VETERANS' DISABILITY BENEFITS

Further Evaluation of Ongoing Initiatives Could Help Identify Effective Approaches for Improving Claims Processing

Why GAO Did This Study

For years, the disability compensation claims process has been the subject of concern and attention by the Department of Veterans Affairs (VA), Congress, and veteran service organizations (VSO), due in part to long waits for decisions and the large number of claims pending a decision. As GAO and other organizations have reported over the last decade, VA has also faced challenges in improving the accuracy and consistency of disability decisions. GAO was asked to examine (1) trends in VA's disability compensation claims processing at the initial claims and appeals levels and (2) actions that VA has taken to improve its disability claims process. To do this, GAO reviewed and analyzed VA performance data, budget submissions, program documents, and external studies and interviewed VA officials and VSO representatives.

What GAO Recommends

GAO recommends that the Secretary of Veterans Affairs direct (1) VBA to collect data on redistributed claims to help assess the effect of workload redistribution, (2) VBA and the Board of Veterans' Appeals to establish a plan with criteria for assessing whether ECA should be widely implemented, and (3) VBA to develop a plan with criteria for assessing whether its pilot reorganization of claims processors should be expanded. VA agreed with the recommendations, and noted plans to address them.

View GAO-10-213 or key components.
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What GAO Found

VA's disability claims and appeals processing has improved in some aspects and worsened in others. In recent years, the number of claims completed annually by VA has increased but not by enough to keep pace with the increasing number of compensation claims received, resulting in more claims awaiting a decision. In addition, the average days that VA took to complete a claim—196 days in fiscal year 2008—has varied over time, but was about the same in fiscal years 2000 and 2008. Several factors have challenged claims processing improvements, such as the increase in the number and complexity of claims submitted to VA, laws, and regulatory changes. VA has reduced the number of pending appeals and improved the accuracy of some appellate work, but the time that it takes to resolve appeals has worsened in recent years. For example, in fiscal year 2008, VA took on average 776 days to process appeals; 78 days longer than in fiscal year 2004. One factor that has contributed to worsening appeals timeliness is the increase in the number of appeals received by VA.

Pending Claims and Appeals, End of Fiscal Years 2000-2008
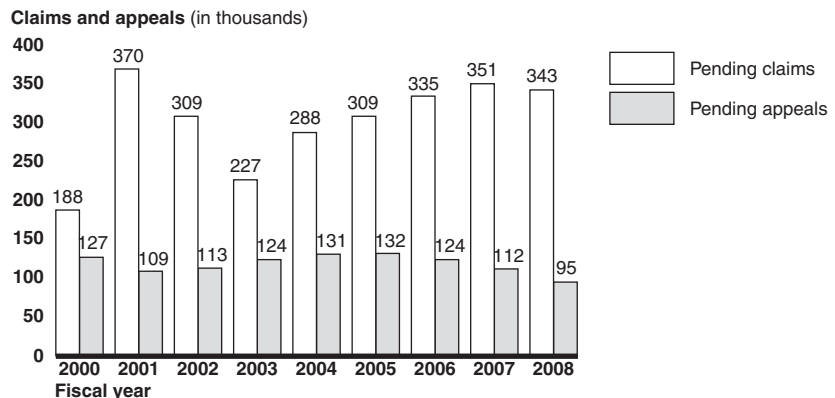
Sources: VA data (claims) and GAO analysis of VA data (appeals).

VA has taken several steps to improve claims and appeals processing, but their impact is not yet known. VA has hired a significant number of disability claims staff to process disability workloads. VA's Veterans Benefits Administration (VBA) has also expanded its practice of workload redistribution, which could improve the timeliness and quality of its decisions. VA is also testing new claims processing approaches—such as shortening response periods for certain claims and appeals through Expedited Claims Adjudication (ECA) and reorganizing its claims processing units. However, VBA has not established plans to evaluate the effect of some initiatives. In addition, VA has taken other steps to improve claims and appeals processing, such as expanding its quality assurance program; upgrading claims processing software; and moving toward paperless processing, which remains elusive in part due to technical challenges.

_____ **United States Government Accountability Office**