

**STATEMENT OF
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U. S. DEPARTMENT OF VETERANS AFFAIRS (VA)
BEFORE THE
SENATE COMMITTEE ON VETERANS' AFFAIRS
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Good morning, Chairman Sanders, Ranking Member Burr, and Members of the Committee. Thank you for the opportunity to discuss VA's benefits claims transformation efforts. I am accompanied today by Mr. Stephen Warren, Principal Deputy Assistant Secretary for Information and Technology, and Mr. Alan Bozeman, Director of the Veterans Benefits Management System (VBMS) Program Office.

As a direct result of the budget support provided by the Committee, VBA has completed more than one million disability compensation claims the last three years in a row – the highest numbers ever in the history of VA. Despite this stride, too many Veterans wait too long to get the benefits they have earned and deserve. My testimony today will focus on how execution of our Transformation Plan will allow VBA to meet the Secretary's goal of claims completed in 125 days at a 98 percent accuracy level in pursuit of eliminating the claims backlog in 2015.

Meeting the Needs of Veterans

Veterans, their family members, and Survivors deserve our very best performance and the ability to deliver an array of benefits and services that Veterans have earned – faster, more accurately, and with greater efficiency and effectiveness. It is the growing inventory of disability claims, and our need to quickly process those claims, that is driving the urgency with which we are advancing our Transformation.

VBA completed over one million claims per year in fiscal years 2010, 2011, and 2012. Yet the increased productivity in claims processing was not enough to keep pace

with the number of claims received in several of those years. In 2010, VBA received 1.2 million claims. In 2011, VBA received another 1.3 million claims, including claims from Veterans made eligible for benefits as a result of the Secretary's decision to add three new presumptive conditions for Veterans exposed to Agent Orange. In 2012, VBA received 1.08 million claims. Over the last three years, the claims backlog has grown from 180 thousand to 600 thousand claims at the beginning of this month.

For decades, the VBA system has carried an inventory of pending claims, and a backlog that was undefined and therefore confused with inventory. In 2010, the Secretary of Veterans Affairs defined the backlog as any disability claim pending over 125 days and increased transparency by making our performance against our established goals available on the internet. The backlog grows when the capacity does not match demand.

In 2009, based on the Institute of Medicine's *Veterans and Agent Orange: Update 2008*, and considering all available scientific evidence, the Secretary made the decision to add three presumptive conditions (Parkinson's disease, ischemic heart disease, and B-cell leukemias) for Veterans who served in the Republic of Vietnam or were otherwise exposed to the herbicide Agent Orange. Beginning in 2010, VBA identified claims for these three conditions for special handling to ensure compliance with the provisions in the Nehmer court decision that requires VA to re-adjudicate claims for these conditions that were previously denied. Nehmer claims for all living Veterans were completed as of April 2012. VA identified the next of kin for the last remaining Nehmer survivor claim and awarded benefits in October 2012. To date, VA has received more than 278 thousand claims and awarded over \$4.4 B in retroactive benefits for the three new Agent Orange presumptive conditions to more than 164 thousand Veterans and survivors.

Other factors that have resulted in the submission of more disability claims, and hence contributed to the backlog, include VA initiatives to increase access, and other conditions that increased demand for VA to address unmet disability compensation needs:

Increased Access

1. Increased use of technology and social media by Veterans, families, and survivors to self-inform about available benefits and resources.
2. Improved access to benefits through the joint VA and DoD Pre-Discharge programs.
3. Creation of additional presumptions of service connection resulting in more claims for exposure-related disabilities.
4. Extensive and successful use of VA outreach programs to inform more Veterans of their earned benefits, which can include compensation claims.

Increased Demand

1. Ten years of war with increased survival rates for our wounded
2. Aging population of previous era Veterans such as Vietnam and Korea, whose conditions are worsening
3. Impact of a difficult economy
4. Growth in the complexity of claims decisions as of result of the increase in the average number of medical conditions for which each claimant files.

