

GAO Highlights

Highlights of [GAO-17-234](#), a report to congressional addressees

Why GAO Did This Study

VA compensates veterans for disabling conditions incurred in or aggravated by military service. Veterans can appeal VBA's decisions on their compensation claims, first to VBA and then to the Board, a separate agency within VA. In fiscal year 2015, more than 427,000 appeals were pending and veterans waited over 3 years on average for decisions. Of this total, about 81,000 were pending at the Board and the average cumulative time veterans waited for a decision by the Board in 2015 was almost 5 years.

This report examines VA's approaches to address challenges it identified as contributing to lengthy appeals processing times, and the extent to which those approaches are consistent with sound planning practices.

GAO focused mainly on the Board, which experienced an increase in workload of about 20 percent from fiscal year 2014 to 2015. GAO reviewed VA's proposed plans and actions and compared them to sound practices relevant to workforce planning and implementing process redesign and new information technology identified in federal guidance, such as internal control standards, and prior GAO work. GAO also analyzed VA's data for fiscal years 2011-2015 (the most recent available) on appeals decision timeliness and workloads; reviewed relevant federal laws, regulations, and planning documents; and interviewed VA officials and veterans service organizations.

View [GAO-17-234](#). For more information, contact Daniel Bertoni at (202) 512-7215 or bertonid@gao.gov.

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VA DISABILITY BENEFITS

Additional Planning Would Enhance Efforts to Improve the Timeliness of Appeals Decisions

What GAO Found

The Department of Veterans Affairs' (VA) is taking steps to improve the timeliness of its benefit compensation appeals process, in which veterans who are dissatisfied with claims decisions by the Veterans Benefits Administration (VBA) can appeal first to VBA, and then to the Board of Veterans' Appeals (the Board). VA has taken actions related to increasing staff, reforming the process, and updating information technology (IT), which are consistent with relevant sound planning practices. However, gaps in planning exist, thereby reducing the agency's ability to ensure that these actions will improve the timeliness of disability appeals decisions.

Increase staff: VA determined that staff resources have not sufficiently kept pace with increased pending appeals, and concluded that additional staff are needed, particularly at the Board, to improve timeliness and reduce its appeals inventory. The Board received approval to hire more staff in fiscal year 2017, and expects to need an additional hiring surge beginning in fiscal year 2018. As of October 2016, officials estimated that if the agency does not take any action, such as increasing staff in 2018, veterans may have to wait an average of 8.5 years by fiscal year 2026 to have their appeals resolved.

Consistent with sound workforce planning practices, VA modeled different options for increasing staff levels to support its conclusion that staff increases in conjunction with process change would reduce the appeals inventory sooner. However, contrary to sound practices, VA often used fixed estimates for key variables in its models—such as staff productivity—rather than a range of estimates (sensitivity analysis) to understand the effect variation in these key variables could have on staffing needs. Also, VA's written workforce plans—which cover recruiting, hiring and training—did not include detailed steps, time frames, and mitigation strategies consistent with sound workforce planning practices. For example, while VA has established a center for excellence in hiring to focus on recruitment and hiring the agency has not finalized training or telework plans or otherwise mitigated space constraints that it encountered for hiring staff in fiscal year 2017. Without a timely, detailed workforce plan, VA risks delays in hiring and preparing staff to help manage workloads as soon as possible.

Reform process: VA determined that new evidence—which a veteran can submit at any point during his or her appeal—inefficiently causes an additional round of reviews, and thus delays appeals decisions, and in response it proposed legislation (not enacted) to streamline the process. Consistent with sound practices for process redesign, VA worked with veterans service organizations (VSO) and other key stakeholders in developing the proposal, and continued to update VSOs about the development of its implementation plans.

What GAO Recommends

GAO is making five recommendations to VA and one matter for congressional consideration. VA should: apply sensitivity analyses when projecting staff needs, develop a more timely and detailed workforce plan, develop a robust plan for monitoring process reform, develop a strategy for assessing process reform, and create a schedule for IT improvements that takes into account plans for potential process reform. VA concurred in principle with the five recommendations, but believes it has met the intent of those recommendations and does not need to take additional action. GAO disagrees and—while recognizing VA's ongoing efforts—believes further action is needed on all five recommendations to improve VA's ability to successfully implement reforms, as discussed in the report.

VA disagreed with an additional draft recommendation that it incorporate pilot testing of its proposed appeals process into implementation plans and pursue necessary legislative authority. VA cited its perspective that the appeals process is broken and that piloting a new process would result in further delays to veterans appealing their disability decisions. GAO maintains that the benefits of pilot testing—which provides an opportunity to resolve implementation challenges and make refinements to the process on a smaller scale—outweigh the potentially negative consequences of delaying full implementation. Therefore, GAO removed the recommendation and added a matter for congressional consideration stating that Congress should consider requiring that appeals process reform be subject to a pilot test.

VA's proposed reform is promising, but there are several gaps in its implementation plans. In particular, VA plans to fully implement appeals process reform at the Board as well as at VBA regional offices across the country while it concurrently manages the existing appeals inventory, a hiring surge, and planned system changes discussed below. However, VA's plans run counter to sound redesign practices that suggest pilot testing the process changes in a more limited fashion before full implementation, in order to manage risks and help ensure successful implementation of significant institutional change. VA officials told GAO that pilot testing—which would require legislation to implement—will prolong a process that is fundamentally broken and delay urgently needed repairs. However, without pilot testing VA may experience challenges and setbacks on a broader scale, which could undermine planned efficiencies and other intended outcomes. In addition, VA has not sufficiently identified how it will monitor progress, evaluate efficiency and effectiveness, identify trouble spots, and otherwise know whether implementation of its proposed process change is on track and meeting expectations. The absence of a robust monitoring plan with success criteria is inconsistent with sound planning practices for redesign and places the agency at risk of not being able to quickly identify and address setbacks. In addition, the timeliness measures that VA currently plans to report to Congress and the public lack transparency because they focus on individual parts of the agency and pieces of the new process rather than overall appeals resolution time from the veterans' perspective. Without a strategy for assessing the proposed new process that includes comprehensive measures, VA, the public, and Congress cannot know the extent to which the proposed process represents an improvement over the old process.

Update technology: VA determined that the computer system supporting its appeals process is outdated, prone to failures, and does not adequately support electronic claims processing. VA proposed a new IT system to reduce delays in appeals to the Board, and better integrate data from other systems. Consistent with sound practices, VA clearly laid out the scope and purpose of IT upgrades, and identified risks and strategies to mitigate them. However, the agency's plan lacks details for how and when its new system will be implemented, as suggested by sound planning practices for implementing new technology. Without a detailed schedule, VA risks not having new systems aligned with potential changes in the appeals process when they are implemented.