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Statement of Chairman Bernard Sanders

Senate Committee on Veterans' Affairs
VA Claims Process – Review of VA's Transformation Efforts
March 13, 2013

Good morning and welcome to this morning's hearing to review VA's efforts to transform the compensation claims system.

It is no secret that VA has a huge backlog of claims and that this backlog remains one of the most significant challenges VA faces. So often at hearings like this, we hear over and over about the problems that have been plaguing this system for decades. Let me be clear – many challenges remain. The time it takes to adjudicate a claim and the large numbers of mistakes we see during the process are totally unacceptable. As we look at this problem, however, we must also recognize the sheer volume and complexity of the claims VA is tasked with deciding. These are not easy decisions and it is vitally important to get them right the first time. Failure to do so hurts veterans and their families and pushes the workload to the Board, which struggles with its own challenges.

To its credit, VA has been working aggressively to overcome these problems and to provide more timely and accurate decisions. In the last three years, VA has processed more than one million claims annually – more claims than ever before. Yet, at the same time, more than a million new claims have been filed in each of those three years. Take a moment to think about the magnitude of this issue. At the end of fiscal year 2011, over 3.3 million veterans were receiving nearly \$40 billion in service-connected disability benefits.

Let me also take a moment to describe the claims that make up VA's workload. Claims for increased evaluations or additional medical conditions continue to make up a significant portion of the workload as a result of the increasing age of many veterans. We also continue to see more veterans seeking benefits for the first time. These are not only veterans of the most recent conflicts in Iraq and Afghanistan, but also veterans of other eras. Some of this is the result of the government's acknowledgement that some exposures cause long-term health consequences – we saw this with the Secretary's granting of service-connection for conditions related to Agent Orange exposure. To VA's credit, they moved aggressively to adjudicate, and in many instances re-adjudicate, over 275,000 claims related to the newest Agent Orange presumptive conditions. This resulted in awards totaling over \$4.4 billion to veterans and survivors, but this effort had a significant impact on its workload, and we'll learn more about this today.

Yet, as the number and complexity of claims continues to increase and more veterans seek the benefits they have earned, VA must do even more to address this growing demand. VA has set ambitious goals, put forward a plan, and has been working hard to transform. I have critiques of these efforts – as do other Members of this Committee and some of the witnesses who will testify today. If we ever want to truly solve this problem, we have to be willing to take risks, work collaboratively, adjust course when necessary, and continue to aggressively tackle this problem. In order to find viable solutions, VA and all stakeholders must clearly understand the nature of the challenges facing the claims system. We have to look at more than just averages. Often outliers reveal the specific factors that are contributing to long delays or inaccurate decisions.

We are here today to learn more about the challenges that continue to confront the claims system, VA's progress in addressing those challenges, and to continue the work of finding solutions. Today, we want a frank assessment from VA on where the agency is in its transformation efforts. VA needs to clearly communicate how it is making decisions. What evidence or data VA is relying on to make decisions about whether a specific initiative helps in reaching the Secretary's goals? How do we know when it is time to accelerate an initiative or time to change course?

We have with us today a number of stakeholders who will provide a critique of VA's efforts. As VA continues to transform, it needs, and has to be willing, to accept this feedback in order to identify what is working and to continue to refine its efforts. VA needs to think more strategically and must continue to strengthen the plan guiding this effort. We see glimpses of the future in VA's plans, but there is much room for improvement.

As GAO will discuss today, the challenges of the claims system are not VA's alone. There is a need for greater collaboration. I commend General Hickey for her outreach to and inclusion of Veterans Service Organizations in the transformation process. We need the continued tireless efforts of Veterans Service Organizations, which this Committee heard from over the past two weeks, to assist veterans in navigating a complex system. These folks are on the front lines and their feedback is vital if VA is going to get this right. We also need continued and greater collaboration between VA and DoD as well as other Federal agencies in providing evidence in a timely and electronic format.

VA must continue to move forward and must continue to transform. It must measure and understand the impact of transformation on its workload and respond accordingly. VA must move to a paperless claims system, but ensure the technology is prepared to support the workload. It must continue to eliminate VBMS' technical issues, and, most importantly, VA must focus on quality by ensuring its employees have the training and tools necessary to get claims done right the first time.

As we all know, there is still much room for improvement and a lot of work yet to be done. That is why we must continue to work together to find innovative solutions until we have truly created a 21st century claims system. I plan to continue to work with VA to make certain that we identify the innovative solutions and the technology improvements that work.