The current composition of the inventory and backlog are claims from Veterans of all eras — from Veterans of the current conflicts to World War II Veterans who are just now filing a claim for the first time. As of January 31, 2013, the largest cohorts of claims come from our Vietnam-era Veterans who filed 448 thousand claims in FY 2012, and currently make up 37 percent of the inventory and 38 percent of the backlog. Veterans of Iraq and Afghanistan conflicts make up 20 percent of the total inventory and 22 percent of the backlog. Gulf War Era Veterans make up 23 percent of the total inventory and 22 percent of the backlog. Veterans of the Korean War and World War II and all others make up less than 10 percent of both total inventory and backlog. The remainder of the inventory and backlog is from Peacetime Veterans only.

Transformation:

To meet the Secretary's goal of eliminating the backlog by 2015, we have set out to transform VBA into a 21st century organization. VBA's transformation is demanded by a new era, emerging technologies, and the latest demographic realities. In the face of increasing complexity and workloads, VBA must deliver first-rate and timely benefits and services – and they must be delivered with greater efficiency. VBA is aggressively pursuing its Transformation Plan, a series of tightly integrated people, process, and technology initiatives designed to eliminate the claims backlog and achieve our goal of processing all claims within 125 days with 98 percent accuracy in 2015. VBA is retraining, reorganizing, streamlining business processes, and building and implementing technology solutions based on the newly redesigned processes in order to improve benefits delivery.

People

VBA's employees are the key to Transformation success, and over 52 percent of them are Veterans themselves. In order to have the best-trained, most efficient and highly skilled workforce, VBA is changing how its workforce is organized and trained to decide disability compensation claims. Sixty-three percent of VBA's workforce has a bachelors' degree or higher. Average length of service is 11 years, and average age is 44. Fourteen percent are retirement eligible, and our turnover rate is only seven percent annually.

Transformation Organizational Model

VBA's new standardized organizational model incorporates a case-management approach to claims processing. VBA is reorganizing its workforce into cross-functional teams that enable employee visibility of the entire processing cycle of a Veteran's claim. These cross-functional teams work together on one of three segmented lanes: express, special operations, or core. Distinct processing lanes are based on the complexity and priority of the claims and employees are assigned to the lanes based on their experience and skill levels. Claims that predictably can take less time flow through an express lane (30 percent); those taking more time or requiring special handling will flow through a special operations lane (10 percent); and the rest of the claims flow through

the core lane (60 percent). Lanes were established based on the complexity and priority of the claims and employees are assigned to the lanes based on their experience and skill levels.

The Express Lane was developed to identify those claims with a limited number of medical conditions (1-2 issues) and subject matter which could be developed and rated more quickly, including fully developed claims. The Special Operations Lane applies intense focus and case management on specific categories of claims that require special processing or training (e.g., homeless, terminally ill, military sexual trauma, former prisoners of war, seriously injured, etc.). The Core Lane includes claims with three more medical issues that do not involve special populations of Veterans. Less complex claims move quickly through the system in the express lane, and the quality of our decisions improves by assigning more experienced and skilled employees to the more complex claims in our special operations lane.

Initially planned for deployment throughout FY 2013, VBA accelerated the implementation of the new organizational model by nine months due to early indications of its positive impact on performance. Given the magnitude of this change, each office transitions to the new organizational model individually. Significant support and training from VBA Headquarters have been critical in this stage. As of the end of 2012, the new organizational model was fully operational at 51 regional offices, and three more have since implemented the new model. The remaining two regional offices will implement the model by the end of this month.

Challenge Training and Quality Review Teams (QRTs)

The productivity of the workforce and the accuracy of decisions are being increased through new national training programs and standards. VBA instituted Challenge training in 2011 and Quality Review Teams (QRTs) in 2012 to improve employee training and accuracy while decreasing rework time. Challenge training is focused on overall skills and readiness of the workforce, and QRTs focus on improving performance on the most common sources of error in the claims processing cycle; data on VBA's largest sources of error are captured and analyzed by its National Accuracy Team. Today, for example, QRTs are focused on the process by which proper physical

examinations are ordered; incorrect or insufficient exams previously accounted for 30 percent of VBA's error rate. As a result of this focus, VBA has seen a 23 percent improvement in this area.

