

EXPLORING NATIONAL WORK QUEUE'S IMPACT ON CLAIMS PROCESSING

HEARING

BEFORE THE

SUBCOMMITTEE ON DISABILITY
ASSISTANCE AND MEMORIAL AFFAIRS

OF THE

COMMITTEE ON VETERANS' AFFAIRS

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EXPLORING NATIONAL WORK QUEUE'S IMPACT ON CLAIMS PROCESSING

Tuesday, February 14, 2017

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
SUBCOMMITTEE ON DISABILITY ASSISTANCE
AND MEMORIAL AFFAIRS,
Washington, D.C.

The Subcommittee met, pursuant to notice, at 10:31 a.m., in Room 334, Cannon House Office Building, Hon. Mike Bost [Chairman of the Subcommittee] presiding.

Present: Representatives Bost, Coffman, Bergman, Esty, and Brownley.

Also Present: Representative Walz.

OPENING STATEMENT OF MIKE BOST, CHAIRMAN

Mr. BOST. Good morning, and welcome everyone. This oversight hearing of the Subcommittee on Disability Assistance and Memorial Affairs will now come to order. I first want to take a moment to welcome the Subcommittee Members, especially those who are new to Congress and new to the Committee, and also those who are returning.

It is my privilege to have been asked to be Chairman of the Subcommittee and I am grateful to Chairman Roe for the opportunity. I want to explain that although I look forward to working with Ms. Elizabeth Esty from Connecticut as our new Ranking Member, under Committee rules Ms. Julia Brownley is still the Subcommittee's acting Ranking Member. And my understanding is that the Full Committee will schedule a business meeting to formalize the Subcommittee assignment and our new Subcommittee Ranking Members soon. We also want to make sure that we know that we have been joined by the Ranking Member Mr. Tim Walz. I want to thank him for being here. I want to ask unanimous consent for the Ranking Member Walz, for Representatives Esty and Sablan be allowed to sit at the dais and ask questions. I also want to ask unanimous consent that Ms. Esty be permitted to serve as Ranking Member for this hearing pending her ratification before the Full Committee. Hearing no objections, so ordered.

By way of a short introduction this is my second term in Congress and on this Subcommittee. I am a father of three and a grandfather of 11, and before coming to Congress I worked in a small business, in a trucking business, and my wife and I own a beauty salon. I was a firefighter and a state representative for over 20 years in the State of Illinois. I am also honored to say that my

family has a tradition of service. I am not only a Marine, I am a Marine and a father of a Marine. I am enlisted and he is an officer, so it kind of makes for unique conversation around our home.

The House Veterans' Affairs Committee is known for working in a bipartisan manner to ensure that the Department of Veterans Affairs provides our former military members with the best service possible. Our Nation's heroes deserve no less. This Subcommittee specifically addresses how to best provide for the needs of veterans who have medical conditions relating to their service. We also work together to ensure that veterans who have passed away are treated with dignity and respect. I look forward to continuing this tradition and working with Ms. Esty and the Members of the Subcommittee on the issues that are critically important to the veterans and our Nation as a whole.

That said, the first DAMA Subcommittee oversight hearing of the 115th Congress will focus on how national work queue, or the NWQ, has impacted the department's ability to process disability claims. Before the NWQ, the VA's practice was to process a veteran's claim at the regional office in the State where the veteran lived. The challenge was that some regional offices had large backlogs and veterans in those states were often left in limbo even if the regional offices in other states would have been able to process the claims faster because of not being so busy.

The NWQ is supposed to increase effectiveness and efficiency by automatically assigning the claim to the regional office with the most capacity. On its face this is a common sense idea. The NWQ allows the VA to distribute its workload evenly across the Nation to reduce waiting times for veterans who file claims for benefits. However, there are some concerns about whether the NWQ is actually performing as it should. Unfortunately the VA claims backlogs have increased from about 76,000 backlogged claims on May 2, 2016 before the NWQ was fully implemented to now almost, well as of February 4th 101,000. One has to question whether the distribution of work throughout the NWQ is in fact more effective.

Rather than assigning a claim to a specific employee to work the entire claim, the NWQ breaks up the claim into individual tasks, such as scheduling a disability exam. After one claim processor reviews a file and completes an action, the NWQ will likely assign another claim processor for the next step. The second claim processor then also has to become familiar with the file to determine whether additional action is needed for the VA to make a decision. It does not make sense to me on how having multiple claim processors completely review the same file can possibly save time.

We will hear from our second panel as well, and it is comprised of the veterans service organizations. The VSOs used to receive an advance copy of the rating decision before it was sent to the veteran. This practice gave the VSOs 48 hours to review a proposed decision and raise objections before the decision was finalized. But now that the NWQ has been deployed VSOs complain that they no longer have a chance to review a decision and try to resolve errors before any incorrect decision is sent to the veteran. I hope the VA will explain what steps it is taking to work with the VSOs to ensure the VA decisions are accurate.

I am also looking forward to learning more about how the VA intends to monitor employees' production and quality standards now that the NWQ has been implemented. I also hope that the VA will tell us more about what the department intends to do to tackle the current backlog of appeals and non-rating claims and how it plans to leverage NWQ to do so.

Again, I want to thank the witnesses for being here today. And with that I want to call on the distinguished Ranking Member Ms. Esty for her opening statement.

OPENING STATEMENT OF ELIZABETH ESTY, CHAIRMAN

Ms. ESTY. Thank you very much, Mr. Chairman. I appreciate your warm welcome and I am delighted to be joining the Committee. I am happy to be here today as the Ranking Member designate of the Subcommittee on Disability Assistance and Memorial Affairs and I am looking forward to working with all of you to ensure that the veterans that we are honored to represent are receiving all the quality of care and the rapid service that they and their families deserve.

A bit about my background, I am in my third term in Congress. I am the daughter of a Navy man, daughter-in-law of Air Force, and have niece and nephew who are Army. So we need a Marine. You know, we are working on getting a Marine in the next generation. My district in the fifth district of Connecticut is the proud home to over 40,000 veterans, a long service tradition. In my office it is always issue number one, two, or three for constituent services. We have made it a core part of our mission. I hire veterans proudly in my office and I am committed to ensuring that everyone who has served this country is served in turn by all those of us who enjoy the freedoms that they secured.

I want to thank Mr. Murphy and the deputies from the VA for appearing today to help us understand how the national work queue program is functioning now that it has been rolled out in all 56 regional offices. Now in speaking with Connecticut veterans it is my impression that the claims backlog in our region has been reduced significantly and I want to congratulate you on that progress. However I also want to understand some of the issues and delays that do remain and I look forward to working with you to improve the claims process going forward.

To the VSO witnesses here today and to the thousands of VSO sponsored veterans service representatives in every part of the country, you are providing reassuring and dedicated assistance to veterans as they navigate the disability process and pensions process. I thank you for your commitment to veterans and to making sure that it gets done right.

I know we are all here for the same purpose. We want to enjoy the benefits and speed and accuracy of automation. But we need to ensure that that personal touch is ensured and that our veterans are treated with that care, and the VSOs have provided that. So I am looking forward to hearing from you today how we get the best of both worlds, the high tech and the high touch. I know that is our objective and we are not there yet, I think we are in agreement. But I do know that everyone is committed to getting us where we need to be. And so I will be looking forward to the testi-

mony and working together collaboratively to get us here. I see we have been joined by the current ranking, my good friend, colleague, and classmate, Julia Brownley, and my work buddy from the gym, I see Mr. Coffman has also arrived.

Mr. BOST. Thank you, Ms. Esty. Okay, I ask that all Members waive their opening remarks as per this Committee's custom. Now I would like to welcome our first of two panels. Thank you for taking the time to be here today. Our first witness is Mr. Thomas Murphy, who is the Acting Under Secretary for Benefits. He is accompanied this morning by Mr. Willie Clark, the Deputy Under Secretary for Field Operations; and Mr. Ronald Burke, the Assistant Deputy Under Secretary for Field Operations. I want to remind the witnesses that your completed written statement will be entered into the hearing record. And Mr. Murphy, you are now recognized for five minutes.

STATEMENT OF THOMAS MURPHY

Mr. MURPHY. Good morning, Chairman Bost, Ranking Member Esty, and Members of the Committee. Thank you for the opportunity to discuss the implementation and progress related to VA's national work queue.

The NWQ is a workload prioritization and distribution tool designed to match claims assignment capabilities with VA capacity regardless of geographical boundaries. This tool provides the means necessary to ensure veterans receive a more timely decision on their disability claim. The NWQ uses sophisticated system capabilities to uniformly prioritize VA's electronic claim inventory and allow for the collection of enhanced data on processing efficiencies, areas for quality improvement, and issues impacting processing capabilities. This new environment allows VA the flexibility to move claims to locations around the country that have the capacity to take the next action on the claim while maintaining the flexibility at each facility to assign work to the right person.

One of the principal fundamentals of NWQ is to ensure that veterans are served equally, regardless of where they live. A review of claims from 2015 shows that in many instances the timeliness of a decision was significantly impacted based solely on the state in which a veteran lived. Some were receiving decisions in 106 days while others took more than 213 days, nearly double the time. This variance demonstrates the inefficiency of the RO-based claims model, where each regional office receives claims based on geography rather than what their capacity is to complete work. When NWQ was rolled out the average days pending for veterans disability compensation claims was 94 days. This was reduced to 85 days by the end of fiscal year 2017, a ten percent reduction.

