in Fiscal Year (FY) 2024 as of May 31, 2024, VBA completed more than 10,000 disability and survivor claims in a single day 70 times.

From October 1, 2021, to May 18, 2024, thanks to Congress' support for additional staffing through appropriations and new legislation such as the Toxic Exposure Fund, VBA has onboarded 15,142 claims processors; 4,912 were onboarded during Fiscal Year 2022, and 10,230 were onboarded from the start of Fiscal Year 2023 to May 18, 2024. The change in onboarded staff improves VBA's claim processing capacity, with approximately 59.3 percent more onboard claims processors than Fiscal Year 2021 levels. Using the NWQ as a national workload distribution tool provided a huge return on investment by allowing VBA to hire the most qualified candidates across the country and balance workload through distribution rather than being constrained by local labor markets. This hiring flexibility supports continued improvements in claims processing performance and efficiency.

As the VA Office of Inspector General (OIG) noted in its report published on May 8, 2024, the NWQ's distribution of work is limited to the capacity of each RO to complete the work timely.¹ This capacity is based on the experience level of employees in their position and the number of employees at the RO. Through training and mentoring, VBA expects claims processors to improve in proficiency during the first 2 years in their position. Although VA has hired a record number of new staff, it continues to improve its quality and output to reduce the increased backlog that resulted from the short-term surge in claims following passage of the PACT Act. In the 22 months since the PACT Act was signed into law, VA has received on average 195,857 claims per month. In comparison, in the 22 months prior to PACT Act being signed into law, VA averaged 138,345 claims received per month, an increase of over 57,000 claims per month. On January 4, 2024, the backlog, which are compensation and pension rating claims pending greater than 125 days, peaked at 423,179 claims, but has since been reduced by over 32 percent, and on May 2, 2024, the backlog fell below 300,000 claims. Overall inventory has been reduced by over 13 percent from the beginning of Fiscal Year 2024. At the end of May 2024, VBA completed 28.6 percent more claims compared to the same time last year, and it even completed its one millionth claim of the year on March 1, 2024, more than a month faster than last year. Thanks to the NWQ's continued distribution of the oldest claims first, at the end of May 2024, VBA's Rating Average Days Pending (ADP) was 115 days and Non-Rating ADP was 112 days, each consistently averaging well under backlog status of 125 days.

Routing of Quality Reviews and Deferrals

VBA is building requirements for future Veterans Benefits Management System (VBMS) functionality that will improve claims processor efficiency and accuracy, while also improving the employee experience. Part of this process is our commitment to providing high quality decisions and ensuring our workforce can improve through non-punitive feedback from more senior employees through a process known as a deferred decision or "deferral" for short.

Deferrals are opportunities to mentor and provide constructive feedback to junior employees. VBA's higher-graded decision-making employees perform a review of work performed at earlier stages of the claims process to determine if all necessary actions and evidence to support the Veteran's claim have been completed. If they have not, these employees will defer a decision, sending that deferred claim back to an earlier stage for additional work. The deferral process has existed since VBA's paper claims processing days, but now leverages claims routing functionality to ensure non-punitive feedback is efficiently routed through VBA's NWQ routing logic.

¹Delays Occurred in Some Veterans' Benefits Claims While Awaiting Decision, available at <https://www.vaog.gov/>.

VBA categorizes two types of deferrals for corrective action: avoidable and unavoidable.

Avoidable deferrals are those that should have been preventable by the prior employee and are commonly missed actions to collect necessary evidence. The NWQ routes these deferrals back to the prior station that completed the work, regardless of the volume of work currently at that station, to ensure awareness of the issue and ensure prompt correction as a learning opportunity for the employee. ROs may use rules to automatically route avoidable deferrals back to the responsible employee, or first line supervisors may review these deferrals and manually route them to their employees to better detect trends and provide supportive training. Avoidable deferrals are not considered to be formal errors for accountability purposes, which are conducted on independent and random samples of all employees' work through separate oversight mechanisms.

Unavoidable deferrals are those that may not have been preventable, such as those resulting from evidence or correspondence received following the prior employee's action. Because these deferrals do not represent a defect in workmanship, the NWQ distributes them with all others requiring further development, with first preference for the prior RO, following Prior Assignment Routing (PAR) logic.

To formally assess quality, VBA has three primary programs of quality assessment: VBA's national Systematic Technical Accuracy Review (STAR) program, Individual Quality Reviews (IQRs), and In-Process Reviews (IPRs). These reviews and quality assessments are handled by the Quality Management System (QMS), which is external to VBMS and the NWQ. By policy and agreement with our labor partners, VBA employees must receive feedback from qualified quality review personnel or their supervisor and are allowed to appeal that determination. These formal assessments help identify required training and support VBA's formal accountability processes. Each assessment provides the employee with a manual reference of legal citation fully describing the deficiency identified.

Claims processors generally prefer to receive work that they had worked in prior stages, because they can frequently recall certain aspects of the claim. NWQ will return claims to the most recent RO of jurisdiction through PAR functionality if there is sufficient capacity to complete it at that RO. Once a claim is distributed from the NWQ to an RO, the RO's locally established routing rules and prior assignment settings determine the actual assignment to a claims processor(s).

Centralized Workloads

NWQ supports decisions to centralize specialized work and automatically routes identified claims requiring specialized knowledge for unique workloads to improve efficiency, productivity, and accuracy. VA has historically centralized processing for claim types that require specialized handling, such as those related to mustard gas, radiation, pension, or Agent Orange exposure, or from Veterans residing overseas.

More recently, VA consolidated Camp Lejeune contaminated water claims and military sexual trauma (MST) claims. Because NWQ distributes claims based on capacity at these special missions, backlogs at special mission sites are indicative of a need for additional staffing at that site. VA is aggressively hiring and shifting its workforce at special mission sites to address imbalances to ensure continued improvement in service delivery.

