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VA CLAIMS SYSTEM:

REVIEW OF VA'S TRANSFORMATIONAL PROGRESS

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WEDNESDAY, DECEMBER 11, 2013

United States Senate,

Committee on Veterans' Affairs,

Washington, D.C.

The committee met, pursuant to notice, at 10:03 a.m.,
in Room 418, Russell Senate Office Building, Hon. Bernard
Sanders, chairman of the committee, presiding.

Present: Senators Sanders, Murray, Brown, Begich,
Blumenthal, Burr, Isakson, Boozman and Heller.

OPENING STATEMENT OF CHAIRMAN SANDERS

Chairman Sanders. Okay. Good morning. Thanks,
everybody, for coming to what will be, I believe, a very
informative and important hearing on an issue that is of
concern to veterans all over this country and to every
member of this Committee.

Today, we are going to continue our oversight of VA's
efforts to transform the claims system. I think, as members
will recall, earlier this year this Committee met to discuss
one of the major challenges confronting the VA, the claims
backlog.

This is an issue of concern to veterans. I think all
of us have heard from veterans who are deeply concerned

1 about the backlog. It is of concern to the Veterans Service
2 Organizations, and I know it is a concern to every member of
3 this Committee, and I suspect every member of the Senate.

4 The origin of this problem goes back a number of years.
5 It has everything, in my view, to do with the reality that,
6 until 2008, for whatever reason--and maybe at some point
7 General Hickey can give me some clues about this--for
8 whatever reason, there was no serious effort on the part of
9 the VA to do what every other major corporation and
10 government agency in this country had done, and that is,
11 move from the world of paper to electronics.

12 And I do not quite understand, given the enormous
13 amount of paper facing the VA historically, why it took so
14 long for them to do that. But nonetheless, that was the
15 case.

16 Further more, the VA has also had to deal with a
17 staggering number of new claims, tragically, that coming in
18 from veterans who served in Afghanistan and Iraq. And on
19 top of that, the VA, I think appropriately, made sure that
20 veterans who were impacted by Agent Orange in Vietnam also
21 got the benefits to which they were determined to be
22 eligible for. So, that is a lot of stuff coming in.

23 Nonetheless, this Committee, at our hearing in mid-
24 March, despite all of these factors, heard about the
25 unacceptably large number of claims that were pending and

1 the numerous challenges confronting the VA. It is my view,
2 and I believe it is the view of every member of this
3 Committee, that no veteran in our country should have to
4 wait years to have his or her claim adjudicated. It is a
5 disgrace and that is an issue that must be dealt with.

6 Today, as I understand it, the VA is going to give us
7 some good news, welcome news, about significant progress
8 made in this area. When we last met in March to discuss
9 this issue, there were over 896,000 claims in the inventory.
10 Of that number, more than 632,000 or 70 percent were
11 backlogged or pending longer than VA's goal of 125 days.
12 That is a staggering number.

13 Today, as I understand it, those numbers look much
14 different and, in fact, are much improve. The number of
15 claims pending longer than 125 days, or officially part of
16 the backlog, has dropped to just over 395,000 claims or 57
17 percent of the total inventory. That is a large number but
18 is a significant improvement. The total number of pending
19 claims has dropped to its lowest level since July of 2012 at
20 slightly less than 694,000 claims.

21 Let me be clear--and I think we can all agree on this--
22 many challenges remain and this Committee will touch on some
23 of those challenges and I will deal with them in my
24 statement this morning.

25 We must, however, begin today by acknowledging the

1 progress we have seen since we last met in March. I want to
2 thank General Hickey and her staff and maybe most
3 importantly, the hundreds and thousands of hard-working
4 folks at the VA all over this country who have put their
5 shoulder to the wheel to see some improvements that we are
6 going to be talking about today. So, I want to thank the VA
7 for those improvements.

8 For the fourth year in a row, VA has processed more
9 than one million claims. This is no small feat given the
10 sheer size of the transformation the Department is
11 undertaking.

12 VA is moving to an electronic claims processing system
13 and VBMS, which is a major component of that system, has
14 been deployed to every regional office, as I understand it,
15 ahead of schedule.

16 The Department has implemented a new organizational
17 model changing the way in which it processes claims, and it
18 continues to build upon efforts to improve employee training
19 and address underperforming regional offices. I believe
20 this Committee has worked in a productive and bi-partisan
21 manner to support VA's efforts while also holding it
22 accountable for meeting its ambitious claims processing
23 goals. And I said this before and I say it again.

24 I applaud General Shinseki, Secretary of VA, for having
25 the courage to do what I think very few public official do.

1 He put in black and white a goal out there so there is no
2 ambiguity attached to it. He said that wants to by 2015 see
3 all claims processed within 125 days at 98 percent accuracy.

4 So, he has put the VA out on a line on this issue, and
5 we will be talking with General Hickey and the others today
6 to see, in fact, whether they are on schedule to achieve
7 that goal. That is very clearly an extremely ambitious
8 goal.

9 Following the March hearing, I was joined by all of my
10 colleagues on this Committee in asking for DoD's, the
11 Department of Defense's, continued commitment to help VA
12 eliminate the backlog. That is a huge issue, and we have
13 got to move forward on this.

14 This Committee continues to closely monitor, and when
15 necessary, encourage greater cooperation between the
16 Departments because at the end of the day this problem is
17 not going to be solved until there is greater cooperation.

18 Members from both sides of the aisle have presented
19 legislative ideas addressing these problems. I am confident
20 a number of these ideas, including significant portions of
21 the Claims Processing Improvement Act that I introduced
22 earlier this year, will pass this Senate this week as part
23 of a veteran's omnibus bill. So, we are making some
24 legislative progress in this area.

25 This Committee also continues to conduct aggressive

1 oversight of VA's transformation efforts, in part through
2 hearings like this one, in order to hold VA accountable for
3 meeting its ambitious claims processing goals.

4 Despite the very good progress that I think we are
5 going to hear today, we all know, and I do not think there
6 is any debate on this, that VA is not yet where it needs to
7 be in addressing the very serious problem facing the backlog
8 issue.

9 Veterans are still waiting too long for a decision and
10 the Inspector General continues to find issues with the
11 quality, with the quality, of the work.

12 I am concerned by the most recent IG findings, which
13 found significant problems with provisional rating decisions
14 reviewed at the Los Angeles Regional Office, and this is an
15 issue we will want to discuss this morning.

16 During Committee oversight, my staff has identified
17 clear and unmistakable errors in provisional rating
18 decisions. I am pleased to hear VA is taking action to
19 remedy the problems identified by the IG.

20 However, this should have been done immediately upon
21 recognition of the problem at the local level; and here I
22 think is the important point that I want to make.

23 Reducing the backlog at the expense of accuracy is not
24 acceptable. Our goal is to move forward rapidly to make
25 sure that this backlog goes down but we will not do it at

1 the expense of accuracy.

2 This Committee will continue to examine the oldest
3 claims first initiative and the issuance of provisional
4 rating decisions. This is an enormously important issue.

5 The Committee's oversight efforts will also continue to
6 focus on other components of transformation to ensure VA is
7 providing timely and accurate decisions.

8 For example, VA still has a long way to go in creating
9 a truly electronic claims processing system, a system that
10 does not rely on the scanning of millions of pieces of
11 paper.

12 VA must also ensure that, as it transitions to a Web-
13 based system, it does not inadvertently disadvantage certain
14 populations of claimants, such as elderly veterans or those
15 veterans living in rural areas, with limited internet
16 access. A very important issue in states like Vermont.

17 Finally, VA must do more to address other work pending
18 at the ROs, regional offices, such as appeals and award
19 adjustments. Despite the significant reduction in claims
20 measured as part of the backlog, other pending work has
21 continued to climb since our last hearing on this issue.

22 Finally, let me touch on a few areas that I believe VA
23 needs to focus on in its efforts to transform the claims
24 system. VA must focus on the appellate process. This is a
25 large part of the claims system, and it is not receiving, in

1 my view, the attention that it deserves.

2 General Hickey, I know VA has been piloting a number of
3 ideas in the Houston Regional Office, but I think we need
4 some increased leadership attention on these efforts in
5 order to make some real progress is being made on appeals.

6 In that regard, the numbers are not good. According to
7 VA's Performance and Accountability Report, last year it
8 took on average 866 days, as I understand it, to provide a
9 final decision on an appeal.

10 Let me repeat that. Veterans were waiting on average
11 866 days for a final decision on an appeal. This is why
12 providing an accurate initial decision, by the way, is so
13 important so we do not have to go through the appeals
14 process.

15 General Hickey, I am requesting of you today to get
16 back to us as soon as you possibly can, certainly if you can
17 by the end of January, with how you plan to improve the
18 processing of the appellate workload at the ROs.

19 In 2009, VA began an effort to revise and update VA's
20 rating schedule which is an enormously complicated process,
21 and I know and I think we are all aware that this is
22 painstaking work, but I am concerned about the progress of
23 this effort.

24 In the fall of 2012, the GAO provided a comprehensive
25 review of this effort and the associated challenges. The

1 rating schedule is the foundation of the claims system and
2 any future updates will impact every piece of transformation
3 from the rules based calculators to employee training. VA
4 will need to spend significant time and energy reprogramming
5 computers, modifying forms and ensuring employees are
6 properly trained on the updated schedule.

7 As VA moves forward with this update, it must plan
8 accordingly. Too often in the past, the Department was not
9 prepared to cope with major changes to the claims system and
10 that failure resulted in negative experiences for veterans.
11 Let us not see history repeat itself in that area.

12 Finally, VA needs to continue to demonstrate with data
13 and hard facts how transformation will ultimately improve
14 the veteran experience and result in more timely and
15 accurate decisions.

16 In closing, let me say this. I think all of us, I can
17 speak for myself, am pleased by the fact that VA has taken
18 very seriously the claims backlog. They and General Hickey
19 and their staff are working very, very hard to address this
20 problem. It is very clear that significant progress has
21 been made, and we appreciate that very much. But it is also
22 clear that a whole lot of important work remains to be done.

23 So, we appreciate that General Hickey is with us
24 today. We are going to begin speaking with her in a moment.

25 But first, Senator Burr is not yet here and Senator

1 Isakson will be acting as ranking member.

2 Senator Isakson.

3 OPENING STATEMENT OF SENATOR ISAKSON

4 Senator Isakson. Thank you, Mr. Chairman. I would
5 like to welcome the members of the VA for hearing their
6 testimony today. We appreciate them coming.

