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Testimony

Before the Committee on Veterans' Affairs, House of Representatives

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# VETERANS' BENEFITS

## Improvements Made to Persian Gulf Claims Processing

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

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Mr. Chairman and Members of the Committee:

We are pleased to be here today to discuss the Department of Veterans Affairs' (VA) adjudication of veterans' claims for compensation for undiagnosed illnesses that resulted from their service in the Persian Gulf War. As you know, in November 1994, the Congress enacted legislation allowing VA to pay compensation benefits to veterans for Persian Gulf-related undiagnosed illnesses. In May 1996 we reported deficiencies in VA's processing of the nearly 8,000 undiagnosed illness claims VA had evaluated.<sup>1</sup> More specifically, we reported that VA did not provide clear and useful information to veterans about the types of evidence needed to support a claim. We also stated that VA did not always provide veterans with required assistance by obtaining relevant evidence for the claims. In response to our report and concerns raised by others, VA made the decision to readjudicate previously denied Persian Gulf claims related to undiagnosed illness.

My comments today will focus on information we have gathered at your request on VA's efforts to improve Persian Gulf claims processing and its effect on the readjudication of claims previously denied. Our information is based on analyzing a statistical sample of the approximately 11,000 undiagnosed illness claims that VA had initially denied and is now readjudicating as well as discussions with officials at VA headquarters and regional offices, and veterans service organizations.

In summary, VA has taken steps to help improve its processing of Persian Gulf claims. Specifically, in July 1996, VA issued guidance to help ensure that procedures for processing Persian Gulf claims are followed by requiring claims processors to provide veterans with clear and useful information regarding the types of evidence that could be used to support their claims. Such evidence includes records of medical exams and time lost at work. The guidance also requires claims processors to properly consider these pieces of evidence and thoroughly follow up on information that may support the claims. Also, to help improve the timeliness of VA's actions on Persian Gulf claims, in May 1997 VA decentralized the processing of those claims from 4 to all 58 of its regional offices and began providing training to regional office staff on processing the claims.

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<sup>1</sup>Veterans' Compensation: Evidence Considered in Persian Gulf War Undiagnosed Illness Claims (GAO/HEHS-96-112, May 28, 1996).

Because VA only recently began some of the initiatives to help improve the processing of Persian Gulf claims, the full impact of the initiatives is uncertain at this time. However, our follow-up review indicates that VA, for the most part, has followed its procedures in readjudicating the previously denied cases. For example, in all the cases we reviewed, VA had provided veterans with a written description of the types of evidence Persian Gulf veterans could use to support their claims. As a result of VA's readjudication of denied claims completed to date, VA granted benefits to about 8 percent of the veterans whose claims were previously denied for undiagnosed conditions. Benefits could include compensation and/or medical care.

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## Background

Following the return of U.S. forces from the Persian Gulf region, some veterans began exhibiting symptoms that could not be attributed to known clinical diagnoses. At that time, section 1110 of title 38, U.S.C., authorized VA to compensate for disabilities arising from disease or injury incurred or aggravated in the line of duty during military service. However, since many of the symptoms reported by Persian Gulf veterans could not be attributed to a known disease or injury, VA had no authority to compensate for them.

In response to the needs and concerns of Persian Gulf veterans, the Congress enacted the Persian Gulf War Veterans' Benefits Act (P.L. 103-446, Nov. 2, 1994) to allow VA to pay disability compensation to veterans who experienced undiagnosed illnesses. Some examples of compensable conditions under this legislation include fatigue, headaches, joint and muscle pains, and respiratory disorders. In order to be compensated under this legislation, veterans must provide objective evidence of a chronic disability. Objective evidence includes medical information such as medical records from the military, VA, or private physicians. Objective evidence also includes nonmedical information such as records of time lost from work and lay statements from persons such as family members or friends who are knowledgeable about changes in the claimant's physical appearance, physical abilities, and mental or emotional attitude. Claimants must also prove that the undiagnosed illness is chronic—present for 6 months or longer—and was either present during service in the Persian Gulf or during the eligibility period. Initially the eligibility period was defined as 2 years after a veteran's departure from the Gulf. However, based on a consensus within the veteran community concerning the adequacy of the 2-year presumptive period and the continuing medical and scientific uncertainty about the nature and causes of these illnesses, VA extended the eligibility period to December 31, 2001.