Backlogs in these smaller claim inventories occur when there is insufficient capacity to address the volume of work on hand at these special mission sites. VA historically has addressed challenges through overtime and, where possible, increased staffing. An example of centralization improving outcomes for specialized claim types is the assignment of foreign work to the Pittsburgh RO. Through this expanded capacity, the timeliness of the foreign claim inventory has improved by 7.9 percent from the end of Fiscal Year 2023 to May 2024, and the volume of claims pending has decreased by 33 percent.

Agent Orange-related claims were centralized to ensure tight control over a set of cases requiring re-adjudication under Court Supervision. In the OIG's review dated May 8, 2024, they identified a backlog of Agent Orange-related claims that were incorrectly ranked by NWQ tool and ranking rules. The ranking rules were corrected immediately after the flaw was identified. However, the delayed distribution of ready for decision claims identified by OIG stemmed from a management decision to dedicate 20 percent of the workforce to processing these claims to support the simultaneous need to address the Court's requirement for a plan of action and to ensure timely processing for all other Veterans, their families, and their survivors. VA transparently communicated with stakeholders about this plan and the state of this inventory to stakeholders and continues to provide a bi-weekly report on Blue Water Navy claims to the Committees.

VBA also centralized the MST workload based on the OIG's recommendations. MST workload initially routed to MST-trained claim processors at eight ROs until the MST Operations Center (MST-OC) in San Juan was fully operational. The MST-OC has a single site lead by an Executive Director to enhance organizational effectiveness. As part of this model, the NWQ routes claims to specially trained MST claims processors through NWQ.

The MST-OC was operational and began receiving claims distributions from the NWQ in June 2022. The pending inventory of MST claims incrementally increased as receipts outpaced claims completions, requiring VA to recalibrate employee processing capacity to draw down this inventory and improve timeliness. Upon MST-OC reaching full staffing and stabilization of the MST inventory, the designated employees at the eight MST sites resumed processing non-MST workload.

However, the inventory continued to increase, requiring VBA to increase staffing for MST claims processing. An additional 143 employees were assigned to the MST-OC, and starting in April 2024, 250 staff from an additional RO were designated and trained for MST processing. Currently, the MST "surge site" is in progress of completing the rigorous training and a quality proficient release program, with full employee process capacities on the horizon. As additional capacity is trained for MST claims processing, the NWQ distribution flexibilities allowed the agency to quickly pivot and ensure that the oldest claims were assigned to claims processing resources at each RO.

Three designated Pension Management Centers (PMC) process pension and survivor benefit claims focusing on benefit delivery to some of our most vulnerable claimants. Survivor benefit claims relating to Dependency and Indemnity Compensation (DIC) and service-connected burial claims are generally processed by the Philadelphia PMC. Our St. Paul and Milwaukee PMC's focus efforts on processing original income-based pension claims for Veterans, their families, and their survivors, non-service-connected burial claims, as well as pension maintenance claims such as income and dependency adjustments.

Since Fiscal Year 2023, VA has increased staffing at our three PMCs by 18 percent and in May 2024, VA further increased staffing for survivor processing at the Philadelphia PMC by 7 percent to address increasing workload and improve timeliness. In addition, the rapid hiring authority under the PACT Act contributed to lost PMC capacity, because many experienced claims processors in the St. Paul and Milwaukee PMCs were promoted to higher-graded claims processing positions. These offices are actively backfilling these losses and are expected to be fully staffed in 2024. NWQ continues to be flexible in routing specific survivor workload to improve the timeliness of service to survivors.

NWQ Red Team

VBA recognizes that the NWQ can always be improved, and based on internal feedback in June 2023, the Under Secretary for Benefits commissioned a "Red Team" to evaluate the operational and functional capabilities of the NWQ in the current landscape of workload management and the claims processing environment. The review team consisted of RO Directors, Division Managers, NWQ staff, and first line supervisors, who rigorously analyzed the claims distribution process focusing on the robust voice of the customer, a comprehensive review of the process, and root cause analysis steeped in data.

The review findings resulted in 12 recommendations in 3 thematic buckets: systems, rework, and workload management. Four of these recommendations pertained directly to NWQ programming and functionality. These recommendations dovetail with existing plans to modernize and improve NWQ and are scheduled for completion by Fiscal Year 2026.

The first recommendation is a technical enhancement to the PAR logic to improve routing to the employee who performed the last claims processing action. Current logic routes the claim to the employee who last touched the claim, which may have been a supervisor or quality reviewer, which may require a subsequent touch to route to the intended recipient. This enhancement request has been prioritized for completion in Fiscal Year 2025. Second, the NWQ proposes to create a badging system to link employee quality, training, and experience to work assignments to allow for greater control of complex claims that require greater expertise and improved accuracy. Although ROs already can establish local routing rules to distribute workload based on unique claims attributes, badging functionality will improve oversight of VBA's capacity and streamline claims assignments and pinpoint training needs.

Next, the Red Team recommended more frequent updates to the capacity engine driving the NWQ, which is currently updated once per week. This improvement will allow more agile distribution and reduced latency that today requires manual NWQ analyst intervention.

Last, the Red Team recommended a hybrid “push/pull” workload distribution of Veteran’s claims to allow dynamic claims prioritization throughout each day. This enhancement would no longer limit claims distribution and prioritization to the daily national distributions while also allowing RO personnel to pull work into their queue more easily.

Conclusion

The NWQ continues to function as intended from inception, nationally distributing workload across geographical boundaries, and ensuring the timeliest service for Veterans, their families, and their survivors. For example, the average time to complete a claim in 2013, prior to NWQ, was 347.8 days, with a variance between stations of 394 days. Ten years later, and 7 years following implementation of NWQ, the average time to complete a claim was 130.4 days, with a variance between stations of 19.4 days.