VA breaks the claims process down into cycles. Upon receipt of a claim, VA develops for evidence. The inventory of claims awaiting initial review was reduced from approximately 56,000 to 18,000 as of the end of January, 2017. The average number of days to a first development action has dropped from almost 25 days to less than ten in 2017.

Following the initial development actions VA prepares a rating decision to identify each disability, its severity, and its relationship

to military service. The amount of time claims were awaiting a rating decision has dropped from about 29 days to 16 days.

Once a rating decision is complete, VA prepares award notification for the veteran as appropriate. The award time has dropped from eight days to four, and the authorization time from four days to less than two.

VA continues to work toward reducing the number of claims pending over 125 days. While we acknowledge that some claims will take more than that, we have made significant improvements over the past two fiscal years. In 2015 VA completed 45 percent of its claims within the 125 days. As of January, 2017, 66 percent were completed within the 125-day standard.

NWQ is a component of VBMS and one feature that is built into the NWQ allows VA to measure the amount of rework in our system, which has never been possible before. It allows any VA employee in the process to stop the line to correct a deficiency, a process similar to that used in industry to ensure high quality. Because of this feature we are now able to measure process defects based on feedback from our employees. As a result, approximately 6,500 claims reviewed in 2017 have been returned to an earlier stage for correction. Systematically tracking these errors enabled us to tailor training and increase accountability in the claims process.

With an endeavor this large VA spent a lot of time and resources on a measured change management approach to NWQ implementation. Our efforts included briefing various stakeholders, training employees, publications of an NWQ playbook, and a myriad of calls and briefings with each regional office. VA utilized new data to revise director and employee level performance metrics and created standard reports used to improve workload management and effectively manage resources. Additionally VA is bringing together more than 1,100 supervisors and managers for continued training on tools and best practices.

While VA is acclimating to this new work environment we took the feedback we received to heart and have implemented methods to increase the amount of local work assigned to regional offices. While we acknowledge that there is more work to be done it is important to recognize that these efforts have and continue to generate positive and significant results for veterans.

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

[THE PREPARED STATEMENT OF THOMAS MURPHY APPEARS IN THE APPENDIX]

Mr. BOST. Thank you, Mr. Murphy. And I would like to yield myself five minutes for questions, if I may. On May 2, 2016 before the NWQ was fully implemented there were almost 76,000 backlogged claims. Yet last week there were more than 100,000 backlogged claims. The increase is about 33 percent over nine months. Is it the VA's assertion that the NWQ is improving effectiveness and efficiency in processing claims?

Mr. MURPHY. Yes sir, it is. And the reason is we now for the first time have the ability to work, look at the right next claim that needs to be worked. So today the work that we are sending out, we

are sending out every claim that is available to be worked in the backlog every single day, and then we are working back as early as claims that are less than 90 days old being pushed out to regional offices. So we are leveraging the ability to see the exact case that needs to be done and sending it out to a regional office for action at just the right time.

Mr. BOST. Okay. So but from what we can see of our numbers, what specific factors are contributing to that increase that we see over that nine-month period? I mean, that is a concern. Naturally all of us are wanting to see them processed as quick as possible. But to see that increase, what would the agency say the reasons for that are?

Mr. MURPHY. I am going to ask Mr. Clark to jump in on this. He runs our Field Operations Division.

Mr. BOST. Okay.

Mr. CLARK. Good morning.

Mr. BOST. Good morning.

Mr. CLARK. And thank you, Mr. Chairman. It certainly is my pleasure to respond this morning. The first thing I would like to say is our receipts have gone up since last year. One of the things that we know that as we get more efficient, more veterans are aware of benefits that are available to them. They come in and they submit more claims. Additionally we are taking a more balanced approach to the work that we are doing. One of the things that we have done in the past and we did great work in getting the backlog down in past years, but we focused probably too much on the backlog. And we have this old saying in the VBA that if you work only the backlog then all you work is the backlog. So we have improved in our appeals. We have improved in answering phones. We had a blocked call rate of 60 percent, almost 60 percent a couple of years ago. And now we are at zero percent blocked calls. Non-rating, those types of claims, dependency claims, we have claims drill pay, we are working those claims. So what we are doing, is taking a more balanced approach. But we do understand and we do keep an eye on our backlog to make sure that we do not have veterans waiting too long.

Mr. BOST. Yes, that would be the concern. And another part of my question is what plans do you have to, though we should not work off the backlog, I agree with you on that, that alone, but that is still a major factor that we can use to say, okay, how quick are we getting these processed through? And when you see the buildup it is concerning to us. And I am sure it is concerning to everyone involved when you see that continue to pile up. So what intention, you know, what do we see out there that we can do to speed the process up?

Mr. MURPHY. I will take that one, sir. About six months ago I took a look at where we were spending our money in terms of overtime dollars, and the number of people that we had, and the number of vacancies that we carried. And as a result I went out to our top 25 percent performing offices and increased their authorized end strength. If you look at my authorized end strength today, the day the hiring freeze was put on we had 250 people above authorized head count. And the reason for that is I took very high cost overtime dollars and I converted it into full time labor. When those

people start into the process it takes about a year to get a VSR up to standard and ready to work; it takes 18 months to two years for RVSRs. My point is this. Six months ago I started that action and in a few more months you are going to see VSRs in place doing better processing and you are going to see more raters in place within the next six months.

Mr. BOST. All right. The other concern that I have right quick, and I am going to finish this up fairly quickly because my time is running out, but the concern we have of rather than one person dealing with a particular claim and having it handed off over and over and over again quite often can cause a lot of confusion. And my concern, do you have that same concern that maybe one person is not focusing on one claim? And as it passes through multiple hands, do you see a problem with that?

Mr. MURPHY. I am going to ask Ron to talk about this one. And yes, I had that concern. But the changes we have made over the last several years, it is much smaller than it was.

Mr. BURKE. Mr. Chairman, thank you for that question and semper fi. To talk about that topic specifically, we have learned, this is still a relatively new initiative that we are still learning from. We absolutely wanted to make sure that our claims assignment and our claims distribution was matched to where capacity was. As we get more data from the NWQ system we are learning better ways to optimize this. As such, one of the things that we are going to be doing in our next VBMS release is actually maximizing the amount of work that goes to the home station. We believe that will do several things. Number one, it will most likely assign a claim back to an employee that has seen it before. And as one of two former VSOs on this panel, and one of three veterans, we also received that stakeholder feedback from our VSOs, that the inability to have that work assigned to the home station more frequently was impacting them as well. We have heard that feedback. We have created an enhancement request that will actually in our March release allow us to almost reverse the percentage of claims being assigned to the same station. We believe that will help with the issue of multi-looks that you raise, sir.

Mr. BOST. Okay. And just real quickly if you can, because I know my time has expired, but how many on average would you think employees handle one claim as it processes through under the existing system?

Mr. BURKE. Well what I can tell you, sir, is right now that the amount of work per each step in the process that is being assigned to the home station is about 30 to 35 percent of each daily distribution. We believe with the March release that will allow us to increase it above 50 percent, maybe as high as mid-fifties. That will significantly reduce the amount of instances where multiple employees are seeing the same—

Mr. BOST. Do you have an average of how many people touch the claims as they go through?

Mr. BURKE. Sir, it really depends on the claim itself. So I do not have a number—

Mr. BOST. Three? Six? Eight?

Mr. BURKE [continued]. Normally in any environment it takes five to six touches for a claim from initial development to completion—

Mr. BOST. Okay.

Mr. BURKE [continued]. —to begin with.

Mr. BOST. We would like to add that number to the record, then. And I would like to turn it over to the Ranking Member Ms. Esty.

Ms. ESTY. Thank you, Mr. Chairman. And thank you all for your service and your commitment to work together with us to serve veterans better.

I actually want to pick up where the Chairman left off on this issue of ownership. I have a lot of manufacturing companies in my district. I am a third generation manufacturing daughter and granddaughter. This issue about continuous improvement and lean does depend on ownership. The VSOs have been that ownership. I think we need to figure out how we ensure that we are reducing the number of touches where appropriate. Now obviously you may have very complex claims and those are going to require and should go to the people best able to do that. There are specialized claims that we know are much more fairly and rapidly processed in specialized settings. I think we do need to work for the typical claim to keep it closer to home, keep the VSOs engaged, and reduce the number of touches that we need to have. So if you could talk a little bit about in addition you just spoke, Mr. Burke, about in March issuing a directive to reduce that number so more of it stays in the ROs. But what else are you hearing in terms of feedback that will not just reduce the time but improve the accuracy and the engagement which is going to be necessary to keep our veterans feeling served as well as being served?

Mr. BURKE. Yes, ma'am. Thank you for that question. Let me first start with the latest part of your question about quality. One of the things we are also building into our process is an automated, we are calling it the diagnostic tool. This is purely based to improve and focus on the quality of our claims processing at all steps. This is an automated feature that will run in the background as an employee is processing a claim. And before that claim moves to the next step that employee will have the opportunity to hit a diagnostic check and it is designed to catch some of the major trends that we see now with stepped steps or confusion in the claims process. So we believe that that will help.

