

**STATEMENT OF
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UNDER SECRETARY FOR BENEFITS
DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
July 24, 2018**

Good morning Chairman Roe, Ranking Member Walz, and Members of the Committee. Thank you for inviting us to provide an update on VA's progress implementing the Veterans Appeals Improvement and Modernization Act of 2017 (AMA). Joining me today are Ms. Cheryl Mason, Chairman of the Board of Veterans' Appeals; Mr. Richard Hipolit, Deputy General Counsel; Mr. Lloyd Thrower, Deputy CIO, Account Manager for Benefits, Office of Information and Technology (OI&T); and Mr. David McLenachen, Director, Appeals Management Office, Veterans Benefits Administration.

AMA, enacted on August 23, 2017, is the most significant statutory change affecting VA appeals in decades, and I wish to thank the Committee for its work on this much-needed comprehensive legislation that is transforming an archaic process into one that makes sense for Veterans and their families, their advocates, VA, stakeholders, and taxpayers. I appreciate the opportunity to discuss the progress of implementation and actions we are taking to manage the legacy appeals inventory.

I am pleased to report that VA is making progress on Appeals Modernization and remains on track for implementation in February 2019. VA remains deeply committed to helping Veterans receive the benefits that they have earned. While the proposed regulations are at the Federal Register for publication, the Department is also focused on additional aspects of implementation, to include developing and updating information

technology (IT) systems for the new claims and appeals process, developing and refining meaningful performance metrics to track progress, providing training across VA for employees, and collaborating in the implementation process with stakeholders – Veterans Service Organizations (VSOs), Veteran advocates, Congressional stakeholders, and the Government Accountability Office (GAO), among others.

VA is implementing a multifaceted strategy for managing the new process while concurrently reducing legacy appeals. The Rapid Appeals Modernization Program (RAMP) is allowing Veterans with legacy appeals to have appeals heard under the new system, and the Board's Early Applicability of Appeals Modernization (BEAAM) program is providing data to inform preliminary assumptions about Veterans' choices, understanding, and experiences. This strategy reflects the Department's ongoing commitment to continue reducing the legacy appeals inventory while simultaneously developing technologies, processes and procedures for implementing the new statute.

RAMP, the Legacy Appeals Strategy, and VBA Production

AMA authorized VA to create programs to test assumptions in the implementation of the new claims and appeals system. In response, VA launched RAMP on November 1, 2017, giving eligible Veterans with disability compensation appeals the voluntary option to have their decisions reviewed in the Higher-Level or Supplemental Claim Lanes outlined in AMA. RAMP gives Veterans early access to the benefits of the new system and helps to lower the number of appeals pending in the legacy system during transition.

As advantageous as RAMP may be for eligible Veterans, participation in RAMP is voluntary. To help communicate eligibility, VBA has sent over 200,000 letters to Veterans and has conducted significant outreach activities through both VSO and Congressional stakeholders. This outreach has produced a RAMP opt-in rate of more than 13 percent. As of June 30, 2018, more than 30,000 Veterans had opted into RAMP. To date, more than \$30 million in retroactive disability compensation benefits have been paid to Veterans in the program. VA is processing RAMP claims in an average of 78 days, well below the processing goal of an average of 125 days for the two VBA lanes. RAMP is a significant accomplishment. It represents a meaningful choice for Veterans before implementation of the statute in February 2019.

VBA has also been focusing on resolving legacy appeals for Veterans. At the end of June, compensation and pension appeals inventory had decreased by almost 13 percent, and appeals production was 8.7 percent above target.

Board Production and BEAAM

The core mission of the Board is focused on holding hearings and delivering decisions which provide answers to Veterans. I am proud to announce that the Board has delivered a record production output of over 65,000 decisions thus far in fiscal year (FY) 2018, a historic high for any FY, and is on track to deliver over 81,000 decisions to Veterans by the end of the FY. The Board's continuing strategy to reduce the pending inventory of appeals focuses on: 1) re-engineering processes to include introducing a new decision template and a specialty case program, 2) exploring new case review techniques, 3) allowing the Board to issue timely decisions soon after a Veteran has a

hearing with a Veterans Law Judge, and 4) using telework to retain experienced personnel. In addition to strategies that support production goals, the Board is aligned with VBA's RAMP efforts to help reduce the number of appeals coming to the Board.

From May 1 through the end of June 2018, VA began the Board's BEAAM program, a small-scale research program to collect preliminary data about initial Veterans' choices and experiences. While the results of BEAAM are preliminary and still under review, Veterans participating in BEAAM report that they are optimistic about the changes. Veterans also appreciate that VA is working with them and their representatives in preparation for the implement of AMA.

Information Technology and Digital Services

The Department has undertaken enterprise-wide efforts to modernize the appeals process through improvements in technology, and I am pleased to report that these activities are on track and already helping to improve internal processes at VA.