The 1,900 new employees who have received Challenge training decide 150 percent more claims per day than predecessor cohorts, with a 30 percent increase in accuracy, (i.e. these new employees decide 150 percent more claims per day than previous groups of employees at a similar stage in their development). This is a marked improvement in performance, and is being scaled across the entire enterprise as new employees are hired. Five Challenge training sessions are planned for FY 2013. As of March 1, 2012, VBA initiated a new Challenge course focused on improving the low performing regional offices. At the first office quality increased by eight percentage points in three months and the number of claims processed per month increased by more than 27 percent. Similar results are being seen by the second RO that completed SET in January 2013.

VBA tracks the impact of these initiatives on accuracy through a three-month rolling average accuracy metric that is reported in ASPIRE and can be seen online by anyone inside or outside VA. FY 2012 data demonstrated a three percent increase in national accuracy standards – from 83 percent to 86 percent. The accuracy outcome objectives for the next three years are: 90 percent in FY 2013, 93 percent in FY 2014, and 98 percent in FY 2015.

The current 12-month measure of the accuracy of our disability rating decisions increased to over 86 percent – and further improved to over 87 percent when looking at just the last three months. It is important to recognize that under the existing quality review system, any one error on the claim, no matter how many medical conditions must be developed and evaluated, makes the entire claim in error – the claim is therefore counted as either 100 percent accurate or 100 percent in error, with no credit for anything in between. Issues are defined as individually evaluated medical conditions. A claim can, and often does, consist of many issues. Each issue represents a series of completed tasks, such as development, research, adjudication, and decision, that could result in a benefit adjustment for a Veteran, family member, or survivor. Given that the average number of claimed issues for our recently separated Servicemembers is now in

the 12 to 16 range, we do not believe the current all-or-nothing measure reflects the actual level of decision accuracy achieved. When we measure the same claims based on assessments of the individual medical conditions rated (“issue-based accuracy”), the accuracy of our decisions is over 95 percent. This issue-based accuracy approach also affords VBA the opportunity to target with precision those medical issues where we make the most errors – and includes employee level medical issue accuracy.

Process Initiatives

Through process-improvement initiatives, VBA is rapidly developing and testing streamlined business processes, focusing on eliminating repetition and rework. VBA established a “Design Team” concept to support business-process transformation. Using design teams, VBA conducts rapid development and testing of process changes and automated processing tools in the workplace. This design team process demonstrates through pilot initiatives that changes are actionable and effective before they are implemented nationwide.

Since 2009, VBA has actively solicited innovative ideas for process improvement from Veterans, employees, and industry stakeholders through a variety of structured mechanisms. Literally thousands of ideas were received and culled down to those with the largest potential to attack the backlog. For example, automated Disability Benefits Questionnaires (DBQs) (discussed below) – arguably one of the most highly leveraged changes – came from one of the VBA employee idea competitions. Additionally, VBA has also conducted Lean Six Sigma and Kaizen events on these selected targets of opportunity, all focused on five major areas of focus: wait time, rework, productivity, digital intake, and variance.

Simplified Notification Letters

The Simplified Notification Letter initiative has reduced keystrokes and automated production language in preparation of the Veteran’s decision letter, thus improving rating decision productivity and accuracy. VBA implemented this initiative nationally on March 1, 2012, and it decreased the number of claims “waiting” for a rating decision by 55 percent. This translated into over 10,000 more rating decisions in the

month of December (94,292) than in the month of March (84,115). The SNL process does not change the way we consider and decide claims, but rather changes the primary focus of what appears in the final decision document. We do this in part through the use of an internal coding system designed to streamline processing and communicate standardized reasons and bases from the decision makers to the award processors (who generate the final notice letters, authorize the monetary awards, and perform other ministerial functions). SNL increased the number of auto-text selections available for raters to use to explain decisions, thereby improving decision accuracy and productivity.

Calculators and Evaluation Builder

VBA is building new decision-support tools to make our employees more efficient and their decisions more consistent and accurate. We already have developed rules-based calculators for disability claims decision-makers to provide suggested evaluations. For example, the hearing loss calculator automates decisions using objective audiology data and rules-based functionality to provide the decision-maker with a suggested decision.

