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Health, Education, and  
Human Services Division

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March 18, 1998

The Honorable Bob Stump  
Chairman, Committee on Veterans' Affairs  
House of Representatives

Subject: Veterans' Benefits: Improvements Made to Persian Gulf Claims Processing

Dear Mr. Chairman:

The enclosed information responds to your follow-up questions concerning our testimony before the Committee on February 5, 1998. In our testimony, we noted that VA has taken steps to improve the processing of Persian Gulf claims for undiagnosed illnesses. However, because VA only recently began some of these initiatives, their full impact is uncertain at this time. The enclosed information supplements our testimony before the Committee and specifically clarifies information on our review of readjudicated Persian Gulf claims.

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If you have any questions or would like to discuss this information further, please contact me on (202) 512-7101. We will make copies of this correspondence available to other interested parties on request.

Sincerely yours,

Stephen P. Backhus  
Director, Veterans' Affairs and  
Military Health Care Issues

Enclosure

SUPPLEMENTAL INFORMATION ON PERSIAN GULF CLAIMS

This enclosure details your questions and our responses, which supplement information in our testimony before your Committee, Veterans' Benefits: Improvements Made to Persian Gulf Claims Processing (GAO/T-HEHS-98-89, Feb. 5, 1998).

- 1. You mentioned the potential for inconsistencies in adjudicating these claims. With the sample you studied, have you noticed a significant difference in allowance rates between the regional offices?**

Our sample of Persian Gulf claims does not permit us to draw conclusions or provide an indication of the differences in allowance rates by regional office. We drew our sample from a nationwide pool of Persian Gulf claims, and it was not designed to estimate such differences by regional office. In addition, the results of our analysis were based on a sample drawn shortly after VA decentralized its claims processing from four area processing offices to the 58 regional offices. VA began redistributing claim files around June 1997, and we drew our sample as of July 31, 1997. Two-thirds of the claims in our sample were readjudicated by a former area processing office. The remaining claims in our sample were readjudicated by 16 different regional offices, and 11 of these offices processed only one claim.

- 2. Is there one thing you can suggest that is the key to improving the rating and timeliness of these Persian Gulf claims?**

Persian Gulf claims are extremely complex, often requiring claims processors to develop and rate multiple medical conditions. As noted in our testimony, our review focused on VA's readjudication of claims that were previously denied. We reviewed the claims to ensure that VA followed its procedures in addressing all evidence in a veteran's claim file but did not assess the adequacy of the medical examinations.

One area that may warrant closer inspection, however, is the adequacy or quality of VA's medical examinations required in undiagnosed illness claims. Thorough medical examinations are essential for accurate and timely adjudication of these claims, according to our review. Physicians who conduct compensation examinations must be familiar with the regulatory requirement that an undiagnosed illness is potentially compensable only when an acceptable clinical diagnosis has been ruled out through medical history, physical examination, and laboratory test. This approach is somewhat contrary to the way most compensation examinations are conducted because in those cases a diagnosis is expected. In limited discussions with rating specialists and compensation and pension physicians, we learned that some medical

examiners still believe that a diagnosis is expected from them and they generally provide one. VA's Undersecretary for Benefits acknowledged in his testimony that the adequacy of medical examination reports are a major concern. To address this issue, VA has developed guidelines for conducting examinations involving undiagnosed illnesses and conducted a joint satellite video broadcast on Gulf War examinations for Veterans Health Administration and Veterans Benefits Administration employees.

**3. Have you found that other veterans' claims are being cast aside in favor of readjudicating the Persian Gulf claims?**

As part of its decentralization process, VA instructed its regional offices to give the readjudication of previously denied Gulf War claims the highest priority. Regional offices therefore assigned up to 30 percent of their adjudication staff to Persian Gulf claims processing, which allowed 70 percent of the staff to handle non-Persian Gulf claims. According to regional officials we spoke with, if their office's workload increased beyond its capability, they transferred cases to other regions to be processed or worked overtime to reduce the workload. These strategies were used for both Persian Gulf and non-Persian Gulf cases.

**4. In your review of the various regional offices, did you note any large mismatches between Gulf War claims and the resources to handle them?**

Because our review of Persian Gulf claims processing did not include an analysis of regional office resources, we cannot address mismatches between claims and resources in regional offices. We did note, however, that due to the decentralization, regional offices located in VA's southern areas received most of the Persian Gulf claims for readjudication. Specifically, 10 of the 14 regional offices that received 250 or more of the redistributed Persian Gulf claims were located in the southern area. Officials at two of the four southern regional offices whom we spoke with stated that the decentralization had increased processing time or backlog. For example, one regional office stated that in a 6-month period in 1997, the percentage of cases pending over 180 days increased from 10.5 to 16 percent. Officials at the other two southern offices stated that they mitigated the decentralization's impact by transferring cases to other regions to be processed or worked overtime to reduce the workload. Thus, the impact on a regional office's resources depends on the number of cases they receive and the regional office's existing workload.

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