OI&T and the United States Digital Service at VA (DSVA) prioritize three areas to ensure the Board is ready to implement Appeals Modernization: functionality for establishing new appeals, scheduling hearings, and managing the new dockets and workflow inherent in the new law. In the area of establishing appeals, DSVA continues work on the Caseflow Intake system to ensure that appeals, supplemental claims, and higher-level reviews are appropriately tracked. The DSVA team is also developing a Caseflow Hearing Schedule system to improve the Board's scheduling of legacy and AMA hearings. With Caseflow Queue, the DSVA is developing functionality to manage

five dockets at the Board and provide tools to all Board users to streamline work flow, automate tasks, and improve efficiencies in the processing of appeals.

The Board and DSVA rolled out the Vets.gov Appeals Status Tool in March 2018 to provide Veterans a better understanding of how the appeals system works and give Veterans transparency on where they are in the appeals process. DSVA will continue developing additional online content and functionality in an effort to increase Veterans' understanding of the new processes under AMA.

In addition to direct review at the Board, the provisions of the law allow Veterans to obtain review of claims decisions within VBA. VA is working to ensure synchronization between DSVA and VBA design efforts in conjunction with necessary prioritization of VA IT resources. VBA has delivered IT system requirements for necessary appeals modernization enhancements within the Veterans Benefits Management System (VBMS) that will support automatic establishing, tracking, documenting, and distributing workload for claims decision reviews under the new process.

If a Veteran seeks review on more than one issue, the Veteran will have the ability to elect a separate review path for each. OI&T developers and DSVA are partnering to modify both VBMS and the Casflow system to ensure full traceability and reporting of the adjudication of each issue, regardless of which review path a Veteran has chosen to pursue. This capability is on track for delivery at the end of this calendar year to ensure Veterans are fully able to leverage the flexibility allowed by the law as soon as it goes into effect.

Workforce Planning, Training, and Human Capital Strategy

To ensure smooth implementation, the Board is undertaking an aggressive workforce plan to recruit, hire, and train new employees. The Board is currently on pace to hire up to a total of approximately 1,050 full time equivalents (FTEs) by the end of the FY. The Board added approximately 250 FTEs from 2016 to 2018, with an additional 150 FTEs expected between July 2018 and September 2018. The majority of these hires are attorneys responsible for preparing decisions for Veterans Law Judges. The Chairman also recently recommended eight Veterans Law Judge candidates to fill open vacancies.

VBA's compensation and pension appeals program is presently supported by 1,495 FTEs. VBA has requested an additional 605 FTEs in the FY 2019 President's budget to process legacy compensation and pension appeals and decision reviews under the modernized process. To best maximize its resources and enable efficiencies, VBA will centralize these additional assets to conduct decision reviews under a unified organizational structure that will include the establishment of two Decision Review Operation Centers (DROCs). VBA will also convert the current Appeals Resource Center (ARC) in Washington, DC, into a third DROC using existing assets.

The Board and VBA collaborated on training and outreach activities for employees and stakeholders, to include for VSOs and Congressional staff. The Board is also conducting ongoing internal training for both its legal and administrative staff. Since the implementation of RAMP in November 2017, VBA has continuously provided updated training for employees directly involved in public contact teams, intake

processing centers, and appeals teams regarding RAMP and the future of the decision review process. VBA developed and continues to deliver Appeals Modernization training to its employees, which provides a comprehensive overview of full implementation and a greater awareness of the RAMP pilot.

Moreover, VBA has provided additional claims processing training as VBA has expanded from the initial RAMP processing site – ARC – to select Regional Office appeals teams across the Nation. These appeals teams are dedicated to RAMP processing, and VBA has provided each team with both instructor-led and refresher training. VBA is leveraging the feedback, best practices, and lessons learned from RAMP training events in the development and planned delivery of training materials for full implementation.

Stakeholder Engagement

VA worked collaboratively with a wide spectrum of stakeholder groups to refine the new VA claims and appeals process. VA is currently holding regular discussions with VSOs, Veteran advocates, Congressional stakeholders, and GAO. VA is also listening to Veterans to help improve the services provided by the Department. The dedicated engagement of these people and organizations is providing VA with invaluable feedback, which is aiding VA efforts to: 1) develop new forms, 2) establish internal standard operating procedures, 3) create training materials, and 4) develop communications and outreach products for Veterans. VA will also fully consider comments received after a notice of proposed rulemaking is published. VA is grateful to

all stakeholders for their continued contributions of time, energy, and expertise in this effort.

VA is working strategically to increase awareness of appeals modernization and RAMP through a combination of direct outreach and increased communications products. Beyond the local outreach that VA continues routinely, the Department engages with Veteran stakeholders to disseminate information through national conferences and training events. Through coordination and collaboration, senior leadership from the Board and VBA have provided approximately 25 such outreach sessions so far this year, with several more scheduled throughout the fall. VA is expanding its communications and has initiated discussions with its Change Management Agents, Outreach Coordinators, and other influencer groups at its 56 Regional Offices.

Mr. Chairman, this concludes my statement. Thank you for the opportunity to appear before you today. We would be pleased to respond to any questions that you, or other Members, may have.