VBA knows that more work remains to be done and is committed to continued transparency for stakeholders to explain the NWQ and to improve the status of claims for Veterans on VA.gov. In May 2024, VA made improvements to the Claims Status Tool on VA.gov, making it easier to identify when action is needed by a Veteran, what claims are in progress, when specific claims were submitted, and where to find available decision letters. Accredited representatives for the Veteran or survivor need to only call our dedicated customer service line or reach out to the service officer liaison at the RO where the claimant resides for information or assistance. Likewise, caseworkers from congressional offices may call or email their local RO’s point of contact for questions or assistance with a constituent’s claim. We remain committed to the strong partnerships between stakeholders and ROs, while also ensuring the most efficient benefits delivery to Veterans, their families, and their survivors.

As always, VBA looks forward to the continued oversight provided by Congress and the partnership of our stakeholders to improve service delivery. Chairman Luttrell, Ranking Member Pappas, this concludes my testimony. I am happy to respond to any questions you or the Subcommittee may have.

Prepared Statement of Herman Breuer

Chairman Luttrell, Ranking Member Pappas, and distinguished members of the Subcommittee, the National Association of County Veteran Service Officers—commonly referred to as NACVSO—thanks you for the opportunity to provide testimony before you today, as well as for your time and your dedication to improving the benefits for the men and women who have worn our Nation’s uniform.

I am here today to bring to your attention some opportunities for refinement as it pertains to the claim adjudication process. As you are all aware—and I am happy to attest—the VA Claim process has been significantly improved with the implementation of the National Work Queue (NWQ), but further efficiency can be achieved by enhancing collaboration between VA representatives and the veterans advocate to expedite the collection of necessary information and evidence.

I am an Army veteran of the Iraq War, wounded by an IED in March 2004. My personal experience with VA came at a time when documents were reviewed on paper rather than electronically. The initial development of my own claim took approximately 14 months, primarily due to the delays caused by the location of my paper medical records with the Pennsylvania Army National Guard.

A year after returning home, I became a Veteran Service Officer. Delays continued in the disability process and were evident, particularly during the development phase. At that time, the VA would issue a development letter called a VCAA Notice Response, similar to today’s 5103 Notice. This letter allowed veterans to declare whether they had submitted all of their evidence or needed an additional 30 days to gather more. The Regional Office (RO) would only send this letter after opening the mail and beginning to build the file, a process that often took 60 days. If the veteran did not reply promptly, they would issue yet another letter with a 30-day response time, perpetuating a cycle that could extend the claim development phase up to 12–18 months, that is, an extra year-plus before veterans could even attend a compensation and pension exam.

As an advocate at that time, we submitted claims by US Mail or fax and then waited. These delays were frustrating, especially when telling veterans or their dependents to “be patient,” many of whom had just returned from Walter Reed where they were literally patients being patient.

The practice of transferring files from busier ROs to less busy ones helped reduce workloads but continued to add delays; the transfer process taking a minimum of 30 days to complete. The National Work Queue (NWQ) was introduced to address these types of issues. While it was initially met with skepticism from advocates who feared losing the “personal touch” of knowing the right people in their RO, which can be very helpful to the advocate.

Personally, I welcomed the NWQ. As I fielded hundreds of phone calls each month from veterans and dependents inquiring about their claim status, the NWQ, combined with the fully developed claim process, led to noticeable reductions in wait times.

Now that the NWQ has been the standard operating procedure for at least 8 years, we can provide an honest assessment: the NWQ system is solid improvement, but I know we can make it better. To optimize this system, it is crucial to truly partner with the advocates on the ground. If a Veterans Service Representative (VSR) or a Rating Veterans Service Representative (RVSR) sees that a claim requires additional information or evidence, they should first work together with the veteran and then with the veteran’s accredited representative to obtain that information expediently, currently a phone call will or email will be sent to the veteran alone, and if they don’t respond immediately, the claim is returned back to the NWQ for an additional 30 days, in the past VA was shuffling paper and files manually, today the shuffle still occurs, but digitally, seeing this happen as an advocate can be frustrating. Unfortunately, there are incentives in the current system to kick the claim back to the NWQ because there are no risks to following the procedure to the letter. The unfortunate outcome is that this often leads to unnecessary delays in benefits to a veteran who may desperately need them. By adding contact between VSR’s, RVSR’s and a veterans accredited representative as a required step within the development procedure, we will empower those with the greatest understanding of the claim to collaborate on behalf of the veteran. This will also discourage delays in claim development, all while adding that “personal touch” to the NWQ that detractors were initially so worried about.

In conclusion, while the NWQ has brought many improvements, fostering a collaborative relationship between VA and veteran advocates will further enhance the efficiency and effectiveness of the claim process, minimizing delays, and ensuring that veterans receive the benefits they deserve in the timeliest manner possible.

Chairman, Ranking Member, and members of the subcommittee, thank you for the opportunity to share our input from the field regarding the issues before the panel today. We look forward to our continued work together and would be happy to take any questions for the record. Thank you.

Prepared Statement of Ashlynn Haycock-Lohmann

The Tragedy Assistance Program for Survivors (TAPS) is the national provider of comfort, care, and resources to all those grieving the death of a military or veteran loved one. TAPS was founded in 1994 as a 501(c)(3) nonprofit organization to provide 24/7 care to all military survivors, regardless of a service member’s duty status at the time of death, a survivor’s relationship to the deceased service member, or the circumstances or geography of a service member’s death.

TAPS provides comprehensive support through services and programs that include peer-based emotional support, casework, assistance with education benefits, and community-based grief and trauma resources, all delivered at no cost to military survivors. TAPS offers additional programs including, but not limited to, the following: the 24/7 National Military Survivor Helpline; national, regional, and community programs to facilitate a healthy grief journey for survivors of all ages; and information and resources provided through the TAPS Institute for Hope and Healing. TAPS extends a significant service to military survivors by facilitating meaningful connections to peer survivors with shared loss experiences.

In 1994, Bonnie Carroll founded TAPS after the death of her husband, Brigadier General Tom Carroll, who was killed along with seven other soldiers in 1992 when their Army National Guard plane crashed in the mountains of Alaska. Since its founding, TAPS has provided care and support to more than 120,000 bereaved military survivors.