I am actually leading an endeavor to, we bring 1,100, and we are still in this process, bringing 1,100 of our first line supervisors and division chiefs physically into a location for training. The purpose of this training is to talk about our trends, the new reports, and we have created a standard suite of reports so that our supervisors can lead better, they can see issues with the claims process. But on the issue of ownership what we are stressing the importance of is that we have got to treat this national work unit environment like an ecosystem, meaning every action that we take on a veteran's claim has a subsequent reaction. And what we are stressing is that we want pride and ownership from our employees in every action they take on a veteran's claim, whether it is the entire claim or pieces of the claim.

But to that point, what we see is a valued need to route more work to the local station than what we have been doing since implementation. And again, that feedback not only comes from our employees but from our VSO partners and other stakeholders.

Ms. ESTY. Thank you. I want to follow up also on the question of how we are having, you know, the backlog going up. We are in a freeze right now. So let us be clear, you know, the Committee has been told that VBA has 760 vacancies. Mr. Murphy, you talked about how you are redirecting money to more appropriately try to cover but you still have those vacancies. And it is our understanding those will not be exempted from the hiring ban at this point. When you are looking at the final rule establishing eight new presumptive diseases associated with exposure to contaminated water at Camp Lejeune, that is going in effect March 14th. How are we going to keep up? You are going to see intake go up. Obviously we are going to. And we have vacancies. Can you talk a little bit about what do you expect to happen to the backlog when those cases come online?

Mr. MURPHY. We are overstaffed at this time. So the intent right up front six months ago was we are going to hire ahead because we always had 1,000 positions vacant. And what happened was we authorized the strength out to 100 percent to each regional office. An RO would wait for a vacancy, then they would start the fill process, four to five months later a person would show up and begin training. So what I did is I bumped up an additional end strength across the Nation, told everybody you can hire up to 105 percent, and they followed the normal process which took them to the 100 percent mark, part one.

Part two was at the same time I spent \$130 million, real round numbers, on overtime. Overtime is very expensive. Why not convert some of that to permanent employees and keep the rest of it for overtime, and use the overtime money for crises and surges that we have? So in addition to the extra five percent, we converted 50 percent of the overtime dollars to FTE and put the authorization out to the field to hire those individuals. Those folks now are working through our challenge process today. So again, I am 250 bodies over my authorized end strength from the presidential budget for 2017 and we lose approximately 40 people a pay period right now. So I can ride it out and still be above end strength for the next three months plus, depending on how the attrition rate goes before we are impacted by not having people on board. Then the next measure would be we start moving people out of non-direct labor positions into direct labor positions. That is the most important part is the delivery of service, not to have an extra person at a headquarters. So we do have a hiring freeze in place. And we also have a movement freeze in place where we are now allowing people to move out of our direct labor positions and be promoted into other positions, which leaves me trying to figure out how to deliver services.

Ms. ESTY. Thank you. I see my time has expired but I appreciate your explanation. Thank you all very much.

Mr. BOST. General Bergman, you are recognized for five minutes.

Mr. BERGMAN. Thank you, Mr. Chairman. And it is an honor to be with all of you this morning and thank you for all of your serv-

ice, both in uniform and now in a suit. The State of Michigan has a very high percentage of veterans comparatively speaking, and the first district that I represent has double the percentage of veterans as the other districts in Michigan, and largely rural, so we have some unique challenges. And as far as the questions I am going to ask, I am not going to ask person specific. So whoever would choose to respond, please feel free. What are the problems with NWQ that delayed its implementation?

Mr. BURKE. Thank you, sir, for that question. As with any release in VBMS, we go through a rigorous testing process. When we initially intended to deploy the national work queue before May, we had completed that testing. But testing in a testing environment is different than actually putting it in a production environment. Testing passed, everything was successful. As we went to go into the production environment we intended to do so over the course of a weekend. We noticed that the actual production job, the job of pulling in claims electronically, prioritizing them electronically, and also staging the distribution to 56 regional offices, took too long.

Our goal is to always have claims deposited at a regional office and in an employee's queue before they start their day. We do not want any idle time. We do not want any employee waiting for work to do. As such, it is important that our entire distribution job starts at around midnight and needs to finish by around 4:00 in the morning. We noticed that the job was taking too long and we decided to pause, go back and retool and reconfigure until that processing time could be reduced. That was the issue, sir, that caused the initial delay, because we did not want to put ourselves in a position where employees did not have work available to them at the start of their work day.

Mr. BERGMAN. So in other words, you feel that by the testing, the testing that failed, if you will, and what you implemented as you saw the timeframe work, so have the problems with that been resolved to your satisfaction?

Mr. BURKE. Yes, sir. That actually was resolved and was the key feature, if you will, that allowed us to actually successfully deploy to all stations in May of '16.

Mr. BERGMAN. So a little OJT there?

Mr. BURKE. Yes, sir.

Mr. BERGMAN. All right. And OJL, as in on the job learning.

Mr. BURKE. Yes, sir.

Mr. BERGMAN. NWQ is fused with the VBMS system. We were told that this system needs to be either replaced or updated. Does NWQ have the ability to be compatible with new or updated benefits management systems going forward?

Mr. BURKE. So what I would say, sir, is when we designed and developed and built the national work queue, it was under the auspice of VBMS. It is certainly owned and operated as a different entity. I have a full team of administrators that operate the national work queue. But we do go through the VBMS process for any enhancements, any new features, etcetera. And so right now we are connected solely to VBMS and we are dependent on VBMS right now to operate.

Mr. BERGMAN. So is that a yes or no? If VBMS is replaced with something, would we start from square one with NWQ again?

Mr. BURKE. I certainly think, sir, that if we were to do that we would be dependent on integration, proper integration, with a new system. And I am sure as part of our doing that that would be incorporated. We would have to integrate NWQ with anything if we replaced VBMS.

Mr. BERGMAN. Okay. Why did it take one year after NWQ's implementation for the VA to impose new employee productivity and accuracy standards? Why did it take a year?

Mr. MURPHY. I will start with that one and then I will probably have Willie jump in. We went with a partial roll out, started the roll out in May timeframe. We did not complete it until the summertime. And then we ran it from summer up until two months ago and looked at live production data using 100 percent of the population to develop standards which we presented to the union in February, which go live on March 1st. So in the past we have always used sampling of a couple of people. But this time we used 100 percent of the population across the Nation over a period of six months. So arguing or discussing or negotiating what individuals can produce is no longer an issue in the setting of standards because we are using what you actually produced. So all of the discussions we have had in years past about what should the number be are gone. It is very simply we used a statistical process, we laid it out, we used standard deviation, this is the performance standard, next step. So it took a little longer. It took us six months of live process. But now we have numbers that are actually right and based on what our individuals are producing on a daily basis.

Mr. BERGMAN. Thank you. I see my time is up, Mr. Chairman.

Mr. BOST. Mr. Walz? Ms. Brownley? Ms. Brownley, you are recognized for five minutes.

Ms. BROWNLEY. Thank you, Mr. Chairman. And I too want to add my voice and thank all of you for your service to our country and your service to our veterans as well. So I think, Mr. Murphy, you in your opening comments talked about there is still more work to be done, and there has already been discussions on where improvements can be made. Are there other areas that we have not discussed so far that you are looking at to improve the system?

Mr. MURPHY. I am going to hit this at a very high level and then give it to Ron in about 20 seconds. And the answer is we are getting so much data out of every little transaction right now, we are still trying to figure out how to use some of the data. An example of that is what we did with RVSRs and performance standards and how we used statistics to lay it out and say, wow, look at what is here. Ron runs this every day. He sees all these numbers. I spend a lot of time in his office digging. He may be able to put a little more clarity on that.

Mr. BURKE. Thank you. Yes, ma'am. A couple of things that we are doing right now, we have, while very short-lived in this environment, we have started to gather a ton of data that was not available before. One of the things that we are really keenly focusing on is the reduction of our rework. We now have an automated process that allows us to catch anytime an employee indicates that a claim has to move backwards in the process. To that end we are also able to discern whether that backwards movement could have been avoided or whether it was unavoidable. This allows us to take

a look at improving training, improving gaps in policy or procedure, and really tailoring our training to meet the trends that we see.

So one of the biggest things that this environment has allowed us to do by the implementation of an automated deferral process is to capture the daily data that we did not have before. And that really speaks more towards making sure that we have the right performance standards, making sure that we have the right training tools, making sure that as we create new reports for supervisors to use to manage both workload and for employee performance that we bring together, get on the same page, and actually provide some consistency that was not there prior to NWQ.

Ms. BROWNLEY. Thank you for that. In terms of vacancies, Mr. Murphy, did I understand you to say that we are losing, we lose approximately 40 employees per pay period?

Mr. MURPHY. That is correct. Prior to the hiring freeze we lost between 55 and 61 per period. There was a good percentage of those that were moving to other agencies. If other agencies are no longer hiring then that number will be reduced down to about 40 that would actually leave the Federal government.