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## **Status of VA's Efforts to Improve Persian Gulf Claims Processing**

Since our 1996 report, VA has taken a number of steps to improve its processing of Persian Gulf claims. These steps include issuing guidance to ensure that procedures for processing Persian Gulf claims are followed, decentralizing claims processing to all 58 regional offices to improve timeliness, and providing training on the processing of Persian Gulf claims.

In July 1996, VA issued guidance that clarified its procedures for processing Persian Gulf claims. For example, the guidance identified the importance of using a standard letter for all claims involving undiagnosed illnesses of Persian Gulf veterans informing the veterans of the types of evidence that could be used to support a claim. The guidance also discussed the importance of nonmedical evidence, such as lay statements, in deciding a claim and in determining the duration and severity of the illness.

In addition, the guidance discussed the importance of obtaining all evidence, including medical and nonmedical statements. For instance, if a veteran's lay statement describes the year the condition arose, but the month is not specified and that information is necessary for a successful resolution of the claim, VA staff should attempt to obtain this missing information.

With the additional readjudication workload imposed on the initial four regional offices, VA found the operations of those offices increasingly strained. Thus, in May 1997, VA decided to decentralize the processing of Persian Gulf claims and began redistributing undiagnosed illness claims from the 4 offices to VA's 58 regional offices. VA officials said that the purpose of VA's decision to decentralize the processing of Persian Gulf claims was to give better service to claimants, reduce the workload created by the readjudication, and improve the timeliness of claims resolution.

While there may be advantages to the decentralization, there may also be disadvantages. VA officials and veterans service organization representatives said that advantages include more rating specialists being available to process the claims, a faster VA response to inquiries, and immediate access for claimants and their veterans service representatives to claim files and claim processors if the claim file is located at the regional office. The officials and representatives said that the disadvantages include the loss of expertise as a result of using staff less experienced in processing Persian Gulf claims, an increase in average claims processing time while the new staff are trained and become

familiar with processing Persian Gulf claims, and the potential for inconsistency because of the vastly increased number of regional offices processing the claims.

VA officials said that the redistribution of claims has resulted in an unequal distribution of cases and backlogs in some regional offices. While some regional offices have received few additional Persian Gulf claims, others have received over 600 claims. For example, one adjudication officer said that decentralization had caused a slowdown in all claims processing in his office.

As a part of VA's decentralization effort, in late May 1997, VA began preparing each regional office to process undiagnosed illness claims. To accomplish this, VA developed a variety of methods to train and assist rating specialists as they processed claims. Specifically, shortly after the claims were redistributed, VA sponsored a satellite broadcast to all regional offices to discuss rating issues for Persian Gulf claims. Following the broadcast, VA conducted a 2-day training conference to reinforce the information provided in the broadcast. Following the conference, additional training was provided in each VA area—eastern, central, southern, and western. Attendees from this and the 2-day conference then trained staff in their regional offices. In addition to classroom training, VA created a team of experts referred to as the Rapid Response Team. The members of this team are available to respond to questions or address any Persian Gulf issue. Moreover, VA's central office conducts weekly conference calls with regional office staff to share information obtained through the Rapid Response Team and to address issues or concerns. Rating specialists and adjudication officers we spoke with at the regional offices said that, generally, the training was effective and they felt comfortable as they began processing undiagnosed illness claims. (See the appendix for details about the training and assistance provided to regional claims processors.)