In 2023 alone, 9,611 newly bereaved military and veteran survivors connected with TAPS for care and services, the most in our 30-year history. This is an average of 26 new survivors coming to TAPS each and every day. Of the survivors seeking our care in 2023, 34 percent were grieving the death of a military loved one to ill-

ness, including as a result of exposure to toxins; 30 percent were grieving the death of a military loved one to suicide; and only 3 percent were grieving the death of a military loved one to hostile action.

As the leading nonprofit organization offering military grief support, TAPS builds a community of survivors helping survivors heal. TAPS provides connections to a network of peer-based emotional support and critical casework assistance, empowering survivors to grow with their grief. Engaging with TAPS programs and services has inspired many survivors to care for other more newly bereaved survivors by working and volunteering for TAPS.

Chairman Luttrell and Ranking Member Pappas, and distinguished members of the House Committee on Veterans' Affairs, Disability and Memorial Affairs Subcommittee, the Tragedy Assistance Program for Survivors (TAPS) is grateful for the opportunity to provide a statement for the record on issues of importance to the 120,000-plus surviving family members of all ages, representing all services, and with losses from all causes who we are honored to serve.

The mission of TAPS is to provide comfort, care, and resources for all those grieving the death of a military loved one, regardless of the manner or location of death, the duty status at the time of death, the survivor's relationship to the deceased, or the survivor's phase in their grief journey. Part of that commitment includes advocating for improvements in programs and services provided by the U.S. Federal Government—the Department of Defense (DOD), Department of Veterans Affairs (VA), Department of Education (DoED), Department of Labor (DOL), and Department of Health and Human Services (HHS)—and State and local governments.

TAPS and the VA have mutually benefited from a long-standing, collaborative working relationship. In 2014, TAPS and the VA entered into a Memorandum of Agreement that formalized their partnership with the goal of providing earlier and expedited access to crucial survivor services. In 2023, TAPS and the VA renewed and expanded their formal partnership to better serve our survivor community. TAPS works with military and veteran survivors to identify, refer, and apply for resources available within the VA, including education, burial, benefits and entitlements, grief counseling, and survivor assistance.

TAPS also works collaboratively with the VA and DOD Survivors Forum, which serves as a clearinghouse for information on government and private-sector programs and policies affecting surviving families. Through its quarterly meetings, TAPS shares information on its programs and services as well as fulfills any referrals to support all those grieving the death of a military or veteran loved one.

TAPS President and Founder Bonnie Carroll served on the Department of Veterans Affairs Federal Advisory Committee on *Veterans' Families, Caregivers, and Survivors*, where she chaired the Subcommittee on Survivors. The committee advises the Secretary of the VA on matters related to veterans' families, caregivers, and survivors across all generations, relationships, and veteran statuses. Ms. Carroll is also a distinguished recipient of the Presidential Medal of Freedom, the Nation's highest civilian honor.

DEPENDENCY AND INDEMNITY COMPENSATION FOR HIGH SCHOOL STUDENTS

If a surviving child turns 18 before graduating high school, Dependency and Indemnity Compensation (DIC) should continue to be paid to the child until their high school graduation. Unfortunately, this has not been happening. TAPS consistently raised this issue with the VA over the past 5 years, but during that time the VA has not developed a way to process claims for continuation of benefits until graduation in a timely manner, delaying payments for these surviving children up to 18 months and longer.

Approximately 6 months before a child turns 18, the VA sends them a copy of VA Form 21-674 to complete in order to maintain DIC until graduation. The VA has stated they cannot legally begin to process these forms until the day the child turns 18. At this point, the applications should be dropped into the National Work Queue (NWQ), but because they are supplemental claims, they are not. When the VA finds the application, usually on average 3 months after the child has turned 18, if the parent signed it, they kick it out as they need the child's signature as a legal adult. If the child signed it before turning 18, the VA has kicked it back requesting it be resubmitted and dated after the child's 18th birthday. At this point, the application disappears into the VA system but does not go into a file or the NWQ.

Approximately six to 12 months later, when the claim is processed, after repeated calls from the survivor or their representative, and usually after the child has graduated high school and started college, it's kicked back for a third time. This happens because the student is now utilizing VA education benefits and is no longer eligible for DIC, despite the claim being for the timeframe between their birthday and be-

fore they began utilizing VA education benefits. This is the point where most survivors give up because they feel it is not worth continuing to try to obtain their benefits.

In order for the Pension Management Center (PMC) to take immediate action to process these student claims, “the claim needs assignment from the NWQ.” The problem is that these student claims are supplemental claims and are not typically dropped in the NWQ. On occasion, the PMC has contacted the Office of Field Operations (OFO) to expedite claim assignments to the PMC, but it is on a case-by-case basis, usually at the request of a VSO or NSO, and still takes months for movement on the claim. Most claims to extend benefits for surviving children who are adults still in school are well over 6 months to 2 years.

We have seen three methods to extend the benefits work: complete the 21-674 Approval of School Attendance; complete the 21-534EZ application for DIC; or both. Additionally, sometimes the forms completed by the parent are accepted; other times the requirement of the child’s signature is requested by the VA, or vice versa based on the date of the form and the child’s 18th birthday. There has been no consistency as to which of the above processes works. There has also been no consistency as to who is required to sign the form that is eventually accepted.

TAPS elevated this issue to the Veterans Benefits Administration (VBA) Under Secretary Josh Jacobs in December 2023. The VA has provided us with what they view as a temporary fix as well as a long-term solution. The short-term solution has been to pull the list of applications, manually, weekly and put them into the NWQ. To date, we have not seen shorter processing times with the temporary fix, but we hope this begins to address the issue in the short term.

The proposed longer-term fix is to redo VA Form 21-674 and to add a secondary signature block so that both the parent and child can sign the form. The VA expects this to take 18-24 months to complete. However, this does not fix the fact that these applications do not get dropped into the NWQ. The VA has stated that once they finish redoing the form, they will start to look for a fix to the NWQ issue. TAPS appreciates the form being updated to reduce many of the challenges our survivors face, but the bigger issue has always been that these forms do not get automatically dropped into the NWQ, which is something the OFO must prioritize.