Ms. BROWNLEY. And so are there additional reasons why you are losing that many people per pay period? Is it advancement or is it they are leaving?

Mr. MURPHY. No, these are, this is not turnover, moving to another job. These are people that are leaving the agency. And that is actually a very low number. I come from a sector where we ran 20 to 25 percent, 28 percent. We typically run in the low single digits percentage as an agency. So 40 people with a population base of 22,000, that is just normal retirements and taking another opportunity someplace else.

Ms. BROWNLEY. When back in 2013, I think, when we were first discussing this transition, and I really do believe that this transition has been, is certainly there are plenty of indications that it has been successful. And so I want to, you know, congratulate you all in that endeavor. Obviously, I agree. There is still more work to be done here. But one of the things that we talked about was the fact that for those people who are doing this processing that what could emerge from this system are people who are experts across the country in particular type of claim. And perhaps with that expertise that that in and of itself would streamline and make the system more efficient. Is that happening? Do you see that kind of trend?

Mr. MURPHY. We have the data to give us that kind of trend. We have not taken any action on it yet to actually physically realign. And the concept you are talking about is let us say St. Paul, Minnesota becomes experts at PTSD. So we route PTSD cases to that rating board because they are really good at that product. We do that at a lower level now with IDES claims, we do it with Camp Lejeune contaminated claims, and there are several others where we do those in pockets to concentrate low density things. But what you are talking about is a center of excellence where we would concentrate high volumes of work. We have the data to do it now but it is not an action that we have taken yet. It is certainly on the table for future improvements.

Ms. BROWNLEY. So I think in this week's Monday morning workload report, the Los Angeles regional office, which serves my veterans, the average days pending is 105 while it is only 85 days in Fargo, North Dakota. I presume that VBA is tracking these numbers. But are you adding more people and resources in areas where you know they are going to, and you can anticipate that there are going to be more claims?

Mr. CLARK. Yes ma'am, we are. And I recall going back I oversaw the western region, of which L.A. was one of those offices, and there was a point in time that the average claim was well over six months.

Ms. BROWNLEY. Yes.

Mr. CLARK. So one of the things that we did previously, we would pick cases up physically and move them via UPS or we would just shift cases and now with NWQ this is why we are able to do things electronically. So on the aggregate our average days pending and average days to complete have lowered significantly. We do keep track of all of our claims that are pending. And one of the great things about NWQ is we can just target or send that work to places where we have capacity. So sometimes proportionately maybe certain claims or certain amount of radiation claims or what have you, may be pending at a particular RO. But on the aggregate we send cases where we have a need to send work and where there is capacity. That is where it goes. And it goes everyday at 4:00 a.m. Mr. Burke and his team of folks moves that work around.

Ms. BROWNLEY. Thank you very much. I apologize. I yield back, Mr. Chairman.

Mr. BOST. Thank you, Ms. Brownley. And Mr. Coffman is recognized for five minutes.

Mr. COFFMAN. Thank you, Mr. Chairman. And Mr. Murphy, out of the claims backlog what percentage would you just say are PTSD only?

Mr. MURPHY. I would have to go back and get you a detailed number on that one. I would not even want to venture a guess. But what I can give you some idea—

Mr. COFFMAN. Is it the largest, let me just ask you this—

Mr. MURPHY [continued]. No sir—

Mr. COFFMAN [continued]. —is it the largest right now in terms of pending claims?

Mr. MURPHY. It would be, in isolation no, but in combination with others, yes.

Mr. COFFMAN. Okay. And then what are some of the, I am concerned that we are not focused enough on our combat veterans in terms of the claims process. What amount, can you give, and again just a very rough break down, of what I would call age related issues in terms of the claims process? Whether it is hearing loss that is not necessarily associated in terms of being, you know, around explosions or around aviation assets and things like that?

Mr. MURPHY. I can tell you what we have in terms of the top five to seven conditions, the ones we see most frequently. So PTSD is very high on the list. Traumatic Brain Injury is fairly high on the list. But even much more common than that is tinnitus, hearing loss, and then musculoskeletal injuries for knees, ankles, back. Those are the most frequently occurring conditions.

Mr. COFFMAN. Okay. What, and how well, tell me about your shift to a more electronic system? And I know that is somewhat controversial. I think that some of the VSOs have fought to retain a paper system because it is simply easier for some of the veterans that are not sophisticated in terms of electronic communications to be able to utilize. But where are we at in that whole process?

Mr. MURPHY. We do not work cases in paper any longer. There is just, there is a very small fraction of a percentage that is actually existing in paper still. It is all a paperless environment. In fact, a week ago we completely unpapered Philadelphia. There is no paper left in Philadelphia. We have a team in St. Petersburg right now and in a couple of weeks there will be no paper left in that office. And then we are moving across the Nation. At the end of the fiscal year we will have most of them done. By the end of next fiscal year we will be completely done with paper in all regional offices.

Mr. COFFMAN. And am I clear you are down to about 18,000, is it 18,000 in the claims backlog? What is the claims backlog now?

Mr. MURPHY. The claims backlog as of this morning is give or take 100 or 200 claims 99,000.

Mr. COFFMAN. Oh, how much?

Mr. MURPHY. 99,000.

Mr. COFFMAN. 99,000?

Mr. MURPHY. Yes, sir.

Mr. COFFMAN. Okay. And tell me where you want to be a year from now?

Mr. MURPHY. I would like it to be as close to zero as we can get.

Mr. COFFMAN. Okay.

Mr. MURPHY. I mean, that is probably, I do not know, 25,000, 30,000, 40,000 depending on the work flow. There are some cases that are never going to be under 125 days because you are just shortchanging the veteran to go away and do that. Radiation claims, long research history—

Mr. COFFMAN. Sure.

Mr. MURPHY [continued]. —and exposures, etcetera. And it is just an injustice to the veteran to force it into 125-day process. So to say we are going to get to zero, that is just not going to happen. It is not the right thing to do. But it is certainly not, it can be smaller. Any system you have got, no matter how good it is, can get better, ours included.

Mr. COFFMAN. Have we just been pushing these claims to the appeals process? In other words, that we are just kicking them upstairs by trying to expedite and shrink the volume in terms of the claims backlog?

Mr. MURPHY. No, sir. That just creates more problems for me to deal with later. We actually have stopped the growth in inventory in the appeals process. We were on an eight-year upward slog, steady growth. In the last three months we have actually turned it and started reducing in the appeals process. And the reason for that is, five months ago I locked in the appeals people and just made them an isolated, nobody could work on anything other than appeals if you were assigned to appeals. So that dedicated workforce, 1,495 people, work only appeals on their prime time, overtime, any time that they are working. And then that focus, along

with just a little bit extra pressure and a few modifications and changing process, has resulted in us flattening and starting to bring down the overall number of appeals.

Now inside of that the number of appeals sitting at the Board of Veterans Appeals is growing because we are producing them faster and pushing them across to the Board of Veterans Appeals which leads us into the legislation pending in Congress now about appeals reform.

Mr. COFFMAN. Okay. Mr. Chairman, I yield back.

Mr. BOST. Mr. Walz, you are recognized.

Mr. WALZ. Thank you, Mr. Chairman. I appreciate it. And Mr. Murphy, a special thank you to you. I know you have been there throughout this whole process, as the number of claims have reached its peak, and as we addressed it. You adjusted fire and fired for effect and reduced them as we were hoping would happen. I for one am grateful that you chose not to take your talents and go elsewhere where you could probably be paid more and have less headaches. I do appreciate that.

Mr. MURPHY. It is a work of passion.

Mr. WALZ. It is a passion and it has been apparent. And I think that is what our veterans deserve. It is what they demand. And I think it is important for us because I have watched you come here on numerous occasions through this but always with a goal on that end of working together. So I am appreciative of that.

Just a couple of things, and this is coming from our VSOs who I know you are a good partner with. And I truly know and I would like to say a special thank you to your employees, too. I literally watched those folks out at the St. Paul RO burn the midnight oil during numerous occasions during the backlog and they brokered in a lot to them. I agree with you on this. We were paying a lot of money for overtime that needed to be done but I think to smooth this and keep things going that does make more sense. So when we talk about accountability, we talk about hiring freezes, we do need to talk about in the long run hiring and retaining really good people can not only do the right thing for veterans, it can save us money in the long run. So I appreciate you on that.

Just a couple. Our VSOs expressed concerns that their rep cannot find that contact information when they need to reach out to a VA employee in the RO to correct an error. How does that happen? Or how do you respond to them when they say that?

Mr. MURPHY. I am going to give the details to Mr. Burke on that one.

Mr. WALZ. Okay.

Mr. BURKE. Sir, thank you. We have tried to ensure no degradation of service or relationship between our VSOs at the local regional office and the staff there. To that end we are all learning from this process. It has posed some challenges. We are adjusting fire, as you referenced. But we have designated personnel in each regional office, the same regional office that the VSO resides in, that have been put on kind of an ancillary role, if you will, that they can serve as a direct liaison between that VSO and that office. No matter where the claim is, they have a peer that they reach out to, to kind of facilitate those discussions. Admittedly it is a process that we need to improve on. I think we are really, really good at

it in some areas, and in some we get a reminder from our partners once in a while that it may not be working as intended. So we want to make sure that there is that local flavor, both the high technology, high touch type thing that was referenced earlier today. But certainly an area that we will continue to improve on.