The Evaluation Builder is essentially an interactive disability rating schedule. The VBA decision-maker uses a series of check boxes that are associated with the Veteran's symptoms. The Evaluation Builder determines the proper diagnostic code out of over 800 codes as well as the level of compensation based on the Veteran's symptoms. The Veteran receives an accurate rating decision every time the Evaluation Builder is used. This saves employees time that would have been spent looking up the rating schedule in a paper format. To date, five of the 15 body systems in the VA Schedule of Rating Disabilities have been embedded into VBMS, and the Evaluation Builder will have complete functionality (all body systems) in VBMS by November of this year.

Disability Benefits Questionnaires (DBQs)

DBQs replace traditional VA examination reports and are designed to capture all the needed medical information relevant to a specific condition at once and up front so that claims can be developed and processed in a more timely and accurate manner, with the end result being faster service for Veterans. DBQs change the way medical evidence is collected, giving Veterans the option of having their private physician complete a DBQ that provides the medical information needed to rate their claims – minimizing the need for a VA exam which adds additional time to the claim development process. Information in the DBQs maps to the VA Schedule for Rating Disabilities, and provides all of the necessary information to decide a disability claim. Fully and properly completed DBQs, whether from private providers or within the internal VA examination processes, have the potential to reduce rework, the largest category being exams with insufficient information.

In FY 2013 to date, nearly 600,000 DBQs have been completed by VHA examiners. Since their introduction, VBA has received over 12,000 DBQs outside of the traditional examination process. Using DBQs, VA examination and examination-request accuracy improved to 92 percent nationwide, compared to the legacy quality program, which showed accuracy of 84 percent when last conducted in 2009. Seventy-one of eighty-one individual DBQs, unique forms designed to document specific health conditions are available to private physicians. VBA is reaching out to stakeholders, particularly Veterans Service Organizations (VSOs), State and County partners, and private medical doctors to request their support in encouraging Veterans to use DBQs for more timely and accurate rating decisions. VA recently secured DoD concurrence to pilot the use of DBQs within the Integrated Disability Evaluation System (IDES) process. VBA's future goal is to turn DBQ objective responses into data to drive a calculator-based business-rules engine in VBMS to achieve automated decision support to improve consistency and accuracy of decisions and reduce processing time per case.

Acceptable Clinical Evidence (ACE)

ACE is a new approach that was implemented in October 2012. This process allows clinicians to review existing medical evidence and determine whether that evidence can be used to complete a DBQ without requiring the Veteran to report for an in-person examination. For many Veterans, this means they no longer need to travel and take time off for an examination, which can be a significant burden requiring them to leave work and interfering with their family life. Clinicians also have the option to supplement medical evidence with telephone interviews with the Veteran, or to conduct an in-person examination if determined necessary. To date, VA has processed 1,931 claims using the ACE initiative.

Compensation and Pension Records Interchange (CAPRI)

CAPRI software provides VBA employees with a standardized, user-friendly method to access Veterans' medical records throughout the VA healthcare system. In November 2011, VBA stopped printing Veterans Health Administration (VHA) treatment records, saving the effort and dollars associated with printing, filing, and storing these records. Under a partnership with VHA, the CAPRI program has recently been enhanced to send records electronically to VBA's paperless repository with just a few mouse clicks, further simplifying the process and reducing the task time. As of March 1, 2013, 45 sites within VBA have received this upgrade, with deployment for remaining sites scheduled to begin on March 31, 2013. To date, VBA has avoided printing more than 90 million pages of digital medical records (currently averaging six million/month) and spending over 422,000 man hours printing and filing – saving time and resources that are redirected towards backlog elimination. Because of these CAPRI enhancements, VBA estimates a \$2.5 million cost avoidance annually on paper and toner that is also being used to support staffing resources to help eliminate the backlog.

Fully Developed Claims (FDCs)

FDCs are critical to achieving VBA's goals. A fully developed claim is one that includes all DoD service medical and personnel records, including entrance and exit exams, applicable DBQs, any private medical records, and a fully completed claim form.