As a temporary solution, TAPS has suggested to survivors that once a student turns 18, to avoid years of extended delays as mentioned above, the student should complete both the 21-534EZ and the 21-674 to bypass the supplemental claim delays in the NWQ. On average, this workaround usually takes three to 6 months, but this is not a real or permanent fix.

To break it down, a case example of an actual surviving child who “gave up” after 3 years of trying:

A surviving child’s Army retiree father succumbed to a service-connected illness in November 2018. Prior to turning 18 in August 2019, his mother had been receiving DIC benefits on the child’s behalf.

- September 2019: Because the child was enrolled in school and not accessing VA education benefits, TAPS confirmed with the VA the adult child submitted the VA Form 21-674 Request for Approval of School Attendance, the VA Form 21-674b School Attendance Report, the VA Form 21-686c Application to Request to Add and/or Remove Dependents, and the updated Direct Deposit notice.
- About a week later the Pension Management Center (PMC) advised TAPS, “one of the coaches would review the claim.”
- December 2019: The VA advised that there had been “no activity” regarding the DIC claim.
- January 2020: The BVA liaison told TAPS and the survivor “to call the VA hotline” and to involve the liaison “when the matter is urgent or an emergency,” but also confirmed there were “no updates available on the status of the DIC claim.”
- February 2020: The VA advised that the adult student now needed to submit his own VA Form 21-534 Application for Dependency and Indemnity Compensation, Survivors Pension, and Accrued Benefits by a Surviving Spouse or Child to apply for DIC “in his own right.”
- May 2020: The VA confirmed the mother was not receiving benefits for the adult student since he reached the age of maturity. Additionally, the VA advised the VA Form 21-674 could not be used to “continue” his DIC award, but then also said there was no 21-674b on file to show he was enrolled in college. Later that month, the VA then recommended the adult child also submit the VA Form 21-534a Application for Dependency and Indemnity Compensation by

a Surviving Spouse or Child In-Service Death Only and stated the original submission of the VA Form 21-674 “only complicated things.”

- July 2020: The VA advised that all the “paperwork” was received in early June and to expect a “few months” to process.
 - While waiting for his DIC to process, the adult student did apply for DEA and started using the benefit.
- August 2020: The VA advised that “no further action had been taken” in regard to the claim.
- September 2020: The VA advised there “was no update as of yet” in regard to the unpaid DIC claim.
- October 2020: The VA advised the claim “was still pending.”
 - Late October: The VA advised because he started using DEA, he was not eligible for DIC. TAPS raised the question of the unpaid months for DIC between the time his father passed before he started using DEA, as he was enrolled in school the entire time and would be eligible.
 - The VA provided the additional response that the family has “missed some time requirements”—that the mother originally submitted the 21-674, but he was already 18. On June 20, the VA received his 21-534EZ along with the 21-674, and the 21-674b which was not signed by the school. The student started using DEA in August 2019, so the VA denied his claim for DIC due to receiving education benefits. TAPS again questioned the unpaid DIC between November 2018 (when the veteran passed) and August 2019 (when the child started using DEA).
- Late October 2020: The adult student formally submitted the VA Form 20-0995 Decision Review Request: Supplemental Claim, VA Form 21-4138 Statement in Support of Claim, VA Form 21-674 Request for Approval of School Attendance, and VA Form 21-674b School Attendance Report for the ongoing unpaid DIC benefits prior to accessing DEA benefits. The VBA confirmed receipt on Nov. 4, 2020.
- November 2020: The VA confirmed the documents were “entered into the system on Nov. 17, 2020.” The VA advised it was in the “National Work Queue” and would “likely be resolved within the next several weeks.”
- January 2021: The VA advised the claim had been “assigned to a specific office, however, there was no final determination as of yet.”
 - Later that month, the VA advised there were again concerns with the VA Form 21-674b being incomplete and that an updated Direct Deposit form was required.
 - The adult student again resubmitted the VA Form 21-674b School Attendance Report and the VA Form 29-0309 Direct Deposit Enrollment/Change.
- February 2021: The VA advised they had sent a letter dated Jan.19, 2021, which stated, “Since he is already getting his DEA, he can’t be back paid for the DIC he didn’t receive.” This denial was despite his efforts to apply for DIC 1 week after turning 18, and 9 months before he started receiving DEA.
 - After this second denial and 18 months of trying, the student gave up trying to “fight” for the unpaid DIC benefits.

*** VA did pay the child in December 2023 after Under Secretary for Benefits, Josh Jacobs, was provided this case example from TAPS.**

The DOD experienced similar problems with executing benefits for child option, Survivor Benefit Plan (SBP) recipients, which, for years, was a much bigger issue than the DIC issue for transitioning students. The Defense Finance Accounting Service (DFAS) rolled out a new process in 2019 that is heavily based on an honor system. It recognizes that the application and supporting documents required to process benefits are legally binding documents. Survivors are expected to report any changes related to their eligibility statuses, offering more straightforward navigation for survivors and more efficient processing for the agency.

Survivors are no longer required to have their school officially certify forms; instead, they sign acknowledging that they must immediately notify DFAS if any information needs updating. For example, if students transfer schools or discontinue school, reduce school attendance to less than full-time, or change their marital status, they must contact DFAS to update their information. Survivors receive a notification after submission that DFAS received their forms along with a case file number. If survivors file these forms electronically, assigning a processor and notifying the survivor is often a matter of days.

If there are any errors with the submitted forms, DFAS will often contact survivors and guide them through corrections. After updating student annuities, survivors receive a final communication confirming the processing of the annuity with the account in “paying status.” Now that this process is streamlined and filed electronically, what used to take up to 9 months to address is now on average 30 days.

Surviving families have repeatedly told us that navigating only one new form is easy and that electronic filing has prevented payment delays. Thus, TAPS highly recommends the VA switch to a similar process.