7 As we will hear today, VA has taken a number of steps
8 to try and improve its handling of disability claims and, in
9 recent months, the backlog has started to decline. Although
10 any true progress is welcome, I think there are still many
11 reasons for concern.

12 To start with, nearly 700,000 veterans and their
13 families do not yet have an answer to their requests for
14 benefits, and they can expect to wait at least nine months
15 for a decision. Also, we continue to hear from veterans'
16 groups about how often VA makes mistakes in the processing
17 disability claims.

18 In fact, the American Legion recently testified that it
19 found errors in over half of the decisions that it reviewed
20 last year. This is of real concern to me and to every
21 member of the Committee because it can take years for a
22 veteran to correct those errors through VA's appeal process.

23 Today, more than a quarter of a million appeals are
24 waiting to be resolved. This number has been trending
25 upward, not downward. The work has also been piling up,

1 such as claims, for accrued benefits, responses to incoming
2 mail, and adjustments to monthly checks based on how many
3 dependents a veteran is claiming.

4 The number of dependency adjustments waiting for VA
5 decision has tripled in just over two years, and what VA
6 calls the "correspondence" has grown nearly five times since
7 last year.

8 All of this raises questions about the VA and its
9 prioritization work that is not counting the backlog
10 statistic.

11 Mr. Chairman, I want to follow up on your comments
12 with regard to provision problems that we have seen. As you
13 know, the Committee asked the Inspector General to review
14 the provisional initiative to make sure claimants would
15 receive appropriate, quality decisions without any
16 unnecessary hurdles.

17 Although that review is not finished, the Inspector
18 General testified last week that it found 10 errors out of
19 11 provisional decisions at one regional office.

20 In fact, it appears that the employees were encouraged
21 to violate VA policy by making provisional decisions without
22 first obtaining necessary medical examinations. That office
23 has now reviewed all of its provisional decisions and found
24 hundreds that contained errors.

25 Mr. Chairman, all of this suggests that more must be

1 done to make sure VA's efforts to reduce the backlog will
2 not cause veterans and their families more delays or more
3 frustrations down the road.

4 VA must be held accountable for making real, lasting
5 improvements in the services provided to those seeking
6 benefits from VA which they have earned. I look forward to
7 working with you and the rest of the Committee to ensure
8 that happens.

9 I thank the Chairman.

10 Chairman Sanders. Thank you, Senator Isakson.

11 Senator Murray.

12 OPENING STATEMENT OF SENATOR MURRAY

13 Senator Murray. Thank you very much, Mr. Chairman. I
14 really do appreciate your holding this hearing.

15 Ending this claims backlog and building a timely,
16 accurate claims processing system is one of the absolute top
17 priorities for our veterans. I continue to hear frequently
18 from veterans in my home State of Washington that day are
19 still waiting far too long for their claims to be completed.
20 I know that getting this right is a top priority for the
21 Department and I understand this is a very complex problem
22 that has no single, easy solution.

23 So, I am encouraged by the steps in the VA has taken so
24 far but we have a very long way to go.

25 The VA's initiative to expedite the oldest claims was a

1 good step. However, I have heard repeatedly from veterans
2 that they were confused and frustrated with the provisional
3 rating process. Some believe their claims have been flat
4 out rejected and others did not understand that they had a
5 year to submit additional evidence.

6 Secretary Hickey, we need to hear more from you today
7 about how the VA is going to improve outreach and
8 communication with veterans so that future initiatives do
9 not cause so much confusion on the ground.

10 While the numbers are moving in the right direction, we
11 need to know that the necessary structural changes, as the
12 Chairman referenced, are being made as well. This is
13 especially important in handling the more complex claims.

14 The recent testimony by the office of the Inspector
15 General shows some of the examples of these problems. It is
16 not surprising these claims take longer to rate. These are
17 also claims for veterans who need their benefits the most
18 and we need to keep that in mind.

19 So, as VA continues to work to bring the backlog down,
20 we cannot prevent them from doing their jobs either. That
21 means keeping the government open. The entirely unnecessary
22 shutdown of the government forced us into some very bad
23 circumstances earlier this year. VA had to furlough 7800
24 the VBA employees. They ended mandatory overtime for our
25 claims processors; and as Secretary Shinseki testified, it

1 decreased claims production by an average of 1400 claims
2 every day.

3 So all of you know, Chairman Ryan and I announced our
4 budget agreement last night. I cannot stress enough how
5 important it is for everyone to help us pass this agreement
6 so that we can get away from governing by crisis and
7 presenting another government shutdown in January and
8 protecting our veterans as we did in the past from serious
9 harm that we saw in October.

10 So, I look forward to continuing to work with all of
11 our colleagues, with you, Secretary Hickey, and meeting the
12 challenges that we have.

13 Mr. Chairman, thank you for having this really critical
14 hearing.

15 Chairman Sanders. Well, Senator Murray, thank you and
16 thank you for your work on the budget process.

17 Senator Heller.

18 OPENING STATEMENT OF SENATOR HELLER

19 Senator Heller. Mr. Chairman, thank you and to the
20 Ranking Member thank you also for holding this hearing.

21 An issue that I do not think is lost on anybody is
22 about the critical mission facing the Veterans Benefits
23 Administration. I think every person in this room knows the
24 seriousness of this problem, but I specifically want to
25 underscore how this is affecting veterans in Nevada.

1 4000 veterans in Reno, Las Vegas, across Nevada are
2 waiting for the VA target deadline of 125 days for their
3 claim to be completed. They are waiting more than 125 days.
4 On average, veterans wait 436 days to have their claims
5 completed, and this is the longest wait of any regional
6 office in the Nation, and I think we can all agree that this
7 is unacceptable.

8 I know for a fact that, Secretary Hickey, you are
9 committed to fixing this issue, and I appreciate you
10 recognizing the gravity of this problem. I want to thank
11 you personally for your staff working with mine in trying to
12 look for better ways to handling these issues.

13 I also want to thank Senator Brown for working with
14 Senator Brown staff also as we try to come together with
15 ideas to see if we can bring this problem to an end.

16 But I think it is important to me and my constituents
17 to bring this one particular story to your attention. A Las
18 Vegas that wrote me recently, "I am just one more disabled
19 veteran still fighting the appeals process with the VA. I
20 understand now that no one is going to expedite my appeal,
21 and I will probably die before I get any successful
22 resolution. But there are a huge number of vets just like
23 me and some in worse shape. None of us deserve to be put on
24 hold forever."

25 Frustration. That is what this veteran and veterans

1 across the Nation are feeling. I, as well as my colleagues,
2 want this to be fixed for the good of our veterans. There
3 is no doubt about that, and I am proud to have teamed up
4 with some of my colleagues to thoroughly examine the claims
5 process front to back and from every perspective.

6 The reality is the VA has a 1945 process. This
7 outdated process no longer makes sense for the VA and for
8 the veteran. Looking back at two decades of VA backlog, I
9 have found that VA has always fixed the problem with short-
10 term solutions rather than asking the difficult question of
11 whether the entire process needs to be updated.

12 VA needs a 21st-century benefit delivery system for our
13 Nation's veterans but there is not going to be one silver
14 bullet, and I think we can all agree to that, that solves
15 this particular problem.

16 It is going to take multiple proposals that address
17 multiple aspects of the claims process for us to really
18 reach a resolution but that means it is time for all
19 stakeholders to open up about what needs to be fixed and how
20 to fix it.

21 The VA has a role to play. Veterans Service
22 Organizations and the Congress have a role to play. Even
23 the veterans themselves have a part to play in resolving
24 this, and it no longer makes sense to point fingers and to
25 place blame as we have for quite sometime now.

1 Instead, Congress needs to meet and gave the VA and the
2 regional offices the tools and resources they need to bring
3 the backlog down but this cannot be done without an open,
4 frank discussion about what is working and what is not.

5 Congress needs to work together with the VA and the
6 VSOs to solve this problem and solve it permanently so that
7 this Committee is not back here in a few years having the
8 same discussion.

9 I know the Chairman and Ranking Member are committed to
10 that and I will be reaching out to them with solutions or
11 about solutions that I have identified.

12 Our Nation owes it to veterans to resolve this problem
13 and together keep our promises to care for them when they
14 return home from war.

15 Thank you again, Secretary Hickey, for being here to
16 testify. I want to thank everybody on the panel today for
17 taking time for being here. I look forward to hearing about
18 the progress the VA has made in working with you, the VSOs,
19 and the veterans, of course, to end this backlog.

20 Thank you.

21 Chairman Sanders. Thank you, Senator Heller.

22 Senator Brown.

23 OPENING STATEMENT OF SENATOR BROWN

24 Senator Brown. Thank you, Mr. Chairman, I will be very
25 brief.

1 General, thank you for joining us. It is good to see
2 you again and I appreciate your public service as to all of
3 the panel.

4 I appreciate the VBA transformation plan. I think the
5 results you outlined in your testimony are admirable and
6 important and positive. I echo Senator Heller and others on
7 this panel that this has obviously got to improve. You know
8 that. We will not lecture you on that.

9 I will bring up in the question period something that I
10 still do not quite understand. The average claim has been
11 pending, according to the VA's Monday Morning Report this
12 week, the average claim nationally is 167 days.

13 In Cleveland it is 208 days. It has persistently been
14 the highest or second highest or third-highest in the
15 country. We have not really had good answers for that. I
16 guess I want to know to know less why than it will be fixed.

17 The 167 obviously is way too long. Another 40 days on
18 top of that is something that we need to work on.

19 So, I appreciate the work you are doing and look
20 forward to figuring this out.

21 Thank you.

22 Chairman Sanders. Thank you, Senator Brown.

23 Senator Boozman.

24 OPENING STATEMENT OF SENATOR BOOZMAN

25 Senator Boozman. Thank you, Chairman and Ranking

1 Member Burr, for having the hearing. In the interest of
2 time, let us move on and I look forward to hearing the
3 testimony of the panel.

4 Chairman Sanders. Thank you very much.

5 Senator Begich.

6 OPENING STATEMENT OF SENATOR BEGICH

7 Senator Begich. Thank you very much, Mr. Chairman. I
8 apologize that I will not be able to stay that long but I do
9 want to make a few comments.

10 Secretary Hickey, thank you and I thank you VA for the
11 improvements. I know there have been, since I have been
12 here, back and forth and you have suffered through many
13 meetings here on this side as well as the other side.