An FDC is critical to reducing “wait time” and “rework”. Today, VBA receives only 4.8 percent of claims in fully developed form, which equates to 5,600 claims this fiscal year through February. When a qualified FDC is received, VBA is able to discharge its evidence-gathering responsibilities under the Veterans Claims Assistance Act much more efficiently than in traditional claims. This evidence-gathering period is a major portion of the current 262-day process. Today, VBA completes these FDCs in 117 days. VBA’s target for FY 2013 is to increase these FDCs to 20 percent – meaning VBA will have the ability, if this goal is reached, to decide 153,000 additional claims in 117 days.

Internal Revenue Service and Social Security Administration Data Sharing

VA developed an expanded data-sharing initiative with the Internal Revenue Service (IRS) and Social Security Administration (SSA) for up-front verification of income for pension applicants and to streamline income verification matches. This initiative enabled VBA to eliminate an annual reporting surge of 150,000 work items and redirect significant FTE to address the backlog of Dependency and Indemnity Compensation (DIC) claims from Survivors.

Technology

Key to VBA’s transformation is ending the reliance on the outmoded paper-intensive processes. VBA is deploying technology solutions that improve access, drive automation, reduce variance, and enable faster and more efficient operations. VBA’s digital, paperless environment also enables greater exchange of information and increased transparency to Veterans, the workforce, and stakeholders. Our technology initiatives are designed to transform claims processing from the time the Servicemember first enrolls in the joint VA and DoD eBenefits system and submits an on-line application to the issuance of the claims decision and receipt of compensation payments.

Veterans Benefits Management System (VBMS)

VBMS is a web-based, electronic claims processing solution complemented by improved business processes. It will assist in eliminating the existing claims backlog and serve as the technology platform for quicker, more accurate claims processing.

National deployment of VBMS began in 2012, with 18 regional offices operational as of the end of the calendar year. Deployment to the 38 remaining stations is ongoing. We estimate that once VBMS is fully developed in 2015, integrated, and implemented, it will help improve VBA's production by at least 20 percent (in each of fiscal years 2014 and 2015) and accuracy by at least eight percent.

The evolution of VBMS is occurring across four distinct phases, or generations of development. Generation One of VBMS began in 2010 with the conceptualization, piloting, development, and deployment of baseline system functionality with improved quality (required actions and automation) and efficiency (no paper). Generation One of VBMS concluded with the successful implementation of Release 4.1 in January 2013. This generation culminated in a foundational web-based, electronic claims processing solution featuring:

- Integrated claims establishment, development, and rating capabilities;
- Basic baseline automation via features such as automated letter generation and data population; and
- Basic workflow and workload management capabilities.

With the deployment of the latest system release, integration with VONAPP Direct Connect (VDC) and the Stakeholder Enterprise Portal (SEP) further enhanced the system's capabilities by improving data exchange and status transparency with applicants, VSO partners, State and County Veterans agencies, and other stakeholders.

At the end of February, 2013, 1,084 paper-based and electronic claims have been rated using VBMS and 77,393 electronic folders (eFolders) have been created in VBMS. Claims are being completed in VBMS in an average of 92.4 days. There are

over 12,000 users of VBMS to include VHA and VSOs. VBMS has also successfully received over 2.5 million documents and over 32.2 million images.

As we move into Generation Two of VBMS, the focus is on building additional system capabilities while leveraging simple automation features and deploying the system to all remaining sites. Upcoming system releases include planned improvements to correspondence and work queue tools, additional rating calculator functionality, and more extensive data exchange and system integration capabilities.

National deployment of VBMS to all 56 regional offices is on track for completion in 2013. Each VBMS site deployment is supported by organizational change management practices (including training) to ensure business lines are able to adapt to and adopt the new technologies and solutions.

Generation Three of VBMS in 2014 will focus on continuing to improve electronic claims processing by providing increased system functionality and more complex automation capabilities for all VBMS end-users. VBMS enhancements will reduce dependency on legacy systems for claims establishment, development, and rating. VBMS will have the capability to accept electronic Veterans' Service Treatment Records (STRs) and Personnel Records from DoD in support of the VOW to Hire Heroes legislation. Additionally, VBMS end-users (to include VA Medical Center personnel and VSOs) will be able to leverage enhanced system functionality to perform their work more efficiently and accurately. Development of functionality will provide end-users with the ability to process claims electronically from receipt to payment. The addition of functionality throughout 2014 and stabilization of system capabilities, in conjunction with business process improvements, will increase production and quality of claim decisions. This period of stability will also allow VA an additional opportunity to assess and validate the effectiveness of the model as a whole and implement improvements as needed.