Mr. WALZ. No, I appreciate that. And I certainly appreciate the spirit that you are approaching it. These are your partners and if they are good at it, they know. And that is just a force multiplier for all of us. So I am grateful for that.

And I will just end with one, and you brought it up, Mr. Murphy, with Camp Lejeune and we are coming up on the 14th. Having, and I said this in hearings at the time, I continue to say it. A lot of the backlog came out of the Nehmer claims which I am glad that it was approved, that we were there. And I feel like I added a lot of work for you by pushing that through and when the Secretary added it, I understand that. And I do not think we gave you the necessary up front resources once the Nehmer claims went through that that did cause that. That is not an excuse, but it is certainly a reason. Are we going to be okay that we are not going to see that? I know the numbers are probably far less but not certain of that, and how that will be handled?

Mr. MURPHY. Are we talking specifically about the Camp Lejeune cases?

Mr. WALZ. Yes, on the 14th, am I right, on March 14th—

Mr. MURPHY. The date is coming up here shortly. The difference, what got us bogged down last time was the uniqueness of the Nehmer claim and the fact that you had to go back and do a page one review literally decades old. That does not apply in this case. This is claims that have filed since we did the notice, plus, so it is point forward. It is a completely different type of work. And the fact that we put the presumptive in there, yes, it is certainly going to bring more volume in the door. But the presumptive helps speed the process up because—

Mr. WALZ. Are you going to funnel those through one RO? Or are you going to just kind of handle it in the normal process?

Mr. MURPHY. Ideally, we want to keep them in the one RO because we have that center of excellence we were talking about just a moment ago. If they cannot handle the volume we are going to have to train another and expand it. So we will have to keep a very close eye on that.

Mr. WALZ. So, but you are not, you are concerned, you are focusing on it, you are there, you are ready to adjust to it. But you do not anticipate anything near the disruption that the Nehmer claims caused?

Mr. MURPHY. No, nothing at all like that. The Nehmer claim was a tidal wave and this is going to be a real small one by comparison.

Mr. WALZ. Great. Well, again, I am grateful. I appreciate you being here as always. And it is about service to those veterans and it is clear, as I said, of watching you over the last half decade or so that you have done what you were expected to do. I yield back.

Mr. MURPHY. Thank you, sir.

Mr. BOST. We want to thank you for your testimony. We appreciate you being here today. If we have any follow up questions we will be sending those your way and thank you for being here and

for what you do. And hopefully we can improve on this but we need to move on to our next panel.

Mr. MURPHY. Thank you, sir.

Mr. BOST. If that is all right? And if the second panel then will come to the witness table?

I want to say welcome to everyone and thank you for coming today. Our second panel includes Mr. Zachary Hearn, the Department Director of Claims of the Veterans Affairs and Rehabilitation Division of the American Legion; Ms. Kelsey Yoon, the Director of Veterans Benefits of the Vietnam Veterans of America; and Mr. Ryan Gallucci, the Duty Director of the National Veterans Services for the Veterans of Foreign Wars. And first we will hear from Mr. Hearn of the American Legion. And Mr. Hearn, you are now recognized for five minutes.

STATEMENT OF ZACHARY HEARN

Mr. HEARN. Thank you. American Legion Past National Commander Ronald Conley initiated a series of visits to VA facilities in 2003. After these visits the American Legion declared VA a System Worth Saving. Over 13 years have passed since that declaration but this truth remains. The American Legion knows the VA is a system worth saving.

Good morning Chairman Bost, Ranking Member Esty, and Members of the Subcommittee. On behalf of the National Commander Charles E. Schmidt and the 2.2 million members of the American Legion, we welcome this opportunity to speak with you regarding the impact of the national work queue upon the adjudication of claims. VA Secretary David Shulkin echoed the American Legion's sentiments regarding the value and place VA has with our Nation's veterans during his confirmation hearing. We fervently believe VA is a system worth saving. We need VA to listen to us. We need VA to work with us to ensure management's success.

The American Legion has over 3,200 accredited representatives with representatives in each of VA's regional offices. This level of assistance and expertise by these individuals led the American Legion to represent over 804,000 veterans in the last fiscal year. Many view our representatives as advocates for veterans. The fact is we could be a fleet of advocates for VA. But they not only need to listen to us but also implement what we are asking.

NWQ and Veterans Benefits Management System are inextricably intertwined. NWQ is not viable without a properly function VBMS that allows for the fullest advocacy efforts by veterans service officers. VA began briefing the American Legion in 2015 regarding NWQ. It was designed to maximize its workforce and adjudicate claims in a more expeditious manner through routing cases to VA regional offices based upon availability. The American Legion recognized the potential for the program, however concerns existed and continue to exist regarding its implementation and execution.

The advocacy and adjudication of claims has historically been a local venture. A veteran residing in a given area of jurisdiction could reasonably expect the claim to be developed and adjudicated at the local VA regional office. Much of claims advocacy is built on internal relationships with regional offices and NWQ would sever

some of those relationships. VA advised that the local regional office would serve as the first filter where the claims would be adjudicated. However, in the case of some regional offices this has proven untrue. The St. Paul regional office has reduced the adjudication of claims of veterans from Minnesota from 99 percent to 30 percent over the course of two years.

A major complaint received by our service officers is the fact that VBMS does not have the ability to alert local representatives of claims development. VA has established a 48-hour window to review claims. However, VA has occasionally removed a case prior to the close of the allotted period of time. The American Legion hosts a department service officer school biannually and during the last school in July, 2016 service officers working in regional offices were asked to raise their hands. They were asked to lower their hands if they had come across a case that had been removed from adjudication review prior to the 48-hour window. Not one hand was raised. These concerns have been raised to VA, yet the problem continues to linger.

Even if the local representative where the claim was adjudicated was notified it would be of little assistance. The local representative is not familiar with the veteran and the associated claim. Moreover many of our service officers are employed by state agencies funded by local tax dollars. Those employees are working to assist veterans in their given state. It is unfair for them to also assist veterans residing outside of their jurisdiction.

The American Legion regularly conducts quality review visits. Last year we met with VA employees to discuss the impact of NWQ. Some welcomed NWQ, however others had concerns. These concerns listed from line employees to senior leadership. The VA employees noted that a disconnect exists. A developer at one location may not develop the claim to the degree required at another location, causing added delays in the process. Another complaint involved NWQ pulling back cases into the virtual queue and redistributing them after a substantial amount of development occurred at the original regional office. Despite completing the bulk of the work the original regional office does not receive the credit. One senior leader stated that it is disheartening to have an employee complete the bulk of the work while another location gets the credit. In a production environment this could hurt morale.

VA has taken great strides in reducing its backlog of claims from its peak in March of 2013. The implementation of fully developed claims and VBMS have allowed VA to enter the 21st Century. VA needs to truly believe that veterans service organization are stakeholders and a fleet of advocates that could be used to improve their product. They simply need to listen.

Chairman Bost, Ranking Member Esty, again on behalf of the Nation's largest veterans service organization we thank you for the opportunity to speak about this issue this morning and I will be happy to answer any questions that you may have. Thank you.

[THE PREPARED STATEMENT OF ZACHARY HEARN APPEARS IN THE APPENDIX]

Mr. BOST. Thank you, Mr. Hearn. And Mr. Gallucci, you are recognized for five minutes.

STATEMENT OF RYAN GALLUCCI

Mr. GALLUCCI. Thank you. Chairman Bost, Ranking Member Esty, and Members of the Subcommittee, on behalf of the 1.7 million members of the VFW and our Auxiliary, I want to thank you for the opportunity to testify on this issue. I know in my written testimony the situation with national work queue looks dire. But I want to clarify that the VFW supports NWQ and we believe that this is how VA can maximize efficiency using every resource at its disposal to deliver consistent, quality, accurate, and timely benefits to veterans.

NWQ shows significant promise in meeting this objective. Our concerns rest with the final step in the process for veterans represented by accredited VSOs like the VFW. Unfortunately, this issue is so complex that we saw prudent to articulate every way that we believe this affects VA's ability to deliver a quality product to veterans and our ability as advocates to provide quality customer service to our veteran clients. By a decades old policy, VA allows VSOs 48 hours to perform a final quality review on proposed rating decisions allowing us to identify any potential errors and get them corrected before the decision is sent to the veteran. VSOs see this as a chance to ensure VA gets it right the first time.

Based on VFW's analysis, we find errors in about one out of every ten claims that we process, and we can usually work with VA to fix them before the veteran ever knows. This is not only a positive for the veterans we serve but also a benefit to VA. On a grand scale, if VSOs can perform quality reviews on all ratings and explain the context of the decision to our veterans, we cut down on appeals and build confidence in the VA system. On a local scale, VSOs learn to become stronger advocates, VA staff learn to be more meticulous raters, and veterans receive consistent, accurate, and timely benefit decisions.