TAPS RECOMMENDATION: Allow students to submit a single school certification form, such as, or similar to, the VA 21-674, upon their 18th birthday, along with a new direct deposit form that will generate a process into the NWQ upon receipt. This will ensure students’ DIC payments continue through their high school graduation. Additionally, if the VA Education Office awards benefits, the Pension Management Center is required to be notified by the Education Office to release additional funds for the summer months between high school graduation and their first day of utilizing the education benefits.

To help further highlight this important issue, the following are personal testimonials from survivors who have been fighting for DIC while in high school:

Rebecca Eggers, Surviving Spouse of CPT Daniel W. Eggers, U.S. Army

“My son turned 18 in December 2018, during his senior year of high school. In January 2019, we faxed the paperwork to the VA to indicate he was still in school and that his DIC should continue. In August 2019, he began using Chapter 33 benefits for college. We received a letter in March 2020 indicating that his DIC eligibility was approved and he received a retroactive payment of approximately \$3,500 for DIC for January 2019 through July 2019.

“In the spring of 2022, he received notification that an audit was done on his account and that he received DIC while also receiving education benefits. We filed a dispute; however, we still have not received anything back in the mail on whether the debt was resolved. Although the retroactive payment was made in 2020, the payment was for January through July 2019 when he was not receiving education benefits. Had the VA processed the initial student verification in a timely manner, rather than taking over a year, the payment would not have conflicted.”

Lisa Luttrell, Surviving Spouse of LTC Stuart Luttrell U.S. Army

“I actually paid my children so I didn’t have to fill out or assist them with the paperwork. I just gave them the amount. When I called the VA and was told what I had to do to submit, the sheer amount of ‘man-hours required’ on my part outweighed a few hundred dollars apiece. DIC was already awarded and shouldn’t require more than one box to check.”

DEPENDENCY AND INDEMNITY COMPENSATION FOR HIGH SCHOOL GRADUATES

Not only is Dependency and Indemnity Compensation (DIC) supposed to be paid until a dependent child graduates high school, they are also to be paid the months between graduation and starting college, if they activate VA education benefits for the following term. The VA does not do this but instead, DIC is terminated upon graduation from high school. Most survivors do continue on to post-secondary education, and as eligible surviving students, elect VA Education Benefits, that application does not extend the DIC for the summer.

38 CFR 3.667(b) allows continued DIC benefits through summer break when a school child receiving DIC in high school elects DEA/Fry Scholarship starting with the fall school year. Continued payment of DIC is warranted only if there is no break in school beyond summer. If the child took the fall semester off or a gap year, then DIC ends with high school. Adjudication procedures for VA field stations on this topic are found in M21-1 III.iii.6.C.2.b

TAPS recently worked with the St. Paul, Minnesota Regional Processing Office (RPO) who did provide a workaround. They recommended that surviving children submit a second 21-674, but, instead of putting in the dates of attendance, list the citation “38 CFR 3.667 (b)” to show the claims processor where to look statutorily for what the student is applying for in terms of benefits. While we are seeing this work so far, with the handful of cases we have helped to submit, we do not view this as a long-term permanent fix.

The VA has stated that the long-term fix for this is to update VA Form 21-674 and add a box that states “continuing education next year” or something similar to

allow them to pay the student through the summer months. We are optimistic that this will work, but these forms do not get automatically dropped into the NWQ, so they have extremely high processing times. The VA's estimated timeline for updating this form is 18–24 months from the January 2024 House Committee on Veterans' Affairs oversight hearing.

Additionally, the VA has stated that they do not have a way to track these students as the Education system does not talk with the Pension system to determine dates for when a child has graduated high school and when they have activated education benefits, which could create debts for students if they do not stop payments when education benefits begin.

DELAY IN CLAIMS PROCESSING FOR DEPENDENCY AND INDEMNITY COMPENSATION

TAPS has concerns about the current wait times we are seeing for initial claims for Dependency and Indemnity Compensation (DIC). We have seen several cases where the processing time is over a year for an initial claim. We are also concerned that the response our Casework team is receiving from the VA has generally been along the lines of “we are backlogged,” but there have not been any updated timelines provided.

A case example of this is a Navy Vietnam veteran who died on June 6, 2023, of Chronic Obstructive Pulmonary Disease (COPD) as a result of Agent Orange (AO) exposure through Blue Water Navy. He only had a disability rating of 10 percent for tinnitus. His surviving spouse applied for accrued benefits and DIC on Sept. 10, 2023. TAPS Casework reached out to the VA requesting a status update and confirmation of receipt of claims in October, which was confirmed. In December, the surviving spouse received a request for additional information, as they did not have him listed as having deployed to Vietnam. The surviving spouse provided this information within a few weeks. TAPS reached out to the VA for an update on the status of the claim on Feb. 3, 2024, and received a response on April 8, 2024. At that time, TAPS was informed that there had been “no movement” on the claim. TAPS followed up on May 6, 2024, and again on June 6, 2024, when it was confirmed that claims processing was “quite behind” and that “processing for many of the AO claims for non-Vietnam boots on ground (BOG) or littoral waters are temporarily suspended.”

We understand that many of these DIC cases are incredibly complicated due to challenges, such as contributing factors not being listed on death certificates. However, the VA has had all the information on this file since January, and there has been no movement on the claim. This leaves the family in financial hardship while awaiting a decision that should be fairly clear-cut due to the *Blue Water Navy Vietnam Veterans Act of 2019* (PL–116–23).

Additionally, because the backlog is so high at the Philadelphia Regional Processing Office (RPO), where most of the DIC claims are processed, they have been sending them to the Milwaukee RPO which appears to not be equipped to handle them. We have seen several letters that were erroneous due to the backlog and Milwaukee being ill-equipped to handle these cases. One example is a letter that stated “Denied Service Connection” on the first page, but all subsequent pages stated that service connection was approved. The VA did later confirm that the death was ruled “service-connected” and that the letter was erroneous, due to human processing error.