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## **VA Follows Procedures in Readjudicating Claims and Grants Additional Approvals**

In our 1996 report, we found that VA did not adequately implement its claims processing procedures. Specifically, VA did not always inform the veterans of the type of evidence needed to support undiagnosed illness claims, nor did it always attempt to obtain all medical and nonmedical evidence identified by claimants, including lay statements. Our analysis of a statistical sample of readjudicated claims showed that VA has followed its processing procedures during the readjudication of undiagnosed illness claims.

On the basis of our analysis of readjudicated cases, we found that, for the most part, VA provided veterans with information on the types of evidence needed to support undiagnosed illness claims and followed up on medical and lay statements. Specifically, in all cases, VA provided the veteran with a written description of the types of evidence Persian Gulf veterans could use to support their claims. And, in nearly all cases, VA attempted to obtain all medical and nonmedical records. Table 1 shows the percentages of cases in which VA followed its procedures in the readjudication of Persian Gulf undiagnosed illness claims.

**Table 1: Percentages of Cases in Which VA Followed Procedures in Readjudicating Persian Gulf Undiagnosed Illness Claims**

<b>Claims processing procedure</b>	<b>% of cases in which procedure was followed</b>
VA provided claimant a letter describing evidence to support a claim	100
VA tried to obtain medical records identified by the claimant	96
VA tried to obtain nonmedical records identified by the claimant	100

For the claims included in our sample where VA's readjudication process was complete, we estimate that 8 percent resulted in veterans receiving benefits for undiagnosed conditions, although previously they had been denied those benefits.<sup>2</sup> These veterans are now receiving compensation or free medical care, or both, for their conditions. In our sample of readjudicated claims, we found that two major factors account for most of the denied claims. About 34 percent of the cases were denied because physicians were able to diagnose the condition. These cases were then assessed under different compensation requirements. Another 36 percent of the cases were denied for lack of objective evidence to support a claim.

## Conclusions

The Congress enacted the Persian Gulf War Veterans' Benefits Act to allow VA to pay disability compensation to veterans suffering from undiagnosed illnesses attributed to their service in the Persian Gulf. As we reported in 1996, VA had not properly followed its procedures to adequately inform and assist veterans in processing their claims for Persian Gulf-related undiagnosed illnesses. In response to our report and concerns raised by others, VA has taken steps to help improve its processing of claims for Persian Gulf undiagnosed illnesses. VA's issuance of clearer guidance on its processing procedures appears to have resulted in claims processors following the procedures. In addition, to help improve the timeliness of

<sup>2</sup>Sampling errors range from + 6 to + 16 percentage points at the 95-percent confidence level.

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VA's actions on Persian Gulf claims and better serve claimants, VA decentralized processing of Persian Gulf claims from 4 to 58 regional offices and began training claims processors in handling Persian Gulf undiagnosed illness claims. Because VA only recently began these efforts, their impact is yet to be determined.

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Mr. Chairman, this concludes my prepared statement. I will be glad to answer any questions you or Members of the Committee may have.



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# Training and Other Assistance Provided to Regional Claims Processors

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- On May 29, 1997, VA provided a satellite broadcast to its regional offices that primarily discussed rating issues for Persian Gulf claims. VA stated that the broadcast was the first in a series of initiatives that the Compensation and Pension Service plans to undertake to prepare claims processors in each regional office for processing Persian Gulf claims.
- On June 2, 1997, VA conducted a 2-day training conference that expanded on the training provided in the May broadcast. Each regional office sent one representative (usually a hearing officer or rating specialist) to the training. The representatives were responsible for going back to their regional offices to train other staff that would be working on Persian Gulf cases.
- After the June training, additional training was provided in each VA area that focused on using examples of actual cases to show how they should be processed. For example, the staff from the Louisville regional office conducted training for regional offices in the central area on June 4. The southern area training was conducted by staff from the Nashville regional office for 3 days at the end of June.
- Claims processors also received less formal training through participation in weekly national conference calls and interaction with the Rapid Response Team, a team of experts created by the VA central office to address questions or issues raised by claims processors. Every Wednesday, the VA central office holds a conference call with all regional offices. During these calls, knowledgeable staff members address any Persian Gulf-related issue.

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