Generation Four of VBMS in 2015 will capitalize on efficiencies and quality improvements gained during the year of stabilization. These enhancements will allow end-users to focus on more difficult claims by reducing the time required to process less complex claims. This period will also allow VA to identify additional automation and process improvement opportunities, enabling VA to meet the Secretary's goal of processing all claims within 125 days at 98 percent accuracy.

When a claim is granted in VBMS, a payment is processed, and notification is sent to the Veteran through eBenefits and stakeholders through Stakeholder Enterprise Portal (SEP). This notification completes the full lifecycle of paperless claims processing, from portal to payment.

Veterans Relationship Management (VRM)

VRM engages, empowers, and serves Veterans and other claimants with seamless, secure, and on-demand access to benefits and service information. Veterans now have access to benefits information from multiple channels – on the phone, on line, or through our shared DoD/VA portal called eBenefits. VRM provides multiple self-service options for Veterans and other stakeholders.

eBenefits

eBenefits – a joint VA-DoD client-services portal for life-long engagement with Servicemembers, Veterans, and their families – is a key component of VRM. eBenefits currently provides users with over 45 self-service options and greater access to benefits and health information at the time and method of their choosing. Through the eBenefits portal, users can now check the status of claims or appeals, review VA payment history, obtain military documents, and perform numerous other benefit actions. Veterans can also view their scheduled VA medical appointments, file benefits claims online in a Turbo Claim-like approach, and upload supporting claims information that feeds our paperless claims process.

There are currently over 2.5 million eBenefits users. Through self-service, eBenefits users have generated over 228,000 requests for official military personnel documents, 198,000 requests for VA Guaranteed home loan certificates of eligibility, 16.5 million claim status requests, and over 1.7 million self-service letters. Additional functionality and features will continue to be added to the site in the future, and VA will use milestones and life events to proactively notify Veterans about benefits they may be eligible to receive.

VDC (Veterans Online Application, Direct Connect)

VDC incorporates a complete redesign of the legacy VONAPP application system, leveraging the eBenefits portal. Claims filed through eBenefits use VDC to load information and data directly into the new VBMS application for paperless processing. Veterans can now file both original and supplemental compensation claims through VDC. Since the expanded version of VDC deployed in October 2012, over 1,500 claims have been received.

Stakeholder Enterprise Portal (SEP)

SEP is a secure web-based access point for VA's business partners. This portal provides the ability for VSOs and other external VA business partners to represent Veterans quickly, efficiently, and electronically. Because SEP is a new release, specific results are not yet available.

VCIP

VBA recently established the Veterans Claims Intake Program (VCIP). This program is tasked with streamlining processes for receiving records and data into VBMS and other VBA systems. Scanning operations and the transfer of Veteran data into VBMS are primary intake capabilities that are managed by VCIP. As VBMS is deployed to additional regional offices, document scanning becomes increasingly important as the main mechanism for transitioning from paper-based claim folders to the new electronic environment. The VCIP contractors began scanning on September 10, 2012. The ramp-up volume mirrored the VBMS deployment plan for the 18 regional offices on VBMS as of the end of CY 2012. By the end of December 2012, the VBA contractors were providing five million images per month. By the end of CY 2013, the contractors will be providing up to 70 million images per month as they convert paper records to electronic format.

Strategic Planning and Governance

VBA's Office of Strategic Planning (OSP) coordinates VBA's strategic planning and the governance process for developing new transformation initiatives. The focus of

this office is on creating a culture centered on advocacy for Veterans, reengineering business processes, integrating new technologies, and redesigning our organization and infrastructure. New ideas are approved through a governance process that includes senior VBA leadership who serve on the VBA Transformation Governance Board responsible for evaluating and making recommendations for my approval. This ensures VBA's focus is on implementing initiatives that will achieve the greatest gains, without degrading current performance.