14 But I do want to say at least in the Alaska region
15 things are improving and we want to recognize that and give
16 you credit for that and the hard work I know the employees
17 there are doing. They are under a lot of stress and I know
18 when the shutdown occurred it added to it.

19 So, I appreciate the work they are doing, but I just
20 want to just highlight for the record but also just to give
21 you a sense, even though we are making improvements, there
22 are still some challenges and give you some specific cases
23 that in a lot of ways it is easy to find the specific cases
24 because our office usually gets those calls very quickly.

25 I will give you just a couple that I want to just kind

1 of put to your attention. For example, one vet that came in
2 who was 100 percent disabled under SSDI but only 20 percent
3 under VA because their coding process, the VA's coding
4 process, had not been completed or updated to address the
5 artificial discs replacement in his back.

6 A simple little things but yet pretty significant for
7 that individual who was trying just to get something done.
8 Or in the situation because they contacted us and we moved
9 very quickly, the vet and his wife who literally cried on
10 the phone when they got their permanent total disability
11 claim reviewed and approved literally overnight, and the
12 reason was because the PTD finding allowed enrollment for
13 the CHAMPVA and his wife to be able to enroll so she could
14 get the necessary insurance for brain cancer that she was
15 dealing with and was able to ensure that she was no longer
16 at risk or at least limited risk of disability.

17 Or the vet who was found 100 percent disabled with a
18 mental health condition that was living in a six by eight
19 room without windows in a basement before we got his claim
20 expedited and approved.

21 The vet who was waiting a year to get adjustments to
22 their pensions for adding the dependent, that is, that they
23 got married. The vet whose lung cancer is attributable to
24 Agent Orange exposure but the COPD attributable to the lung
25 cancer is not considered service-connected.

1 Why I bring those up is because we then work kind of as
2 a constituent end in trying to solve these problems. The
3 way we will judge the success and I will judge success of
4 what work you are doing is when we are not making these
5 calls because they are being processed without having us to
6 make those calls.

7 Those examples are sometimes extreme but real and it
8 really puts a face on these individuals that sometimes we
9 are in these meetings and we talk a lot about data and
10 statistics and days and so forth.

11 But really when it boils down to it, they are
12 individuals who are experiencing in their life the most
13 important thing or could be the most extreme situation.

14 So, I do want to echo the concern we have in trying to
15 get these numbers down and the time line but also I want to
16 credit your folks for the improvement over the last four or
17 five years and the priority you have placed on this.

18 We know it is not just the VA. We know DoD is part of
19 this equation, and you have been partnered or your agency as
20 well as DoD have had several meetings where we have put some
21 pressure on them. It may have been in this Committee or in
22 the Appropriations Committee, trying to get this moving
23 forward because it is not just on your back but
24 predominantly and significantly you have a huge role once it
25 is in your hands.

1 So, I again want to commend you for the work but also
2 recognize that there is still a lot more to do I appreciate
3 your giving me a chance to talk about these Alaskans who
4 everyday, you know, it is probably the largest input we get
5 is from veterans contacting us about their concerns and
6 obviously disability claims is one of those.

7 So, I thank you. I apologize I will not be able to be
8 here for the questions and the testimony but I know our
9 staff is working aggressively with you and again your Alaska
10 team is working double time and we know that and we are
11 going to keep some pressure on them as you can imagine.

12 So, thank you very much.

13 Chairman Sanders. Thank you Senator Begich.

14 Senator Blumenthal.

15 OPENING STATEMENT OF SENATOR BLUMENTHAL

16 Senator Blumenthal. Thank you, Mr. Chairman, and thank
17 you for having this hearing.

18 Just a few quick points. First of all, to thank you
19 for the work that you and the VA are doing. I know that
20 General Shinseki is personally committed to eliminating the
21 backlog.

22 I met with him, in fact, in Connecticut and had an
23 opportunity to talk to him about this subject. So, nothing
24 we say here is to imply that this backlog is the result of
25 sort malevolence or personal animus on the part of anybody

1 at the VA. We are all grappling with a common challenge
2 here but there is still a lot of work to be done to reach
3 the goal of 98 percent accuracy and an end to the backlog by
4 2015.

5 Just a few points. Accuracy is important. We do not
6 want to sacrifice accuracy for the sake of eliminating the
7 backlog because accuracy is itself a source of problems if
8 it is ignored. And so, I just cannot emphasize strongly
9 enough how timing and deadlines are important but accuracy
10 matters to the person on the ground.

11 To take one example, Michael Scovetta, a veteran who
12 served our country in Iraq and Afghanistan, was denied his
13 application after a two-year wait, and he has now been
14 waiting a full year for his appeal. Obviously, the two-year
15 wait was regrettable but the potential inaccuracy of his
16 denial is also important.

17 I want to thank Senator Murray for her work to avoid
18 another shutdown because in another case the shutdown itself
19 aggravated the timing issue. Jordan Massa, an Iraq and
20 Afghanistan veteran who received a Purple Heart, had to wait
21 for two years for his application to be approved but then
22 waited another month due to the government shut down.

23 So, the point here is that different issues,
24 challenges, problems are interconnected and related. Just
25 to finish on this point, talking about an interrelated

1 problems, electronic medical records.

2 I know the Chairman has mentioned it in his opening
3 remarks. I have talked about it, I think, almost every
4 opportunity in his room at every hearing, and I want to
5 commend the VA for its willingness to move forward, its
6 interest in resolving these issues.

7 I again express regret that the Department of Defense
8 apparently has been less cooperative than the VA but one way
9 or the other this problem has to get solved so that these
10 records are truly interoperable, so that the system is
11 seamless.

12 There is no reason for someone leaving active duty as a
13 member of our United States military and then becoming a
14 veteran, in quotes, should not have been the benefit of
15 completely seamless electronic medical records, and I am
16 going to pursue legislation.

17 I know the Chairman has expressed his concern as well
18 and other members of the Committee are committed as well.
19 So, thank you for your work on this issue. As much as we
20 seem critical, and we are, we are also supportive because we
21 have a common goal.

22 Thank you, Mr. Chairman.

23 Chairman Sanders. Thank you, Senator Blumenthal.

24 I would now like to welcome General Allison Hickey, the
25 Undersecretary for Benefits at VA.

1 General Hickey, thank you for joining us today to
2 address the Department's progress in eliminating the claims
3 backlog and what you are going to do to address the
4 remaining very serious problems.

5 We are interested in an update on the transformation
6 currently underway and the successes and challenges
7 presented by this effort.

8 General Hickey is accompanied by Diana Rubens, the
9 Associate Deputy Under Secretary for Field Operations; Brad
10 Houston, the Director of VBA's Office of Business Process
11 Integration, and Richard Hipolit, an Assistant General
12 Counsel in the VA's Office of General Counsel

13 We thank you all very much for being here.

14 General Hickey, please begin.

1 STATEMENT OF THE HONORABLE ALLISON A. HICKEY,
2 UNDER SECRETARY FOR BENEFITS, DEPARTMENT OF
3 VETERANS' AFFAIRS; ACCOMPANIED BY DIANA M. RUBENS,
4 ASSOCIATE DEPUTY UNDER SECRETARY FOR FIELD
5 OPERATIONS, VETERANS BENEFITS ADMINISTRATION, AND
6 RICHARD HIPOLIT, ASSISTANT GENERAL COUNSEL, OFFICE
7 OF GENERAL COUNSEL

8 Ms. Hickey. Thank you. Good morning, Chairman
9 Sanders, Ranking Member Burr, and Members of the Committee.
10 Thank you for the opportunity to update you on the Veterans
11 Benefits Administration's transformation efforts and
12 progress we have made to date.

13 In recent months, VA has made significant progress in
14 executing our Benefit Claims Transformation Plan. We
15 reduced the backlog impacting our veterans by approximately
16 36 percent since March of this year, and we expect these
17 reductions to continue over the next year.

18 More importantly, while our employees have increased
19 their productivity, they have also increased the quality of
20 their work at the same time.

21 In June 2011, when I arrived, our average for claims
22 accuracy was approximately 83 percent; as of the end of
23 November 2013, the number was approximately 90 percent at
24 the claim level. When measuring accuracy at the medical
25 issue level, which is a more precise measure of VA's

1 quality, our rating accuracy today stands at nearly 97
2 percent. So, in other words, we have done more and better
3 for our veterans, their families, and survivors.

4 That said, we continue to push closer to the
5 Secretary's goal of completing our veterans claims in 125
6 days at 98 percent accuracy in 2015. Our veterans deserve
7 no less from us.

8 None of this progress would be possible were it not for
9 the tremendous support VA receives from its partners. This
10 Committee and the Congress's sustained support for VBA's
11 budget and legislative requirements over the last four years
12 has fostered significant headway for implementation of our
13 plan and enabled VBA to complete a record one million claims
14 for four consecutive years.

15 Our Veterans Service Organizations and labor partners
16 and those at the federal, state, and local level have worked
17 in close collaboration with us throughout this
18 transformation to roll out new initiatives and provide the
19 best possible service to our veterans, their family members,
20 and survivors.

21 Our progress would not be possible without the support
22 of our partners in the VA Office of Information and
23 Technology who continue to work tirelessly to deliver new
24 capabilities to improve productivity and workload
25 management, our Veterans Health Administration partners who

1 co-located physicians with in our regional office workforce
2 to provide on-site support for medical opinions and
3 expedited claim examination at unprecedented levels, our IRS
4 and Social Security partners who now provide us data every
5 week, and our DoD partners who are collaborating more and
6 more to deliver the new gold standard service treatment and
7 personnel records and other capabilities.

8 Finally, but most importantly, this progress would not
9 be possible without the exceptionally committed tremendous
10 effort and dedication of VBA's employees. 52 percent of
11 these are veterans themselves. The majority of others are
12 direct family members of a veteran.

13 They have each worked tirelessly in mandatory overtime
14 for the last eight months serving veterans, their families,
15 and survivors by working an additional 20 hours every month
16 for those eight months. Many employees continue to work
17 overtime in voluntary status even now.

18 Let me highlight some key outcomes statistics as of
19 December 7 that show our progress. Inventory, down from a
20 peak of 884,000 to 693,000 or 191,000 claims down, 22
21 percent reduced.

22 Backlog, down from a peak of 611,000 in March 2013 to
23 395,000, a decrease of 216,000 or 36 percent. Nearly a
24 third of the backlog is gone.

25 Claim level accuracy increased from approximately 83

1 percent in 2011 to 90 percent today.