While this policy has been supported by VA management, the VFW has seen examples where personnel in regional offices, potentially reacting to pressures on productivity, will finalize rating decisions before the 48 hours expire. We have also seen NWQ pull ratings out of regional offices while they are still in the 48 hours, meaning our representatives lost optics on them while the clock ticks. We have also seen brokered work stations immediately finalize rating decisions for work under their jurisdiction if no VSO representative is present in the office in accordance with VA's Manual M21-1. This makes it impossible for the VSO representatives who originated claims to track their work regardless of the filtering workarounds offered by VA through VBMS. We appreciate that VA has offered this work around, like zip code filtering, and a potential new field to filter by station of origination. But as we articulated in our written remarks, these workarounds do not solve the overall problem.

Our objective as accredited VSOs is to serve as the public facing advocate to help veterans navigate the complex VA benefit system. As such we align our resources to either the needs of the community as we see in North Dakota, or the special mission of the VA regional office like we see in Winston-Salem and Salt Lake City with the pre-discharge claims program. When VFW takes power of attorney for a veteran client the veteran is placing his or her trust

in the VFW to serve as a quality advocate in not just filing for VA benefits but also ensuring any awarded benefit is accurate. Our representatives in the field must build trust and credibility with not only their clients but also their local VA colleagues to properly advocate for veterans. When our advocates do not have the opportunity to review the work for their clients, everybody suffers. At first it may look good that VA was able to send the rating decision to the veteran more quickly, but this is no good if the decision is inaccurate. As our representative in North Dakota said, we have lost local advocacy.

The VFW's ask on NWQ is really three-fold. First, return proposed rating decisions to the station of origination so that the VSO representative who is most familiar with the claim can conduct a proper review. Second, lock the 48-hour clock in VBMS so that VA staff cannot pull back the rating decision before the VSO clicks reviewed or the 48 hours lapses. Third, allow VSOs to mark proposed ratings as queried in VBMS so that VA can track potential errors and hold staff accountable for addressing any potential errors. The VFW believes that the infrastructure already exists to execute these three steps in NWQ and is a more simple solution than building a new filtering option in VBMS.

The VFW and our partner VSOs have asked for these solutions since NWQ was first proposed. Unfortunately, we worry that these requests have been pushed aside in favor of VA's internal priorities. Now we understand that VA has its objectives to improve its work product, but our purpose today is to demonstrate to this Subcommittee and to VA that the VSO's priorities are also VA's priorities. The VFW believes in NWQ and we want to work with VA and the Subcommittee to make this successful. If VA can execute these deliverables, we believe that we will have advanced in our mission of providing timely, quality, and consistent benefits to our veterans.

Chairman Bost, Ranking Member Esty, this concludes my testimony and I am happy to answer any questions you may have.

[THE PREPARED STATEMENT OF RYAN GALLUCCI APPEARS IN THE APPENDIX]

Mr. BOST. Thank you, Mr. Gallucci. And Ms. Yoon, we want to recognize you. Just for purposes Boston—Bost— that is what, the name is—no, that is okay. Everybody does it. I am just going to go ahead and get it so everyone knows. Ms. Yoon?

STATEMENT OF KELSEY YOON

Ms. YOON. Thank you. Good morning, Chairman Bost, Ranking Member Esty, and other representatives of this distinguished Subcommittee. Thank you for inviting VVA to testify today about the national work queue's impact on claims processing.

VVA is supportive of using technology to create a better claims system, however not at the expense of accuracy, transparency, or a pro-veteran claims process. Currently it is easier to track a FedEx package than a VA claim. VA has sidelined VSOs during the development and implementation of the national work queue by not prioritizing the crucial role of service representatives. Consequently the pro-veteran claims process has suffered to the detriment of the veteran. VVA is left concluding that VA's only inter-

est is to use the national work queue as a tool to eliminate the backlog and nothing else.

VVA strongly opposes the expansion of the national work queue to appeals and non-rating claims until at a minimum the three recommendations we put forth in our written statement are fully implemented. I would like to take this time to briefly discuss three barriers to the claims process that VVA currently experiences as a direct result of the national work queue.

First VSOs are unable to track accurately its claims that need review before a final decision is issued in VBMS. For example, if our service officer files a claim in Seattle, Washington that claim could be kicked to Atlanta. That service officer is unable to track that claim to its rating decision being issued. VVA believes that when our service officers are unable to review the claims they filed VA is depriving veterans of their right to competent representation.

For more than two years VVA has stressed the importance of a station of origin search filter in VBMS but VA continues to give this request zero priority. Adding a station of origin search feature will permit service officers who filed the claim to be able to competently assist their veterans through the entire claims process regardless of if the claim is adjudicated in another station.

The second barrier, assuming the VSO is able to identify which RO the claim has been sent to, VA has yet to provide accurate contact information for each station. Often the email addresses provided are incorrect or outdated, leaving the VSOs unsure of who to contact at the out of state station. This is extremely important when we are trying to contact during the 48-hour review period.

And finally the third barrier, even if we have the correct contact information for the station, it is difficult to receive a timely response, if we get one at all. Since implementation of the national work queue service representatives are further distanced from the claims process and in some instances blocked out entirely. Consequently VVA has been forced to appeal more claims than previously, which adds to the backlog. All of these problems did not happen pre-national work queue because service representatives developed working relationships with VA raters at their home station and all claims were adjudicated in the same state where the veteran resides.

The veterans benefits claims process is a unique adjudicatory system. It seeks to be non-adversarial and pro-veteran. VVA urges VA to prioritize the recommendations made in our written statement so that veterans and their representatives are again included in the claims process.

Thank you for this opportunity for VVA to share our thoughts on this issue and I am happy to answer any questions.

[THE PREPARED STATEMENT OF KELSEY YOON APPEARS IN THE APPENDIX]

Mr. BOST. Thank you. And I will go with the first five minutes of questioning. Mr. Hearn, our number of backlog claims when we started this project was about 76,000, now it is about 101,000, or thereabouts. Do you think the NWQ actually has improved the situation or not?

Mr. HEARN. And the American Legion has noted that there has been an increase in the backlog of claims during this period of time. As far as if it contributes to the backlog, I could not say. But it certainly has not been, you know, it certainly has not decreased it as the numbers would bear.

Mr. BOST. What suggestions would you have to improve this?

Mr. HEARN. I think, again, a lot of it when we go through and we look at how these claims are being adjudicated or they are being processed in the system, there is a lot of back and forth that is going on between the VSR and the raters. In one location if you take a, let us just say you take a poor performing regional office and that developer meets, you know, cuts the mustard as far as they are concerned there. Then it goes to a rater at a higher performing area where they would not accept that as being the necessarily development. So then the rater ends up kicking it back. And so here this starts slowing this process down. Had this been in the same office the person could have walked across the service center and said, hey, look, you need to fix this? We need to schedule an exam. We need to do this level of development. So I think that some of this, some of these issues are probably contributing to a certain extent.

Mr. BOST. Okay. Then that kind of leads to this question. Right now I just asked you specifically what input you would have through your organization. So I am going to ask this of all three members. Has the VA asked each one of you what they could do to improve this, and what has been the response?

Mr. HEARN. They have asked. We have offered solutions. And we continue to ask for those same, you know, those same asks keep getting asked over and over and over again over the last six months to a year, I would say.

Mr. BOST. Mr. Gallucci?

Mr. GALLUCCI. So thank you, Mr. Chairman. I do want to reiterate what Mr. Hearn said. Because that was really an overarching theme in our testimony as well. Is that we persistently make requests of VA on things that they need to prioritize in changing their business processes, but we do not know where those stand on their list of overall priorities. What we are trying to convey to VA is that our priorities are not just the priorities of VVA, the American Legion, and VFW. They are the priorities of the veterans that we serve. And we provide that customer facing advocacy. These men and women walk into our offices, call our offices, they develop interpersonal relationships with our representatives. And so we need to be able to provide that personal advocacy for them.

It also becomes a problem, not to get on too much of a tangent, but where these different processes happen in different offices we have heard anecdotally that sometimes there is duplicate work happening. So they may order an exam that was not necessarily needed, or as Mr. Hearn said it will get kicked back into the process someplace that it did not need to be. So I think my recommendations would likely echo the American Legion's in improving the business flow in those regional offices. It is good to hear that VA wants about 50 percent of the work to stay at the original office of jurisdiction. But again, I do not know if that is going to

solve their problem. Automation has the potential to improve this process.

Mr. BOST. Ms. Yoon?

Ms. YOON. Yes, I would also concur with Mr. Hearn and Mr. Gallucci. VVA has continually, as I stated earlier, for years been working with the VA to try to explain what we need in order to assist the claims process. And like I mentioned,

because of our inability to properly track and assist claims with the original service officer who worked on it, it forces us to appeal claims that we would not have had to appeal pre-national work queue, thereby adding to the backlog. So I would just emphasize that, again, as Mr. Gallucci said, we are all on the same team. We are trying to do the same thing and achieve a final and just decision at the lowest level possible. And the recommendations that we put forth seek to achieve that.

Mr. BOST. Well let me tell you, I think this Committee is on the same team with you as well. In your original testimony you actually brought up the fact that quite often the communications come with the wrong email address?