The VA has confirmed that they have hired 35 new Veteran Service Representatives (VSR) and 25 new Rating Veteran Service Representatives (RVSR) who will start in Philadelphia in July and should be fully trained by August. We are optimistic that this should fix the backlog in Philadelphia and pull all of the DIC claims out of Milwaukee and back into Philadelphia, where they belong.

While we appreciate the VA sharing these updates, our biggest challenge has been—and still is—lack of an updated timeline. We know that the increased number of VSRs and RVSRs will help decrease wait times and clear the backlog. We hope to see an updated timeline for processing times from the VA soon. Having a clearer timeline would help TAPS and survivors better manage expectations for such critical benefits.

CONCLUSION

TAPS thanks the leadership of the House Committee on Veterans' Affairs, their distinguished members, and professional staff for holding this important hearing on survivor issues. TAPS is honored to testify on behalf of the thousands of military and veteran surviving families we serve.

Prepared Statement of James Swartz

Chairman Luttrell, Ranking Member Pappas, and Members of the Disability Assistance and Memorial Affairs Subcommittee:

The American Federation of Government Employees, AFL–CIO (AFGE) and its National Veterans Affairs Council (NVAC) appreciate the opportunity to testify at today’s subcommittee hearing titled “Examining Shortcomings with VA’s National Work Queue Veterans Benefits Claims Management System.” My name is James Swartz, and I am the President of AFGE Local 2823, representing the Cleveland, Ohio Veterans Benefits Administration (VBA) Regional Office (RO), and am a member of the National Veterans Affairs Council VBA Legislative Committee. I am a U.S. Army veteran having attained the rank of Sergeant and I am a service-connected disabled veteran. After my military service, I have had the privilege of continuing to serve my fellow veterans, first as a Registered Nurse at the Cleveland VA Medical Center, and then in the VBA for 23 years, including as a Rating Veteran Service Representative (RVSR), Decision Review Officer, and as a Rating Quality Review Specialist in the Cleveland, Ohio RO.

On behalf of the 304,000 Department of Veterans Affairs (VA) employees AFGE represents, including thousands who are frontline workers at the VBA, over 50 percent of whom are veterans themselves, it is a privilege to offer AFGE’s views on VBA’s use of the National Work Queue (NWQ) and more importantly, offer both basic and nuanced suggestions that could improve VBA’s use of this technology to enable claims processors to better serve veterans more efficiently and accurately. Additionally, I want to especially thank Chairman Luttrell, Ranking Member Pappas, and DAMA staff for attending a roundtable on VBA during AFGE’s Legislative Conference in February of this year, considering our input on the NWQ, and holding today’s hearing.

Background

The NWQ was created in part to maximize the VBA’s claims processing capacity between regional offices. One justification for the NWQ is that if one RO has a backlog of claims and another RO has capacity, VBA can use the NWQ to easily transfer claims to a different RO for processing. The NWQ certainly has helped achieve this original goal of moving claims to where there is more capacity. However, VBA management has utilized the NWQ beyond this basic transferring of claims, an action that has caused numerous unintended consequences that must be highlighted to this committee and addressed by VBA.

Specialization of Claims

Prior to the implementation of the NWQ, each regional office operated in the “Segmented Lanes model” with three separate lanes, including an efficiency lane for claims with few contentions or issues, a regular lane for a moderate number of contentions, and a special operations lane for certain complex claims or veterans with a significant number of contentions. AFGE agrees with the Inspector General’s (IG) 2018 conclusion that VBA’s decision to eliminate specialization of claims processing has had a detrimental impact on veterans whose claims 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 MST [(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 strongly supported returning to a “Special Operations” model for as many complex claims as the system will support. Over the intervening 6 years since this report, VBA has heeded some of this advice as it tries to reestablish what it did for to specialty claims. Now certain RO’s have Special Operations Centers within them where certain claims are processed, including MST claims at the San Juan, PR RO, Camp Lejeune Water Contamination claims in the Louisville, KY RO, and Radiation claims in the Jackson, MS RO. This allows VBA to have its highly skilled claims processors work on particular claims with veterans benefiting from this expertise. As the VBA continues to build out these Special Operations centers, AFGE encourages VBA to identify ad-

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

ditional complex areas suitable for a Special Operations center where specialization would benefit additional veterans.

Beyond the Special Operations Centers, AFGE also recommends that VBA use the NWQ to sort and distribute claims in a manner similar to the efficiency and moderate lanes that existed as part of the “Segmented Lanes model” prior to the NWQ. This would serve two specific purposes to help both veterans and claims processors. First, by putting a veteran whose claim has a minimal number of contentions in the express lane, the veteran will not have to wait as long in line behind more complex claims and could receive benefits sooner. Much like a shopper who goes to the grocery store for a gallon of milk and wants to use an express checkout lane instead of waiting behind a family doing their shopping for the week, veterans who have easier claims should not be held up by VBA’s preoccupation with meeting its own internal metrics.

Second, the original “Segmented Lanes model” created the opportunity to help new claims processors by assigning them to the efficiency lane and allowed them to hone their skills on relatively less complex claims, with more seasoned and experienced claims processors in the moderate and special operations lanes. This provided claims processors with on-the-job training, which benefited future veterans, as well as current veterans with pending claims by having more tenured claims processors focus on claims that required their experience. AFGE urges the VBA to leverage the NWQ to best maximize claims processors expertise while efficiently serving veterans.

Keeping Claims in One Regional Office for their Duration

There is a cliché in the VA that if you have been to one VA Medical Center, then you have been to one VA Medical Center. This holds true for VBA ROs. For this reason, AFGE also encourages the VA to modify the NWQ so that cases remain within the same RO for the duration of the claims process. Every RO, despite uniform production standards and training, often has its own way of conducting specific tasks. These small but critical differences between ROs can cause claims processors from different ROs to misunderstand each other’s work, and result in a correct claim being unnecessarily deferred, delaying veterans from receiving their benefits. Having a claim stay within one RO for its duration would avoid these inconsistencies and delays. Additionally, by having the claim stay within the same RO, communication and collaboration is improved. For example, an RVSR, having a working relationship with VSRs in the same RO, could easily ask a VSR who worked on the claim a clarifying question, receive a quick response, and address a small problem with the claim, instead of requiring the claim to be deferred and reworked, causing delays. This would be significantly less likely to work for claims processors in different offices, who might be slower to respond to an e-mail from an unknown colleague or might be working in a different time zone.