2 Medical issue accuracy is approximate 97 percent today.
3 We cut our B2 or exam errors by 50 percent across the Nation
4 by focusing on them hard this year. We trained over 3500
5 employees through the new challenge training where they rate
6 claims 150 percent faster and are 30 percent more accurate
7 at the end of the training.

8 We have completed more than 45,000 reviews by our
9 quality review teams to catch errors in earlier in the
10 process before a final outcome for the veteran, avoiding
11 those errors in the outcomes.

12 We have completed 1.17 million claims in fiscal year
13 2013, an all-time historic high for VBA and four months of
14 record-breaking production.

15 We completed 99.9 percent of all claims older than two
16 years. 67,000 veterans waiting the longest now have a
17 quality decision. We completed over 96 percent of all
18 claims in the one-year-old category from 513,000 veterans in
19 April of this year to approximately 18,000 that remain.

20 We have already completed 61 percent of all claims
21 older than 334 days, our next tranche. We will continue to
22 drive the age of these claims down until we hit 125 and, and
23 98 percent quality in 2015.

24 You can see it for yourself in our Monday Morning
25 Workload Report where our pending workload today is on

1 average 100 days younger than it was this time last year.

2 We have also fully implemented one of our people
3 initiatives, our new transformational organizational model
4 in all 56 regional offices nine months ahead of schedule and
5 are seeing a 10 percent increase in production as we
6 predicted in the plan.

7 We built the stakeholder enterprise portal and granted
8 1,148 credentials to our VSO partners, representing over 75
9 organizations. We are currently building and testing the
10 capability connect digit-to-digits with their electronic
11 claims submission systems as well.

12 We grew our fully develop claims receipts from 3 to 27
13 percent since February because of our great partnerships
14 with our VSOs. We are even seeing some VSOs take the fully
15 develop claims issue to new levels providing even the
16 federal records and exams completed in a disability benefit
17 questionnaire or DBQ, making these claims ready to rate.

18 We have VHA physicians in our regional offices now
19 providing just-in-time medical opinions, BBQs, acceptable
20 clinical evidence or ace exams, and simple time-saving,
21 quick on-the-spot answers to raters who need clarification.

22 We have supported over 3.2 million active accounts in
23 eBenefits up from 250,000 in June of 2011 and now eBenefits
24 hosts 56 self-service features including over the last year
25 the ability to file a claim online, upload your own

1 evidence, and submit your claim directly into a VBMS. When
2 I last spoke to you, we had received a total of 1500 claims
3 this way. Today, we received 1000 a week this way.

4 We deployed VBMS to every regional office, medical
5 center, records management center, appeals management center
6 a full six months ahead of schedule. Under the original
7 VBMS transformation plan, we would still be delivering VBMS
8 to regional offices for the first time this month.

9 Instead, we have more than 25,000 users and have
10 converted more than 360 million images from paper into
11 digital format at a 99 percent quality level.

12 We have created or converted 75 percent of our current
13 claims in the inventory into the digital format for
14 processing electronically in the new VBMS system.

15 We have established a Newark Regional Office as a model
16 for an electronic regional office or eRO to test and
17 validate the changes associated with converting to a
18 complete paperless operation so we see no surprises.

19 Despite these recent outcome metrics and success,
20 please know this, Mr. Chairman and members of this
21 Committee, we still recognize that many veterans wait too
22 long to receive the benefits that they have earned and
23 deserved. This has never been acceptable to VA and it
24 remains not acceptable to VA.

25 No one in VBA is taking a knee as we would have said in

1 our military careers and the combined effects of our
2 transformation plan are having a positive impact for many of
3 our veterans, their families, and survivors.

4 I thank this Committee for your continued support
5 especially as we move into our crucial fiscal year 2014
6 year.

7 [The prepared statement of Ms. Hickey follows:]

1 Chairman Sanders. General Hickey, thank you very much
2 for your presentation. I am going to begin my questions
3 with the same question I asked in March when you were last
4 before this Committee, and that is, the Secretary has set a
5 very ambitious goal of processing claims within 125 days at
6 98 percent accuracy by 2015. That is a very, very ambitious
7 goal.

8 According to this weeks Monday Morning Workload Report,
9 there were 693,857 pending claims, 57 percent or about
10 395,000 of which have been pending longer than the
11 Department's goal of 125 days. These numbers clearly are
12 better, significantly better than the last time we met and
13 seem to indicate that the VA is making very real progress.

14 My question to you is you have made progress. You
15 still have a long way to go. Do the Department's claim
16 processing goals remain attainable? Are you, in fact, going
17 to tell us this morning that you are on track to achieve the
18 Secretary's goal of 125 days with 98 percent accuracy by
19 2015?

20 Ms. Hickey. Chairman Sanders, we are on track.
21 Barring any implications to our full Fiscal Year 2014
22 request which we obviously need at the exploration of that
23 CR in January and barring any impact to our OIT budget,
24 because we are particularly focused in 2014 on the
25 automation that adds functionality every 12 weeks to our

1 capability.

2 So, we will also require our full Fiscal Year 2014 IT
3 budget when the CR expires in January of this year.

4 Chairman Sanders. So, what you are telling us is that
5 everything being equal, if you get the budget that you need,
6 you expect to achieve the Secretary's goals?

7 Ms. Hickey. That is what I am telling you, Chairman
8 Sanders.

9 Chairman Sanders. General Hickey, your testimony
10 contains some significant statistics. It highlights a 36
11 percent reduction in the backlog since March of this year,
12 including record numbers of claims completed in Fiscal Year
13 2013 and specifically the months of August and September, an
14 improvement in claim level accuracy from 83 to 90 percent,
15 and a continued conversion of millions of pieces of paper
16 into a digital format suitable for use in the new electronic
17 claims processing system.

18 Are you confident that the VA will continue to see this
19 level of production as well as continued improvement in
20 accuracy?

21 Ms. Hickey. Chairman Sanders, I am confident that we
22 will continue to see that. I will say that we have achieved
23 an historical high for VBA, never achieved before, which is
24 1.17 million claims in a single year, never done it before,
25 never achieved 128,000 claims a month at the same time that

1 our quality was also very high and rising, never achieved a
2 129,000 claim month.

3 Even November of this year where we achieved 94,000
4 claims, we have never achieved more than on a November month
5 of 74,000 claims. So, we are 20,000 high in the month of
6 November, 20,000 claims more we have produced in the month
7 of November than we have ever done before just going to show
8 the demonstrated capabilities of where we are moving.

9 Chairman Sanders. Okay. Thank you. Let me just state
10 that I have got a few more questions here.

11 In April of this year, VA rolled out an initiative to
12 provide decisions on the claims that have been pending the
13 longest. While I appreciate VA's efforts to provide the
14 veterans who have been waiting the longest with decisions, I
15 continue to have concerns about this initiative.

16 The IG, the Inspector General's recent findings
17 regarding provisional ratings decisions at the Los Angeles
18 Regional Office which found a number of errors was very,
19 very concerning. I understand the office corrected in the
20 appropriate guidance that was issued to staff in June and is
21 now in the process of correcting any errors in claims which
22 may have been improperly adjudicated.

23 So, this IG report is very concerning to many of us.
24 Can you explain to this Committee and the actions that have
25 been taken to remedy the problems identified in Los Angeles?

1 Ms. Hickey. Chairman, I absolutely can do that, but
2 let me start first by saying the IG did go in and look at
3 these claims later. But I will tell you the regional office
4 knew within one week of doing this guidance.

5 They misinterpreted the letter we sent. They were
6 leaning in, trying to help to really move forward. Nothing
7 malicious intent. They put out an alternative guidance to
8 the regional office that they themselves identified within a
9 week that they had done wrong.

10 The leadership at the regional office immediately
11 notified Deputy Undersecretary Rubens of the issue. She
12 immediately got in touch with everybody across the Nation,
13 made sure no other guidance had been interpreted that way.
14 It had not.

15 The regional office leadership immediately called not
16 only one all-hands meeting to make sure everybody in the
17 regional office knew they had made a mistake, that they had
18 made a mistake in the guidance, not the employees, but also
19 then conducted a second all-hands meeting face-to-face with
20 every employee to tell them about that and followed up with
21 four more letters or written correspondences to the
22 employees reminding them over periods of time about the
23 guidance on this.

24 Now, it is important to note that this particular
25 regional office had for the previous complete year made only

1 one error like that in the whole year before. They had cut
2 down those B2 errors that significantly. So, this was an
3 anomaly.

4 Those claims that were looked at were found during that
5 period of time and about the week after as it was still
6 being cleaned up and trickled through.

7 So, yes, the IG did go in, identify them later but the
8 RO identify them immediately or within one week of making
9 the wrong guidance decision.

10 It has been resolved. We had our star accuracy team
11 pulling, and let me put it in context, this is three percent
12 of those half a million, 512,000 claims we have made on the
13 oldest claims initiative. 14,000 claims, we are reviewing
14 every one of them to make sure it did not happen again. Our
15 star accuracy through our compensation service is doing
16 that.

17 Chairman Sanders. Okay. Thank you very much.

18 Senator Burr.

19 Senator Burr. General, welcome to you and your team,
20 and thank you for your testimony. Let me ask you as it
21 relates to the IG's report and the LA situation
22 specifically. Did the LA office violate VA policy in how
23 they implemented that initially?

24 Ms. Hickey. So, Senator Burr, yes, they gave out an
25 alternative policy that they--they did not intend to violate

1 policy. They just interpreted the policy differently.

2 Senator Burr. So, in that short period of time before
3 they self-identified the misinterpretation of the
4 memorandum, when they went back and reviewed all the
5 provisional decisions, it found 470 out of 513. Can I
6 assume that all 513 of those cases were decided in that one
7 week period and those 470 hours were made in that one-week
8 period?

9 Ms. Hickey. So, Senator Burr, I told you that we kept
10 doing reminders. They did a second all-hands and they did
11 four more follow-ups because they found some of them were
12 continuing to trickle out that way. So, it is about a two-,
13 three-week period of time before they got it all caught and
14 cleaned up but they were actively, actively and aggressively
15 going after that cleanup.

16 Senator Burr. Were provisional decisions included in
17 determining the number of claims VA is reporting it
18 completed during 2013?

19 Ms. Hickey. I am sorry, Senator, I am not
20 understanding the question.

21 Senator Burr. Were provisional decisions included in
22 determining the number of claims VA has completed during the
23 calendar year 2013?