Ms. YOON. Yes. So was earlier stated, the VA has provided a contact person or a generic mailbox at each RO. So if we do not know who to contact at that RO, if we do not know the rater, we are instructed to email this email address. It is either a personal email address, a name, someone's name at va.gov, or it is a corporate email box. Those email addresses are often wrong and we will send the email to the person we are supposed to contact and the response, if we get a response which is common to not get a response, you are contacting the wrong person, I do not do this. So the request that we have made in our written statement is that VA publish on its website an updated list. We certainly understand that there is turnover and the person of contact should switch. But they need to be able to provide that realtime updated to service organizations so we know who to contact at that point.

Mr. BOST. Thank you. I would turn it over to the Ranking Member.

Ms. ESTY. Thank you, Mr. Chairman. And I take it, I think we are all on the same page and I think it is going to be up to us in Congress to prioritize these issues to better serve veterans. You know, part of what we have done now there has been a lot of focus on backlog so the VA is focusing on backlog. Well if we want these quality measures and transparency and accountability in place, we need to prioritize that and we need to be pushing VA. And that is why we are thanking you for your partnership with us in ensuring that that happens. And again, I have no doubt the VA wants this too. But if it is not prioritized from somebody who can assist or not and shine some light or not, it may not happen.

Is a 50 percent goal enough? You know, we heard from Mr. Murphy that their goal is now to return 50 percent, or leave 50 percent in the RO. Any thoughts from the three of you on whether we think that is an appropriate goal?

Mr. GALLUCCI. First of all, thank you, Ranking Member Esty for that question. And I have some thoughts on that. You may have seen in my written testimony that in talking about some of these solutions to the VFW they really just seem like work around. I

mean, an objective to have 50 percent of the work in the station of origination sounds good. It is better than 30 percent, do not get me wrong. Having a station of origination work filter in VBMS is also better. But I do not think it is a 100 percent solution for some of the reasons that I pointed out before.

The manual allows VA to immediately promulgate decisions if we have no VSO representative in that office. And just for a little bit of background, the way that our resources are aligned at the VFW sometimes we do have turnover in those offices. The example that I had in my written testimony was a regional office that had a vacancy at the moment. We out of our headquarters were tracking a claimant that we were working with in the hopes of reviewing that rating decision when it was posted for the 48-hour review period. That 48-hour review period never happened because that regional office was immediately promulgating decisions. So even if we had the station of origination filter, it would not have helped us in the situation with that veteran. And what is interesting about this specific case is that VA failed to evaluate one of the claimed conditions on the claim and it resulted in an additional eight-month ordeal for that veteran and for the VFW to try to resolve that issue. So the SOO filter to us, the 50 percent station of origination work, does not really solve the problem. That is why I mean, really, our testimony was more of a wish list. If we had an optimal situation what we would want is to return it to the SOO, freeze the clock so they cannot pull it back into the national work queue, and then allow us to mark ratings as queried in VBMS as opposed to just reviewed or lapsed.

Ms. ESTY. Thank you. That is really helpful. And we have had some of those cases in my office. And I am thinking we managed to crack the code in immigration cases, a coding system that they used that allowed us to actually track, Ms. Yoon, as you mentioned, who is handling the case, how has it been coded. And I think that might be something we want to explore in more detail. Could we do better coding so you would know who was in charge if it gets sent someplace else? So if that person is no longer there, you would be able to go and look at that RO site and see, wait a minute, 132 is not there. So we are going to have to find out who is now taking over those cases. So it seems to me that the technology ought to be able to offer us that transparency and accountability. But we may need to push VA to say you need to prioritize encoding this in a way that allows us to actually know who we contact and get realtime information. So I do not know if you have done any work on that. But maybe, Mr. Chairman, we could look at utilizing exactly this technology to say, okay, if we are going to use it let us use it for the benefit of veterans. Not just reduce the backlog, but be able to still have that accountability and that touch. So as we move forward I would welcome your thoughts on whether we can use the technology to help solve this problem.

Mr. GALLUCCI. Ranking Member Esty, if you do not mind I would like to follow up on that. Because there was another point about the list of points of contact that Kelsey made in the regional offices. This becomes problematic because it takes reporting of errors outside of that digital environment. So VBMS is a digital claims management environment, how VA is tracking all of their work. And

Mr. Murphy articulated that they have been able to glean so much data from there that they have been able to identify break downs in the business process and hold individual employees accountable. For a rating review if we find errors there is no such opportunity. By having to send a separate email to a random VA staffer or a corporate inbox, there is not accountability for reporting those errors. And then when we click either reviewed or let the 48 hours lapse so it would say expired there is then no accountability on the back end for VSOs that, hey look, we found an error. It was not addressed within a timely manner. So that is one of the reasons we are asking to mark them as queried in VBMS. Thank you.

Ms. ESTY. That would be great if we could follow up and figure out how to embed that. I think that is a really important point and if we are getting incomplete data, I will not say inaccurate, incomplete data about the error rate, that is really important that we figure out how to code that. And I think we should continue on with that. Thank you very much.

Mr. BOST. General Bergman?

Mr. BERGMAN. First of all, thanks to all of you for all you do for the veterans. The veterans service organizations vary in their scope, vary in some of the populations that they serve. I am hoping for all of you that you are working very hard to encourage those veterans to, whether they join the American Legion, the VFW, the Vietnam Veterans of America, we need to know what is going on amongst the youngsters, if you will, that have served so honorably.

To all of you, the VA has claimed that the NWQ would improve on rating consistency and accuracy. From the perspective of you, the VSOs, have you noticed improvement in these areas?

Mr. HEARN. The American Legion conducts quality review visits every year. We just did return from San Juan last week. And to their credit, to San Juan's credit, they are vastly improved from where they were 18 to 24 months ago. However, I would still contend, and the American Legion has historically differed in what the definition of error is with VA, and a static appellate rate or even a declining appellate rate is just strictly that. That does not mean that your quality is better. It just means more or less people have appealed.

Typically 20 to 30 percent error rate is what we see. And what we determine as error rate is that there was something done wrong in the development process, not just strictly a yes or no, grant or denial of the benefits. So I would not say, it certainly is not the panacea to VA's problems as far as the error rate is concerned.

Mr. GALLUCCI. General Bergman, thank you for that question. I think it is tough to draw a conclusion at this point. National work queue is a very new business process, which is one of the reasons we wanted to get out in front of this and really appreciate this opportunity to address the Subcommittee on this issue today. Is because from the VFW's perspective we think that moving work efficiently in a digital space around VA has potential to improve accuracy. I do not think we are there yet. Based on our own review of rating decisions we find about one in ten have an error. That has been fairly consistent, but a few months ago we were almost getting up closer to two in ten where we were identifying errors.

Whether that is because of national work queue it is tough to say because looking at VA's self-reported data on claims based accuracy that is a number that has also been decreasing over the past few years. But when they break down claims based accuracy it also is directly correlated to the number of issues that a veteran claims. So one to two issues per claim are more likely to be accurate than if you have seven to 12 issues in that claim. And that becomes a problem because veterans are claiming more issues as they become more aware of the benefits to which they are entitled. I think at least from the VFW's perspective it is too soon to tell. But one of our objectives here today is to get in front of it and make sure that VA can provide us with the tools we need to hold them accountable for any errors and fix them before they go out the door.

Ms. YOON. Yes, I do not have too much to add. I concur with both statements already made. I would just emphasize that I do agree that it is too early to determine whether it is helping. I do agree that there is potential with the additional data that we can get from the national work queue. However, I would also emphasize that if we continue along the pathway that we are without including the VSOs into the process of the claims process, then it could potentially have very negative impacts on the accuracy of decisions.

Mr. BERGMAN. Thank you. Mr. Hearn, how do you feel VA handled the rollout of NWQ?

Mr. HEARN. It is kind of interesting because when VA was testifying the statement had been made that they are just now hearing that cases are not being adjudicated at the local level as much as the VSOs would like. But when it was rolled out we were initially told that essentially the right of first refusal was the local regional office. When you drop from 90-plus percent down to 30 percent in Minnesota, that is not even hitting a majority. And so that has been a big problem with us. And it is not only that but it is also dealing with the issues of claims development, not getting our mail, not getting, I mean that is the mantra we are hearing from our service officers is we want our mail back. In other words, if something happens along the claims process as far as development is concerned unless the VSO or the service organization is specifically putting that veteran's claim number in there is no way for the veteran or the accredited representative to know. So we need this type of information as well.

Mr. BERGMAN. Thank you.

Mr. BOST. Ms. Brownley?

Ms. BROWNLEY. Thank you, Mr. Chairman. And thank you all for your testimony. It seems to me that this, you know, a pretty simple problem to resolve and there should be ways in which it can be resolved. And you know, I would just ask the Chairman and the Ranking Member if, you know, we do not have the VA here now, and so we cannot ask them that question. But we need to ask the question, you know, when are you going to take these recommendations and when are you going to have a response to them? We believe it is a priority and we want to make it a priority for you. And when will that happen and when can they report back to us on it to make sure that it does indeed happen?

I mean, it is, you know, within the VA sent out a fact sheet, you know, when this process was going to be incorporated. And they

made a strong commitment that the relationship between VSOs and the RO managers will not change as a result of this new process, NWQ. Clearly you are making it very clear to all of us that that is not the case. So timeliness of these benefit claims are clearly important. But the quality of those claims and the role that you play and the relationship to the veteran at home is equally as important. So I hope that we can clear this up sooner rather than later.