The VBA Implementation Center/Operations Center (VBA-IC/OC) is a division of the Office of Field Operations. The VBA-IC/OC prepares, executes and assesses the implementation of transformation initiatives, managing the project lifecycle through a comprehensive Work Breakdown Structure (WBS) and Critical Path methodology. The VBA-IC/OC also serves as the liaison between the field and Headquarters throughout the implementation process, providing channels of communication that are essential to successful implementation. The VBA-IC/OC monitors and supports regional offices through an end-user hotline, which is open during normal business hours. In addition, I hold weekly three-hour "pulse-check" calls with the employees of all regional offices adopting new initiatives to ensure all issues are raised and properly assessed. The VBA-IC/OC gathers and reports implementation performance metrics to provide support for VA leadership decision-making.

Stat Reviews

VBA's Stat Reviews are a performance technique and tool using statistical data (Stat) and visual displays of that data to monitor progress and improve performance. This process involves in-depth performance metric reviews with VBA's Office of Field Operations and other members of VBA leadership to analyze and manage performance more effectively.

VBA's Stat Reviews are based on highly successful performance management programs conducted government-wide. I sit at the table with regional office directors in the day-long meeting to discuss challenges and successes, using performance measures for accountability. This allows VBA leadership to more easily identify what improvements are needed to produce desired performance results. Stat Reviews also

help VBA leadership understand what is or is not working, while motivating regional office managers and employees to focus their energy and creativity on achieving specific results.

The Stat Review process encourages:

1. Focus on accountability to achieve workload performance metrics.
2. Information-sharing of best practices across VBA regional offices and VBA leadership.

As a monthly event, the Stat Reviews identify patterns occurring at various regional offices, and every regional office participates either in person or by teleconference. These reviews help to ensure we have alignment across ROs on Transformation and that best practices and lessons learned are shared quickly across leadership teams.

Partnerships

Support from our partners and stakeholders is critical to better serving our Veterans, Servicemembers, and their families. Our transformation changes our interactions with employees, other Federal agencies, VSOs, and State and County service officers. VBA has worked to create partnerships through pilot projects with these organizations to improve benefits delivery. I continue to meet monthly with the Executive Directors of six national VSOs and have established quarterly stakeholder meetings with a larger group of VSOs directly affected by new processes and initiatives. VBA engages these organizations for their feedback and input at the beginning stages of the various initiatives.

While stakeholder engagement is important to nearly all of VBA's transformation initiatives, support from VSOs and State and County service officers will be especially critical to the success of four initiatives: eBenefits, SEP, FDC, and DBQs. VBA has involved stakeholders in development, user-access testing, and training for these initiatives, and we are now partnering to increase Veterans' awareness and utilization in order to expedite the claims process.

VBA is exploring incentives for its VSO and State and County partners to increase FDC submission because of the game-changing impact this can have on claims-decision timeliness and eliminating the disability claims backlog. A 20-percent FDC submission level is estimated to increase annual production by 70,000 claims and reduce overall average days to complete by 18 days.

VBA has an agreement with DoD to provide 100-percent-complete service treatment and personnel records in an electronic, searchable format for the 300,000 annually departing Active Duty, National Guard and Reserve Servicemembers. This will further increase the number of FDCs. When implemented, this action has potential to cut as much as 60-90 days from the “awaiting evidence” portion of claims processing, and reduce the time needed to make a claim “ready for decision” from 133 days currently to 73 days for departing Servicemembers.

VBA will continue to pursue various partnerships with Federal agencies, VSOs, as well as profit and non-profit organizations to expand and enhance our transformation initiatives.

Conclusion

VA is in an era of unprecedented production and unprecedented demand, and our Transformation Plan is critical to achieving our goals for improving the delivery of benefits to our Veterans, their families, and Survivors. We will continue to vigorously pursue our people, process and technology-centered improvements designed to eliminate the claims backlog and achieve our goal in 2015 of processing all claims within 125 days with 98 percent accuracy.

Mr. Chairman, this concludes my statement. I would be pleased to answer any questions you or other Members of the Committee may have.