24 Ms. Hickey. I am going to ask, well, she just told me
25 yes. So I will answer yes on behalf of the Deputy

1 Undersecretary. There were 14,000 of those claims which is
2 three percent of all of the claims we have done in the
3 oldest claim initiative which was 67,000 two years and older
4 and 512,000 one year and older.

5 Senator Burr. You highlighted 97 percent quality or
6 accuracy. I will use both words. Last week the American
7 Legion testified and I quote, VA's accuracy statistics from
8 the Monday Morning Reports are not consistent with the
9 review of recently adjudicated claims as conducted by the
10 American Legion. According to the Legion, they reviewed 260
11 decisions and found errors in 55 percent.

12 Also, the National Veterans Legal Service Program
13 testified the current error rate somewhere between 30 and 40
14 percent. In some ROs it is higher. Are they wrong?

15 Ms. Hickey. So, Senator Burr, it is an apples and
16 oranges discussion. If I may have a moment to clarify that.
17 First of all, let me just state for the record and for every
18 time I talk on this subject anywhere, we will not trade
19 production for quality. It is an and equation. Both must
20 arise which is why it is 125 and 98.

21 But there is a very different way the IG and others are
22 looking at issues than the way we do. I will tell you that
23 our process has been validated by an external agency in--

24 Senator Burr. Let me ask my question again. Are they
25 wrong?

1 Ms. Hickey. Senator Burr, they are right for the way
2 they look at it. We are right for the way we measure it
3 which is statistically valid.

4 Senator Burr. General, they are the customer, are they
5 not?

6 Ms. Hickey. Actually, the veteran, the family member,
7 and their survivor are my customers, senator.

8 Senator Burr. Yes. And these are the organizations
9 that represent them.

10 Ms. Hickey. They are, sir, and they are our partners.

11 Senator Burr. Should this Committee believe that there
12 is any VSO in America that believes that the accuracy or the
13 quality is that 97 percent right now?

14 Ms. Hickey. Senator Burr, I would ask you to ask them
15 for their opinions. I can not quite--

16 Senator Burr. They testified on it. But that is not
17 necessarily something that computes.

18 Ms. Hickey. Senator Burr, I have a statistically
19 valid, validated process that it goes far further--

20 Senator Burr. I asked a very simple question. Are
21 they wrong? And I guess the answer is yes because you are
22 saying your statistics are different than what their review
23 has been.

24 Ms. Hickey. They have a different process, Senator.

25 Ms. Hickey. Okay. According to VA's Monday Morning

1 Workload Reports, there are at least 266,000 appeals that
2 have not been resolved. That is about 100,000 more than
3 were pending five years ago. Although appeals are not
4 counted in VA's backlog statistics, they represent
5 individuals who have yet to know what benefits they
6 received.

7 Do the performance standards for regional office
8 directors and service center managers include how quickly
9 and accurately they are handling appeals?

10 Ms. Hickey. So, Senator Burr, the simple answer is, to
11 your question, yes, they do; however, I would also tell you
12 that a veteran does know the answer to our opinion on a
13 claim. In many cases they are deriving resources associated
14 with that claim decision already. Even though they might be
15 appealing only a part in piece of our overall decision.

16 Senator Burr. So, you have a metrics that you use to
17 determine this?

18 Ms. Hickey. We absolutely have metrics on our appeals,
19 Senator.

20 Senator Burr. Would you provide that metrics for the
21 Committee?

22 Ms. Hickey. We will do that, sir.

23 Senator Burr. On average, how long have those 266,000
24 appeals been pending?

25 Ms. Hickey. Senator, the Chairman cites some 800 days,

1 and so I will accept--

2 Senator Burr. Does the VA track that?

3 Ms. Hickey. We do, Senator Burr.

4 Senator Burr. Okay. At what point is an appeal
5 considered to be backlogged?

6 Ms. Hickey. We do not have a backlog number for
7 appeals, Senator. What I can tell you is the rate of
8 appeals has not changed in the last many decades.

9 Senator Burr. At what point does the length of an
10 appeal become a concern of the VA?

11 Ms. Hickey. It is a concern of ours right this minute,
12 sir, and I will tell you that is why we have done a Lean Six
13 Sigma efforts on the appeals process to try to identify ways
14 to improve the appeals process and how.

15 In fact, we have some legislation in front of you that
16 I would appreciate your consideration to help the appeals
17 process, and I appreciate the members of this Committee who
18 are supporting that.

19 I will also tell you we have a standard notice of this
20 agreement form that will take 100 of those days immediately
21 off that wait time for our veterans because we have never
22 had a mandatory standard notice this agreement form for and
23 appeals before, and that is, by the way, out for public
24 comment right now. That period closes this month, and we
25 hope to have that as soon as January of next year.

1 Senator Burr. Mr. Chairman, last question in this
2 round. How many employees are currently devoted or
3 dedicated to working on appeals?

4 Ms. Hickey. Senator Burr, I can get you the specific
5 number. I do not have that at my fingertips. But we have
6 decision review officers who are dedicated in normal hours
7 though they have been in over time working compensation
8 claims. They have been dedicated to working appeals.

9 Senator Burr. Would you provide that for the Committee
10 and would you provide it in a way that you compare it to the
11 previous two years and how many people were dedicated to
12 appeals?

13 Ms. Hickey. Senator, I would be happy to provide you
14 what you need.

15 Senator Burr. I thank the Chair.

16 Chairman Sanders. Senator Burr, thank you very much.

17 Senator Brown.

18 Senator Brown. So, why does it take 40 days longer in
19 the Cleveland office?

20 Ms. Hickey. Senator Brown, it depends on the amount of
21 workload that that regional office has within its inventory.
22 So, in some cases, we will have, as we have had in Ohio and
23 as we have had in other locations, major mobilizations,
24 demobilizations of large contingents of National Guard and
25 Reserve that come back that create sudden surges in the

1 system.

2 We have had that in Ohio. The Ohio National Guard has
3 been participating very heavily in the current wartime
4 environment and so there have been some surges in returns as
5 they deployed.

6 Senator Brown. But the backlog in Cleveland has been
7 persistent for some time. Does not the VA need to respond?
8 Why, if your community has sent more people to the National
9 Guard, I guess that is what you are saying in part, so that
10 you happen to live in a place where you have to wait 40 days
11 longer just because you live in that place?

12 I understand if it is a surge and it is a short-term
13 surge; but if it is persistent, is not there something the
14 VA should do to move people around or assist in a way that
15 makes that a little more likely closer to the national
16 average?

17 Ms. Hickey. Senator Brown, there it is, and we have.
18 So, let me just talk to you. Let me also say we had
19 delivered yesterday to all of you--if you do not have it,
20 please let us know. I will do Cleveland by example.

21 The inventory in Cleveland has been decreased by 47.2
22 percent over the last eight months. The backlog is down by
23 64.5 percent. So, there is an improvement there.

24 Veterans in Ohio are now waiting less time for
25 decisions. Almost 176.2 days less than they were waiting

1 this time last year. Their two-year-old claims, 99.1
2 percent of them are complete. Their one-year-old claims,
3 73.4 percent of those are complete, and they have done it
4 while increasing their quality 5 percentage points at the
5 claim level and another 3.51 percent at the medical issues
6 level.

7 But let me tell you how we did that. We did that by
8 the all-hands on deck, everybody in the Nation working on a
9 national workload "Q" model that we have done over the last
10 eight months that helped us, helped all veterans regardless
11 of state borders and yours has benefitted from that help.

12 Senator Brown. Okay. Thank you.

13 Let me tell you a story. Sean Malone is a former
14 Marine sergeant in New Vienna, Ohio. His claim had been
15 pending in the development phase for 15 months. It appears
16 the missing evidence that slowed his claim was already in
17 the system but it was not routed to whomever, to whoever is
18 evaluating his claim.

19 It appears to me, and let me make sure I understand
20 this, that there is a discrepancy, when there is a
21 discrepancy between a claimant's status and paper mail and
22 online, I understand it seems troublesome when requested
23 evidence is missing or overdue.

24 My understanding is that there is no information
25 provided online or in paper form about what evidence it is

1 outstanding, and there may be a discrepancy between the
2 notification that there is evidence outstanding on paper
3 versus online.

4 Is that correct, and if it is, what do you do, what do
5 we do to try to eliminate that discrepancy? In other words,
6 whether you are filing online, whether you are filing by
7 paper, on paper, that one, you need to know that there is
8 evidence missing whether it is online or paper. Second, you
9 need to know what specific evidence it is. It seems that we
10 are falling short depending on how you file on each or both
11 of those.

12 Ms. Hickey. So, Senator Brown, I can absolutely both
13 tell you what we are doing and what help we need.

14 Senator Brown. Okay.

15 Ms. Hickey. So, there is no easier-to-do things in IT
16 and in automation than to load that directly onto that
17 veteran's benefit account, but that takes a fully-funded IT
18 budget in January when the CR expires.

19 IT for us is the way forward for really providing even
20 that higher level of service to our veteran and to their
21 family members and their survivors.

22 I will also say our VSOs who have met us online through
23 the stakeholder enterprise portal will start to get that
24 kind of information as well but that also relies on a strong
25 IT budget.

1 Senator Brown. Okay. Thank you, General.

2 Mr. Chairman, thank you.

3 Chairman Sanders. Thank you, Senator Brown.

4 Senator Isakson.

5 Senator Isakson. General Hickey, what is a B2 error?

6 Ms. Hickey. Senator, a B2 error is an examine error,
7 either an insufficient exam or an exam where we asked for
8 the wrong kind of exam, or a claim where we did not ask for
9 an exam and we should have. That is a B2 error.

10 It is singularly our, had been singularly prior to this
11 year, our highest exam error, our highest error in general.
12 But we put a big focus on it because we did, we said how do
13 we go after the biggest error we do in the system, and I
14 literally put it in all of our senior leaders performance
15 standards last year, and I said you will reduce your B2
16 errors by 50 percent. And they did.

17 Senator Isakson. What is it about the letter that you
18 sent to the Los Angeles office that they misinterpreted that
19 caused them to have a 91 percent error rate?

20 Ms. Hickey. I would like to ask, since she has the
21 very explicit language in the letter and had the
22 conversation, I would like to defer that question to Ms.
23 Diana Rubens, the Deputy Undersecretary for Field
24 Operations.

25 Ms. Rubens. Thank you, ma'am. Thank you, Senator

1 Isakson.

2 Obviously, the Los Angeles Regional Office had a
3 problem with that B2 errors. As they interpreted the
4 guidance that went out it was, do I have to wait for an exam
5 that has been ordered or do I need to order an exam. The
6 right answer, sir, was yes in both cases.