To take this a step further, by keeping claims in one RO for the duration of their processing, managers who assign work would be more in control to send claims where a RVSR caught an error or required a deferral back to the original VSR. This would allow the VSR to learn from the error so as to not repeat it. This would also let the VSR and RVSR who are already familiar with the claim quickly address follow-up work, instead of having different claims processors taking significant time and energy to understand an entirely new claim. Under the current rules of the NWQ, this scenario is extremely unlikely.

Unlocking the NWQ

Despite a claims backlog that has significantly grown following the enactment of the PACT Act, one of the most shocking yet consistent complaints from claims processors is that they are not assigned enough work to meet their performance metrics and must frequently ask their “coaches” for more claims to work on. The reason for this problem is the internal controls VBA has put on the NWQ. Generally speaking, VBA assigns an RO a certain number of claims each day, which are then passed down to teams, and then individuals.

First, the NWQ should automatically provide claims to an individual claims processor’s work que when they are out of cases to develop or rate. This would greatly improve efficiency.

Second, claims processors should have the limited ability to hold onto a claim for a longer period than what is allotted before it is retracted by the NWQ. Each individual claims processor works slightly differently, notably in the order in which they work on their assigned claims. These different preferences for working through claims can result in claims being taken away from processors before they have had the opportunity to work on it later that day or the following day. Allowing each claims processor to ask the system for an extension on a limited number of claims

would be helpful to claims processors planning their daily work. Similarly, claims processors would benefit from NWQ notifying them how much longer they have to work on a claim before the NWQ will retract a claim into the system. This would help the processor appropriately budget their workday. Currently, claims processors know on which day a claim is assigned, but not what time or how much time they have left to work on the claim.

Third, the NWQ must address “automatically ready to rate” claims. These claims are sent to a RVSR after they have not been worked on for a certain amount of time. While no claim should fall through the cracks, RVSRs must spend time determining why the claim has not advanced, often discovering after a considerable amount of time that the claim is still waiting on medical evidence or other information. VBA should better filter “automatically ready to rate” claims so those waiting on additional detail are not automatically sent to a RVSR, harming efficiency.

Fourth, as was mentioned previously, VBA should program the NWQ to allow VSRs and RVSRs who have previously worked on a claim to have claims return to them if available. This would allow claims processors to learn from any mistakes that were previously made and allow them to use time and prevent a different claims processor from having to use time to familiarize her/himself with an entirely new claim more efficiently.

Examining RO Performance Metrics

AFGE would like to highlight, that in addition to the performance standards for individual claims processors, each individual RO is expected to meet VBA-imposed performance metrics. While measuring the success of both individual claims processors and entire ROs is important and within the VBA’s purview, there are at least two RO level metrics that AFGE believes do not serve the best interest of the veteran, including “Time in Queue” as well as the way VBA awards credit for the partial rating of claims.

“Time in Queue”

“Time in Queue” is a term describing how long a claim has not only been in the claims process, but also how long it has been at certain steps within the claims process. Each step has its own countdown of days that a claim can be in a particular step before it is considered late. For example, if a claim has 10 steps with 5 days allocated for each step, a claim can spend 5 days in each of the ten steps and be considered on time. Because of this, when prioritizing which claims to assign when, VBA management looks at how much time a claim has left in its current step before it is considered late for advancement. This can lead to VBA slow-walking claims that are ready to advance even though claims processors may be waiting for work.

Additionally, if a claim is late in any one of the 10 steps, the entire claim is deemed late. Because of this metric and how VBA reports claims, using the previous 10-step, 5-day example, VBA would prefer a claim to spend the full 50 days with 5 days in each of the ten steps and be considered on time, instead of a claim being completed in 36 days, where a claim spent 3 days each in nine of the 10 steps, and 6 days in one of the 10 steps as it would be deemed late, despite being completed 2 weeks earlier. It is not hard to imagine that veterans would rather have their claims deemed “late” and completed 2 weeks earlier than having them be considered “on time” by a VBA internal metric.

Rating of Partial Claims

Each veteran’s claim can have as few as one contention and as many as dozens of contentions, not all which are necessarily connected to each other. Because of this, it is common that some parts of a veteran’s claim are developed and ready to rate prior to other parts. Unfortunately, VBA has an internal metric that awards credit to ROs only on the claims that are fully rated and promulgated on all of their contentions. This in turn can hold up all of a veteran’s claim on the basis of a single outstanding contention. For example, if a veteran’s claim has 10 contentions, and nine are developed by a VSR, and the remaining contention requires additional medical records or an additional compensation and pension exam, VBA discourages ROs from rating the 90 percent of the claim that is ready to rate by not awarding credit until later. This has the doubly negative effect of delaying a veteran from receiving a significant part of his or her benefits, and delays ROs from assigning work to claims processors who need claims to work on, all because the RO with the claim does not want to let the last step be completed by a different RO and receive credit for the entire claim. While not all ROs follow this practice and will decide to rate partial claims, the mere existence of the metric and certain ROs attempting to meet it is a classic case of VBA treating veterans like widgets instead of warriors. AFGE calls on VBA to eliminate these counterproductive metrics and instead create

metrics that facilitate and expedite the accurate delivery of benefits to qualifying veterans.

Conclusion

I hope that my testimony today leads the subcommittees to conduct further oversight of the NWQ and the claims process. The VBA should calibrate the NWQ to better enable claims processors to serve veterans, instead of meeting artificial internal metrics. AFGE and the NVAC stand ready to work with the House Veterans' Affairs Committee and VBA to reach this goal.

Thank you, and I look forward to answering your questions.