7 They misinterpreted that. Did not order exams when
8 they should have. Obviously as soon as they discovered they
9 had a spike in their B2 errors, they work very quickly, as
10 the Under Secretary has indicated, to correct that.

11 Ms. Hickey. I will also add--

12 Senator Isakson. Excuse me. So, they misinterpreted
13 and did not order an exam to justify a provisional decision
14 so the error was they did not order the exam they should
15 have ordered? Is that correct?

16 Ms. Hickey. Senator, if I can answer that question.
17 In many of those cases, they did order an exam but they made
18 the decision before they got the exam results back. In
19 other cases, they did not order the exam. But there is a
20 mix of that.

21 Senator Isakson. Is there a particular medical problem
22 that causes your adjudicators the biggest problems? Is
23 there a particular medical condition?

24 Ms. Hickey. So, we have put TBI at the top of the list
25 for some of those medical conditions. I will tell you that

1 is one of the things you do see in our IG reports because
2 our IG is focused on that narrow subset of claims when they
3 go out to look at us.

4 In fact, what I will tell you is in the testimony last
5 week, they cited those errors but what I would like to tell
6 you was in none of those errors cited was there at
7 entitlement problem to the veteran. The veterans still got
8 what the veteran deserved.

9 We made a process error where we did not get the second
10 signature but not an outcome error. I will say I
11 appreciate, I do appreciate it when the IG tells me we have
12 a process where we have set a policy and we have people not
13 doing what we said in policy.

14 But in many cases, the errors that they call on us are
15 not an outcome to the veteran problem. They are that we are
16 not doing what we have given out as policy in the process
17 perspective, and that is what was reflected in the TBI.

18 But I do appreciate when they tell me that somebody is
19 not following policy. That helps us clean that up.

20 Senator Isakson. Would it be fair to say that soft
21 tissue determinations are the most difficult for the VA to
22 make a final determination on?

23 Ms. Hickey. I cannot state that, Senator Isakson. I
24 will go and look and see if there is any data that sheds any
25 light on that for us.

1 Senator Isakson. Well, my personal observation is that
2 I would think it would be because it is the most difficult
3 assertion to make.

4 One other particular question. Has Secretary Petzel
5 retired? I know he was getting ready to retire.

6 Ms. Hickey. Senator, he has not yet but we have gone
7 through the initial processes to begin the selection for the
8 next one.

9 Senator Isakson. Well, I just want to make one comment
10 for you to deliver back to Secretary Shinseki and Mr.
11 Petzel. We had a hearing in Atlanta in August of last year
12 on the veteran suicide problem at the Atlanta VA but also
13 focused nationwide on the problem that 22 veterans a day,
14 8000 a year are taking their own life; and in certain cases
15 in the Atlanta VA, we found some holes in the follow-up on
16 patients who came into the VA and were followed up, were not
17 followed up on in terms of their connection on their
18 counseling and their further appointments.

19 I want to thank the VA for the attention they have been
20 paying most recently to the veteran suicide issue but please
21 remind them that until we get our arms around this we are
22 going to continue to focus like a laser beam on that problem
23 because it is the single biggest problem facing our veterans
24 community today.

25 Ms. Hickey. Senator Isakson, we will join you in

1 focusing extremely hard on this issue. Even the loss of one
2 life due to suicide is one too many.

3 Senator Isakson. Thank you very much.

4 Chairman Sanders. Senator Isakson, thank you very
5 much.

6 Senator Blumenthal.

7 Senator Blumenthal. Thank you, Mr. Chairman.

8 I want to join Senator Isakson and commend him for
9 raising this issue which is linked to another problem.
10 Increasingly prevalent among our veteran community is the
11 invisible wounds of posttraumatic stress often linked to
12 suicide unfortunately but not always.

13 I want to call attention to the effort that has been
14 made with respect to veterans of previous wars, Vietnam and
15 others before Iraq and Afghanistan, to qualify them for
16 benefits because of posttraumatic stress that they may have
17 suffered, a condition that was unrecognized at the time, in
18 fact, completely undiagnosed and untreated but very much a
19 factor for them.

20 I know that there has been a settlement recently with
21 respect to Mr. Shepherd of Connecticut whose claim was
22 brought by the Yale Veteran Legal Clinic. My hope is that
23 perhaps that recognition can become more general with
24 respect to other veterans and I would like to ask for a
25 report back, an update, as to what the status of

1 consideration is in the VA of posttraumatic stress and at
2 the Department of Defense in terms of what previous,
3 veterans of previous wars have suffered.

4 Let me focus, though, on the appeals issue which has
5 been raised here. Why does the VA have no time measure of
6 appeals? You mentioned that you do not keep track of, maybe
7 I misunderstood your point there but you do not have a
8 metric on the time taken for appeals.

9 Ms. Hickey. Senator Blumenthal, we absolutely have a
10 metric down to every single area on the time it takes to do
11 the appeals workload. What I said was we did not have a 125
12 days similar goal, stretched goal as has been mentioned
13 before.

14 But if I can just really quickly, thank you for
15 bringing up the PTSD issue because I would like to just
16 share. Our Secretary made a very effective decision to
17 really enable many, many more serving members from all
18 cohorts to have access to VA as a result of PTSD.

19 By example, in 1990 we had 49,000 service veterans on
20 our PTSD roles. In 2009 when the Secretary came, that
21 number was 355,000. Today, it is over 750,000 people that
22 we now are paying benefits to and now have access to
23 different forms of health care in VA associated with PTSD.

24 And the last thing I would just point out is, though it
25 was not remarked in last weeks HBAC hearing, one of the

1 three things that IG had been regularly looking at us for
2 was the accuracy of our PTSD decisions.

3 They have recently informed me they are not seeing
4 problems. So, therefore, they are going to discontinue
5 looking.

6 Senator Blumenthal. I want to come back to the
7 appeals, if I may.

8 Ms. Hickey. Yes, please.

9 Senator Blumenthal. And I stand corrected in fact. I
10 misspoke. I understand that you do measure the length of
11 time for appeals and that you do not have the 125-day metric
12 which would have been the more accurate way of putting it.
13 But what I am troubled to find is that, unless I am wrong,
14 the average length of appeals has actually increased by
15 about u percent since March. Is that correct?

16 Ms. Hickey. Senator, I do not have that metric
17 specifically but what I can tell you is the rate of filing
18 has not increased. In fact, it has been pretty steady--

19 Senator Blumenthal. Well, what about the rate of
20 decision though.

21 Ms. Hickey. It has not changed either.

22 Senator Blumenthal. The average length of time.

23 Ms. Hickey. So, let me give you by example. For the
24 claim decisions we make in a year, about 11 percent of our
25 veterans file what we call a Notice of Disagreement. At the

1 end of a process that includes our regional offices, about 4
2 percent of those go forward to the Board of Veterans'
3 Appeals. At the end of the Board of Veterans' Appeals
4 process, about 1.2 percent or about 12,500 claims are
5 overturned by the board who disagree with our decision in
6 the claims process.

7 Senator Blumenthal. Is that number increasing or
8 diminishing?

9 Ms. Hickey. Interestingly enough, it has held fairly
10 constant in the last several decades. I will tell you I do
11 not know what it means but this Fiscal Year 2013 is down.

12 Senator Blumenthal. Can you get us the number, and I
13 apologize for interrupting, but my time is expiring.

14 Ms. Hickey. I understand.

15 Senator Blumenthal. Could you get us the number for
16 the length of time that is required for resolution of
17 appeals? I understood it increased by 7 percent.

18 I would also like you to tell me why the percentage of
19 backlog claims in the Hartford office has increased from 57
20 to 58.6 percent?

21 Ms. Hickey. So, Senator, actually my data has
22 something different. My data shows that your inventory in
23 Hartford is down 9.1 percent. In your backlog is down 6.0
24 percent. The age of your claims are down 59.1 days right
25 now. Your two-year-old claims, you have none left in

1 Hartford. Your one-year-old claims, you only have very few,
2 18 of them remaining. Your quality is actually up 8.6
3 percentage points and your issue-based accuracy is up to
4 96.05 percent, a 1.73 percentage increase.

5 And that is while you also have been helping in the
6 national workload.

7 Senator Blumenthal. May I ask you what date that is?

8 Ms. Hickey. This is as of November 30, 2013.

9 Senator Blumenthal. I had data as of December 7 which
10 is more recent data. It shows that the backlog has
11 increased from 57 percent to 58 percent. I would like you
12 to tell me why.

13 Ms. Hickey. Senator Blumenthal, we will absolutely
14 take that and try to explain that for you.

15 Senator Blumenthal. Thank you.

16 Ms. Hickey. You are welcome.

17 Chairman Sanders. Thank you, Senator Blumenthal.

18 Senator Boozman, are you up? Or Senator Heller, I
19 think is up next.

20 All right, Senator Heller.

21 Senator Heller. Thank you. Thank you very much, Mr.
22 Chairman and Ranking Member Burr, again for having this
23 hearing. In my opening statement I said, General Hickey,
24 that I believe that you knew this was a problem and you want
25 to solve this problem and you are going to do everything you

1 can to solve it. So, I appreciate that.

2 You have been giving some interesting statistics about
3 Hartford and Cleveland. Can you give me the Reno
4 statistics?

5 Ms. Hickey. I absolutely can.

6 Senator Heller. Thank you.

7 Ms. Hickey. I will share them with you now.

8 Senator Heller. Thank you.

9 Ms. Hickey. And we did have a big problem in Reno. I
10 am pleased that we had an opportunity to address some of
11 that problem though we know we still have others to solve
12 there.

13 Inventory is down by 42.1 percent. Backlog is down by
14 57.7 percent. The inventory, the age of the inventory they
15 have in their system right now today remaining it is 194.9
16 days younger than it was this time last year.

17 They have eliminated all but 13 of their two-year old
18 claims for a 94.5 percent improvement. They have eliminated
19 90.9 percent of all their one-year old claims, and they have
20 increased their claims space accuracy by 8.38 percent to
21 over 92 percent, and their medical issue accuracy has been
22 at 95 percent and remains at 95 percent.

23 Senator Heller. Thank you. I guess my concern is have
24 you had a chance to make it to the Reno RO. I know you have
25 a lot of ORs.

1 Ms. Hickey. I have actually been to Reno three times
2 in two years and a few months.

3 Senator Heller. You know, we always rank it as the
4 worst RO. Can you give me any insight as to why that is the
5 case and why we continue to be one of the worst?

6 Ms. Hickey. So, Senator, this was not always a
7 challenge for the Reno office. In fact, they have had times
8 where they are on the top of the list. But they did have a
9 growth of claims at a time where they had some vacant
10 positions in the workforce, and in the process they also had
11 some retirements in the workforce. Between those kinds of
12 numbers when you are a very small regional office, as Reno
13 is, you see the impact pretty quickly.

14 Senator Heller. You cited in some of your answers and
15 I think a little bit in your opening statement about some of
16 the concerns in surges that we have. My concern is that I
17 think it is going to take maybe one major court decision or
18 perhaps another military action to get us where we were a
19 couple of years ago. And I am not sure the structural
20 changes are there.

21 We are looking at improvement, and I am glad to see
22 that. But I know the VA has cited a number of reasons as to
23 why we got to where we were recently and that is obviously
24 the changes to the diseases associated with Agent Orange.

25 Obviously, court cases that have been expanded the VA's

1 duties, and frankly I think the VA's own outreach and
2 efforts to have increased claims also.

3 I guess what we are trying to get to hear in this
4 Committee is how do we keep a surge from erasing perhaps
5 all of these improvements that we have seen in the last
6 year?

7 Ms. Hickey. So, thank you, Senator, for your
8 questions; and I will reflect back to my DoD days if I might
9 for a moment.

10 When we would go into a contingency operation, we did
11 not go in with the resources we had. We went into that
12 contingency operation with a supplemental that addressed the
13 new requirements that that contingency brought to us that
14 were outside of the planning environment.

15 I will tell you from the way we look at it every time
16 we get a new thing, you are right, I am telling you I will
17 get to 2015 and 125 days except for if I have a large
18 perturbation of something like we experienced in the Agent
19 Orange environment, 260,000 claims in our inventory
20 overnight in October of 2010, that will kill us.

21 But I cannot budget to you for a totally unknown,
22 unprojected, inability to plan for a contingency operation
23 that I do not know is coming and that I have no idea what
24 will happen in a court case. But I do think in the future
25 we ought to be considered resources along with some of those

1 new requirements I think need to be addressed.

2 Senator Heller. Thank you.

3 Mr. Chairman. Thank you.

4 Senator Heller. Senator Heller, thank you.

5 Senator Boozman.

6 Senator Boozman. Thank you, Mr. Chairman.

7 And again, we really do appreciate your all's efforts.

8 This is a difficult situation. I know you are working very
9 hard. I was in the veterans' benefit office or got to visit
10 with them last week in the Little Rock area.

11 You know, they have a good story to tell. They are
12 working very, very hard. They mentioned the partnerships
13 with the VSOs, the great job that they were doing in getting
14 the pre-material ready so that they would have less problems
15 and also our county veteran service officers.

16 I guess a couple of things. The IG has not been real
17 pleased in the sense you mentioned, you know, the key to
18 this was the IT in the future. We struggled with that. We
19 have had some problems.

20 Can you tell us besides rolling out new versions what
21 is the VA doing to remedy the problems in regard to that
22 particular problem?

23 Ms. Hickey. So, first--

24 Senator Boozman. The benefits management system.

25 Ms. Hickey. So, thank you, senator, and I will address

1 that.

2 First, let me just thank this Committee and
3 specifically Senator Burr for your leadership around the
4 fully developed claims process. That is tremendously good
5 for our veterans and frankly it is tremendously good for us
6 too and our ability to meet the needs of our veterans and
7 you have provided us an awesome tool to our VSOs who are
8 just rolling in in big ways including your county service
9 officers with more and more fully developed claims.

10 So, I just want to acknowledge what you have done there
11 in that leadership role. Now, our veterans get a whole year
12 of additional benefits as a result.

13 Let me speak now to the VBMS system. I will tell you
14 this time last year when we were deploying VBMS, we did have
15 some latency issues. I spoke to you about that the last
16 time. We had about three major issues with VBMS.

17 We rolled in hard. We are doing what the industry
18 calls DevOps now which is they put the developer with the
19 operator sitting side-by-side fixing issues as we go so that
20 it works for the user and the coder knows what to code right
21 the first time. I believe a lot of those issues were
22 resolved with the January release this year that cleaned up
23 a lot of those really big issues.

24 Do we had things that happen every now and then? Yes.
25 I will tell you last week we had an access down time on VBMS

1 not because of VBMS. We had another underlying
2 infrastructure that affected all of our systems.

3 So, but that has been fixed, that has been resolved.
4 It is not the system itself. It was the underlying
5 hardware. There was a server somewhere that needed a new
6 server.

7 But I will tell you we have it all backed up and I will
8 tell you frankly on that day the ingenuity of our employees
9 said run to ground, find every paper claim we can find in
10 the system that is left and start working those on the old
11 legacy system. As a result, we still had a decent amount of
12 production that date.

13 But that is what I would tell you. I think VBMS is
14 delivering every 12 weeks new and new functionality. I hear
15 that from my employees sitting on the keys, banging on it,
16 because I talk to them once a week on a pulse check call 2
17 to 3 hours.

18 Nobody else is allowed to do it, and I talk to
19 bargaining unit employees only who are using the system and
20 get to their challenges and their lives, and they are
21 telling me if you are a rater they really like it. If you
22 are a VSR, there is still a little change management going
23 on because I have built the checklist into the system that
24 does not allow you to work around things and create errors.
25 And so, there is still some adjustment from our VSR's in

1 that respect.

2 Senator Boozman. Right. Tell me about what has
3 happened to the non-writing actions, the claims in that
4 regard. You know we focused a tremendous amount rightly so
5 on the other but, you know, the dependency adjustments,
6 changes to clothing allowance, things like that. What has
7 happened to those claims?

8 Ms. Hickey. I am happy to do so. I am trying to get
9 to my page that gives me the explicit number but what I can
10 tell you as I am flipping pages is that, in addition to
11 having the all-time record-setting year for rating claims
12 this year, I am happy to report non-rating workload, we also
13 had the all-time, historical record for those claims doing
14 more than 875,000 of those non-rating pieces. That is a 16
15 percent increase over last year.

16 Senator Boozman. You mentioned to the Senator that was
17 concerned about his statistics and you mentioned that his
18 two-year rate had gone down significantly.

19 How much of that would be provisional in regard to the
20 over two years?

21 Ms. Hickey. Probably very little when we have at most
22 14,000 claims across the Nation out of 512,000 claims.

23 Senator Boozman. Thank you.

24 Ms. Hickey. Thank you.

25 Chairman Sanders. Senator Boozman, thank you very

1 much. I would be remiss, having heard about your status
2 report from Connecticut, Ohio, and Nevada to ask you about
3 Vermont. How are we doing in Vermont?

4 Ms. Hickey. So, Mr. Chairman, I will tell you White
5 River Junction has decreased its inventory by 25 percent,
6 has reduced its backlog by 34 percent.

7 The days that your veterans are waiting less for their
8 decisions, they have reduced it by 127 days. They are
9 wading into today's inventory. They have completed 18.4
10 percent more claims this year than last year. They have no
11 two-year-old claims. They are 100 percent complete, and
12 they have no one-year-old claims. They are 100 percent
13 complete, while they have also increased their quality at
14 the claim level by 15 percentage points, almost 16 full
15 percentage points in White River Junction, and their issue-
16 based quality is up at 96 percent for a 4.25 percent
17 increase.

18 Chairman Sanders. Okay. Thank you.

19 Let may raise very briefly two issues. I know the
20 Senator Burr you have some questions you want to ask.

21 I want to talk a little bit about web-based claims
22 filing. I want to follow up on an issue I wrote the
23 Secretary about last week and I appreciate both your and the
24 Secretary's efforts to finally move VA into an electronic
25 claims processing environment, something obviously long-

1 overdue.

2 However, as VA continues its transition to a paperless
3 environment, it needs to ensure that it does not
4 inadvertently disadvantage certain populations of claimants.
5 That is why I am so concerned about an ongoing transition of
6 web-based claims filings from the veterans online
7 application, VONAPP, to eBenefits.

8 At present, pension claimants can no longer file online
9 as I understand it. This seems like a step in the wrong
10 direction. For the veterans with service prior to 1988 and
11 no Defense enrollment eligibility reporting system or DEERS
12 identifier must physically visit a regional office before
13 gaining the necessary access to file an application for
14 disability compensation online. You, I think, can
15 understand how difficult that may be for elderly veterans or
16 those living in rural areas.

17 I would very much urge, I would make the same request
18 of you that I made to the Secretary. First, will you
19 restore VONAPP filings capabilities for pension applicants
20 until such time as pension applications are available in
21 eBenefits?

22 Ms. Hickey. So, Mr. Chairman, I will take this one.
23 We own this one. I did see your letter. We are responding
24 to your letter but let me just give you the elevator
25 responds here.

1 The VONAPP capability still exists; however, it is on
2 our pension page. Now, we have not, and I own this, done a
3 very good job about telling our veterans that is where it
4 is.

5 So, we will take that for action and we will get that
6 out there better and faster so those applicants can still
7 use some of that capability.

8 But secondly, I will tell you, just as I say to every
9 veteran, I will say it again today, I think one of the best
10 ways to navigate our system is to get a certified VSO,
11 state, county, federal, local, somebody else. I really do
12 value that they give it--

13 Chairman Sanders. I know that but not every veteran
14 has access.

15 Ms. Hickey. Absolutely, I understand that.

16 What I will tell you is that we have built something
17 called the 527EZ. It is the counterpart to the 526EZ online
18 form on eBenefits for our veterans. That will be loaded in
19 eventually into eBenefits. It depends on IT dollars.

20 What I can also tell you that I hope will help is, and
21 I have seen this. I was helping a veteran myself on this.
22 When you go in for an eBenefits account, if you are one of
23 those members, veterans who does not show up in that DEER
24 system, there is some functionality on the bottom of that
25 page. We need to do a better job of highlighting it. I

1 will take that for action.

2 But if you click on that and say, I am having a
3 problem, it goes to three people at our benefits assistance
4 service who are dedicated to get you in the system. We need
5 to do a better job about getting that word out.

6 Chairman Sanders. Not everybody is as familiar with IT
7 as you are.

8 Ms. Hickey. I understand, Mr. Chairman. Thank you.
9 We will do a better job about getting that word out across
10 the system.

11 Chairman Sanders. I think, my last question is that
12 you have heard a lot of concern this morning about the
13 appeals process. We are concerned about the rise in the
14 appellate workload pending at the regional offices.

15 The average amount of time it takes to resolve an
16 appeal which, according to VA's performance and
17 accountability report was 866 days in 2012 is clearly
18 unacceptable. So, what I want to hear from you is how with
19 very specific ideas we are going to improve the processing
20 of the appellate workload, and I would very much like to
21 hear from you within 45 days your telling this Committee the
22 actions VBA will take to improve the processing of the
23 appellate workload at the regional offices.

24 Can I have your commitment on that?

25 Ms. Hickey. Mr. Chairman, yes, you can and I would be

1 happy to deliver that.

2 Chairman Sanders. Thank you very much.

3 Senator Burr.

4 Senator Burr. I thank the chairman.

5 General Hickey, thank you for your comments as it
6 relates to fully develop claims. I think the Committee has
7 always tried to provide anything that they thought might
8 make the system better. I think it is good to know that
9 that is having an impact.

10 Let me reiterate to you and your team anything, and I
11 say anything, that the Committee can do from a legislative
12 standpoint that makes the situation better we are anxious to
13 hear those requests. I would hate for this hearing to go on
14 without us not reiterating that one more time.

15 In your conversation with Senator Boozman as it related
16 to the VBMS, I have got a follow-up because last week the
17 Inspector General testified that claims processing staff had
18 complained that the VBMS system has, and I quote,
19 spontaneous system shutdowns, latency issues related to slow
20 time to develop documents such as medical evidence for
21 review, longer times to review electronic evidence,
22 mislabeled electronic evidence, and mixing evidence from one
23 veteran's electronic file to another veteran's file.

24 Is that an accurate depiction by the Inspector General?

25 Ms. Hickey. Senator Burr, I think it may be a very

1 dated perception by the Inspector General.

2 Senator Burr. Have you heard similar complaints from
3 employees?

4 Ms. Hickey. Senator, a year ago I may have heard
5 similar comments from employees which I listen to every
6 single week. We did have latency issues last year. We did
7 have some issues in the assist him. We do not have the same
8 issues in the system.

9 But if I can couch that really quickly, there is some
10 change management that has to happen in this too as well.
11 When you are doing something electronic, you are standing
12 there looking at the screen the whole time. You forget all
13 the time you had to waste when it was in the paper, you had
14 to go upstairs to flights, go find the file in the file
15 bank, pull the file out of the file bank, run downstairs, go
16 to the mail room, find the associated mail that was hanging
17 around in paper, bring it back, go to the copier, go get the
18 sticky 3M notes, write it all down.

19 You sort of forget about all that logistical time that
20 you used to spend. So, suddenly 3 to 20 seconds feels like
21 a big deal when you are standing looking at a screen doing
22 nothing.

23 Senator Burr. But you are actively involved in a
24 weekly conversation on the phone and you are not hearing any
25 of this?

1 Ms. Hickey. I am. I hear occasionally now, I heard it
2 a lot last November. So, I will acknowledge that. I heard
3 it a lot last November, and I have the IT guys sitting there
4 with me, and the VBMS program management office sitting
5 there with me, and we are asking them literally for the note
6 that they sent in to the national help desk on it. We are
7 looking at exactly the right time and what happened and how
8 it needed to be fixed.

9 Senator Burr. Okay. We will follow up with the IG to
10 see the timeliness of what he reported in his testimony.

11 Ms. Hickey. Thank you, Senator.

12 Senator Burr. The Monday Morning Reports also reflect
13 there has been an increase in the number of days, the number
14 of work items pending in categories like correspondence,
15 miscellaneous determinations, and dependency adjustments and
16 that these have been increases that have been pending for a
17 long time.

18 For example, the number of dependency adjustments
19 increased from 48,000 in 2010 to 228,000 today and 71
20 percent have been pending more than 125 days compared to 19
21 percent in 2010.

22 Let me just be blunt. Has VA been putting off this
23 type of work in order to focus resources on driving down the
24 backlog numbers?

25 Ms. Hickey. So, as equally responsive to you, Senator

1 Burr, no. And it is indicative by the fact that we have
2 done a record high number, all-time record high number of
3 those, 875,000 of them and we are 16 percent more that we
4 have done this last year over the previous year.

5 So no, we are not putting them off but I have good news
6 to tell you--

7 Senator Burr. So, why are these piling up?

8 Ms. Hickey. Because we are doing more claims, Senator;
9 and as we do more claims, we get more dependency claims.
10 And as you all have told me, and I accept that, as we have
11 been slow, you have sent more letters, rightfully so, that
12 we need to acknowledge and respond to at the local level so
13 I will acknowledge that.

14 I am trying hard to get that mail volume down for you
15 and I by doing that claim right and well for our veterans
16 and their family members and survivors but I acknowledge
17 there are a lot of letters that have grown over this time.

18 But what I will tell you, we do have a really good
19 solution set to talk to you about for, and I think non-
20 rating workload is perfect for automation. It does not have
21 an adjudicative, judgmental, non-objective rule set
22 associated with it.

23 We have just built this last year something called RVPS
24 focused at dependency claims. When you file a claim online
25 on eBenefits today for dependents, 40 percent of them go

1 through in a single day and pay. We are loading this week
2 another set of functionality focused at our retiree
3 population. It will take 60 to 70 of those, flow them
4 through in a single day, automated, done and moving out.

5 I think this non-rating workload is really, really
6 conducive to automated IT solutions. That is where we are
7 focused for this next year.

8 Senator Burr. Ms. Rubens, VA's testimony mentions
9 generation three of the VBMS and that it will deploy next
10 year with additional capabilities including a national que,
11 and I quote, will root claims automatically based on VBA's
12 priorities. And I think that is in large measure what you
13 were just talking about, General.

14 And it says that the processor will place the claim
15 with the next best person to work based upon the skill level
16 and national policy.

17 Is VBA working on a national policy?

18 Ms. Rubens. Thank you, Senator Burr.

19 The effort behind the national work que really is to
20 take things like our priority one claims today, our
21 Congressional Medal of Honor recipients our former POWs, the
22 category, if you will, the homeless veteran, the terminal,
23 the hardship, that is, of course, our first priority.

24 Then as we continue to work the aged claims down, we
25 started with the over two, the one year, and now we are all

1 on the 334-day bucket. Those are the kinds of policies that
2 that national work que will help you make sure that those
3 claims get routed properly whether that is to a member of an
4 express lane, a core lane, or a special operations lane
5 depending on the nature of the claim to ensure we are, if
6 you will, managing that as efficiently as possible.

7 Senator Burr. Am I just misinterpreting the statement
8 that? I understand the part about routing the claim the
9 most appropriate place regardless of geographically where
10 that is. Is there an overarching national policy that
11 exists on top of that? Or is that routing national policy?

12 Ms. Hickey. Well, Senator Burr, those categories that
13 she just mentioned including, by the way, we put fully
14 developed claims in that because we want to incentivize
15 folks to bring us in a fully developed claim.

16 The national policy is just saying what is the workload
17 we want you to do first. So, we do not want you to go grab
18 something easy off the list and off the shelve just because
19 it is easy for you to do. We want you to do the things we
20 say nationally are critically important for us to do to get
21 to 125-98.

22 Senator Burr. My question earlier is. What
23 participation did critical stakeholders have in the
24 development of that national policy?

25 Ms. Hickey. So, I engage personally monthly with all

1 the executive directors of all of the VSOs and also monthly
2 with all of the executive directors from the military
3 support offices, the MSOs as well.

4 We go over every single initiative we are doing, every
5 single strategy they do.

6 Senator Burr. Do they contribute to the development of
7 that national policy?

8 Ms. Hickey. They do. They give us input. They say
9 where they think we should do something differently. We
10 change and address and adapt in that environment as well. I
11 completely ran the old claims initiative through and by
12 them. In fact, I think we called a special meeting just
13 before that.

14 Senator Burr. Lastly, if I can--

15 Chairman Sanders. I have got to run. Senator Burr
16 will take over.

17 I want to thank all of you for being here. I think it
18 is very clear to me that we are making significant progress.
19 It is also clear to me that there are a lot of problems that
20 remain. This Committee looks forward to working with you.
21 Thank you.

22 Ms. Hickey. Thank you, Chairman.

23 Senator Burr. [Presiding.] Thank you, Mr. Chairman.

24 General, VBMS 6.0 is scheduled to be released this
25 month which includes delivering initial capabilities to the

1 Board of Veterans' Appeals.

2 As we continue to see a decrease in the number of
3 backlog claims, it appears we can also expect to see the
4 number of appeals increase. As VBMS is deployed to the
5 board, it is critical that it does not hamper their ability
6 to adjudicate appeals in a timely fashion.

7 The functions and requirements of regional offices and
8 boards are significantly different. What steps has VBA and
9 the Office of Information Technology taken to tailor-made
10 the VBMS system to meet the need of the Board of Appeals?

11 Ms. Hickey. Senator, great questions. I will tell you
12 that from the get-go the board has been part of the
13 requirements development process and frankly has driven the
14 requirements development process because it is, in large
15 part, at the end of the day we are building that
16 functionality out for them and releasing them in this
17 version.

18 We will add functionality just as we do every twelve
19 weeks for the claims side. We will add functionality over
20 time for the appeals inside as well but we will not do that
21 in a vacuum.

22 In fact, I have to take the lead off of them for the
23 building out of their requirements.

24 Senator Burr. Great. Well, let me reiterated what the
25 Chairman said. We are grateful to you for the job you do.

1 Thank you for being here today.

2 General, if there is one take away I would at the
3 conclusion of his emphasize with you, this inconsistency
4 between what some of the VSOs perceive of the quality debate
5 and what your numbers show the quality to be is something I
6 hope you will focus on as to how we close the gap.

7 Both cannot be right. Both cannot be wrong. I think
8 that it is important that we all work off of the same
9 metrics. I have asked you to share some metrics with us,
10 and I hope you will get that here in a timely fashion.

11 By the same standpoint, we both know we still have got
12 work to do and I want your team to know that the Committee
13 is a willing partner to try to accelerate that in any way,
14 shape, or form that we can but not to sacrifice quality, and
15 I think we are all in agreement with that.

16 Ms. Hickey. We are absolutely in agreement with that,
17 Senator.

18 Senator Burr. We thank you for your time.

19 This hearing is adjourned.

20 [Whereupon, at 11:44 a.m., the Committee was
21 adjourned.]