I just wanted to ask do the, can the veterans check the status of their claims through the e-Benefit accounts?

Mr. HEARN. Yes, they can. But it is not like Domino's where you know for certain they are putting the cheese on the pizza. Sometimes they say they are putting the cheese on the pizza but they are just putting the sauce. I mean, it is a different, it is not a good reporting structure. And—

Ms. BROWNLEY. It is not a good reporting structure because—

Mr. HEARN. In other words from the input that we have gotten, I will get calls from veterans in my office. And they will say, you know, e-Benefits says this. And I will be looking at VBMS and it is not matching up exactly. And so, and then so I have raised this issue before with VBA going back years. And I have said, you know, again using Domino's as an example, if they can figure this out as far as whether, you know, what toppings they are putting on the pizza, why cannot VA use a similar technology? And I have never really gotten a good response on that. To me that would be an easy solution, like you were talking about.

Ms. BROWNLEY. Okay. Well I guess I do not, I really do not have any more questions. It seems the problems have been laid out pretty clearly and I think to resolve it seems to be pretty simple. So I will yield back.

Mr. BOST. Mr. Coffman?

Mr. COFFMAN. Thank you, Mr. Chairman. Let me ask each of you first, do you think that the claims process, when they switched to the new system were the claims processors up to speed and ready to go? Were they trained up for this? Mr. Hearn, let us start with you.

Mr. HEARN. By claims process do you mean on VA's side or our representatives?

Mr. COFFMAN. VA's side.

Mr. HEARN. I, anytime you implement a new system there are going to be problems, I think. And so, but at large I would say that they were trained on how to do it. I think one of the things that we need to caution with is that everything is getting more electronic, right? Everything, they are sitting there, they are gleaning all this information out of the system. No baseball umpire is a computer. We still need the human element in this. And there is too much reliance within the network when they are saying, if the computer shows that this could be potentially an error to avoid a quality review hit they will not override that. And that has sometimes been some of the problem that we have noted in there. But as far as their understanding of the system, it has been my experience when working with the employees that they have been properly trained.

Mr. COFFMAN. Mr. Gallucci?

Mr. GALLUCCI. I would tend to agree that there was proper training prior to implementation. However, because this was such a complex overhaul I think the unforeseen consequences made it much more problematic at least on our end as VSOs, whether just how much work was moving around. I think even, and I pointed out in my testimony that they had moved work for the pre-discharge program, benefits delivery discharge claims. There were hiccups all up and down the VA system on this. Our rating review specialists in Winston-Salem had identified a number of claims that were disappearing during the 48-hour queue. When we reported it to VA they did not think it was happening at first. It took about two days of back and forth and then providing claim numbers and a hard count of the claims that were pulled back from Winston-Salem pending rating review, there were ten of them, that were assigned to the cloud, the station of jurisdiction 499 for the national work queue. They did not believe us at first. They almost did not recognize that this was happening within their own business process. So I think there were a lot of unforeseen complications with the rollout of the national work queue. Again, one of the reasons we wanted to come here today and articulate this, not to take too many shots at VA, but we want to be a constructive partner in this and this is what we are seeing on the ground. And we hope that they will be responsive to the needs of our clients, the veterans that we serve.

Mr. COFFMAN. Ms. Yoon?

Ms. YOON. Thank you for the question. I would agree that I think the training was generally sufficient. However, the one thing that was exposed is that at each RO they often have their own internal procedures and systems. And when a claim is sent to another RO, and if we are used to a certain system at this RO, the other RO might do something else. The lack of consistency across each office has I believe been more apparent and the hope is in the near future that that is something that could hopefully be standardized more.

Mr. COFFMAN. Okay. Well very quickly, if you all had to, you know, we are I think over 90,000 in terms of our claims backlog right now. And so we have made some progress but we have got a lot of progress to go. What would you, if you were going to identify one issue as the leading issue that the Veterans Administration needs to change in order to reduce the backlog, what would that issue be? Mr. Hearn, let us start with you.

Mr. HEARN. That is a big question, Congressman. Honestly I think as, this is not going to impact the backlog as much as it is going to impact the appeals and the quality of the decisions. But is to stop and look at what you are doing as a rater and as a VSR, and make sure that you are considering the entirety of the evidence. Because that has been one of the biggest problems that we have seen. It is the reason why you have got a 50 percent remand rate at the board. It is the reason why you have got a 25 percent grant rate at the board. It is because nobody is sitting back and really thinking about what they are doing when it comes to these decisions.

Mr. COFFMAN. Okay. Mr. Gallucci?

Mr. GALLUCCI. Congressman Coffman, thank you for that question. I think you saw my head nodding a number of times. Because it has to do with conflating timeliness and accuracy. There is so much focus on the time it takes to get a claim done, we have to get them out the door, we have got to move through this process fast, fast, fast, fast, fast. And we are finding that haste makes waste. I mean, it is a common euphemism but pardon my dad joke. But it really becomes a problem because our clients come to us for that personal interaction to know that we have reviewed their records, that what we are claiming is accurate, that VA took into consideration the entirety of evidence. And it really makes it easier on the back end. I believe now the Board of Veterans Appeals docket date is backlogged several years. And that is just harder on those veterans. Yes, they may have a rating decision but it is probably an inaccurate rating decision. We want to get this right the first time.

This also becomes a problem with the 48-hour review because sometimes we have been told, well, we just need to get the rating out there. The veteran needs that rating quickly. We are talking about two days in a 125-day process. And the clients that we work with they understand that if they get two days for a quality check it is really not going to affect their, well it will only affect their benefits for the positive on the back end. That two days is ample time for them to make sure that the rating decision is accurate. So thank you.

Mr. COFFMAN. Ms. Yoon? Quickly, I am over time here.

Ms. YOON. Yes. Yes, I would emphasize possibly to reevaluate the work credit system that VA employees have. Because again there is this emphasis on speed and there is not as much of an emphasis on accuracy. And again, our accuracy measurements may be a little different than VA's accuracy. But there needs to be an emphasis on reviewing the entire claims file, development, looking to see if there is any more development that is needed, and also most importantly if an exam has been issued, was that exam adequate? And I think that that, one of the most common reasons that we see cases kick back from the board is because the exam is inadequate. And I think that that is an example of something that can be worked on and improved at VBA.

Mr. COFFMAN. Mr. Chairman, I yield back.

Mr. BOST. First off, let me say thank you for being here. But also let me tell you that the Chairman in the new position that he has made an error. The error is that I let the VA leave this room before you spoke. I will not do that again. I think that they should be here. I think that your answers, you should get answers to those questions. And if it needs to be done in front of this Committee, that is exactly where I think it needs to be done. So that we can actually hold them accountable. Because they can, I think the idea and intent of this program is good. We want the process to be as smooth as possible. But when it takes away your ability to be the advocates that you need to be and you have, not to say the VA does not have their best interest, the interest of the veteran, but you being the overseers that you are, we want to have you have that opportunity to do that. We will redo this at some time and make sure that we can tell the VA we want to see a progress date of

where we are at and where the communications are opened up with you. I say that with this Committee that we will definitely move forward with that and we will have, we will do this again. So thank you so much for being here today.

The Committee is adjourned.

[Whereupon, at 12:04 p.m., the Subcommittee was adjourned.]

A P P E N D I X

Prepared Statement of Thomas J. Murphy

Introduction

Good morning, Chairman Bost, Ranking Member Brownley, and Members of the Committee. Thank you for the opportunity to discuss the implementation and progress related to VA's National Work Queue (NWQ). The NWQ is a workload prioritization and distribution tool designed to match claims assignment capabilities with VA workforce capacity, regardless of state jurisdictional boundaries. This technological capability provides the means necessary to ensure Veterans receive a more timely decision on their disability compensation claims. The NWQ uses sophisticated system capabilities to uniformly prioritize VA's electronic claims inventory and allows for the collection of enhanced data on processing efficiencies, areas for quality improvement, and issues impacting claims processing capabilities. This new environment allows VA the flexibility to move claims to locations around the country that have the capacity to take the next action on a Veteran's claim while maintaining the flexibility at each facility to assign work to the appropriate personnel.

Impact on Efficiency

All Veterans deserve prompt and accurate delivery of all benefits including those related to their disability compensation claims. The implementation of NWQ is yet another large step towards that goal. One of the principal fundamentals of NWQ is to ensure that Veterans are served equally, regardless of where they live. A review of disability compensation claims completed in fiscal year (FY) 2015 shows that, in many instances, the timeliness of decisions rendered was significantly impacted based solely on the state in which they lived. Some Veterans were receiving claims decisions in an average of 106 days, while other Veterans' claims decisions took more than 213 days on average—an unacceptable range of 107 days—nearly double the days taken to process claims in the regional office (RO) with the best processing times.

This variance demonstrates the inherent inefficiency in the RO-based claims model, where each RO receives claims based on geography rather than their capacity to complete the work. This variance would be much greater had VA not redistributed claims through its brokering plan. However, a monthly, manual brokering strategy is labor intensive, time consuming, cost prohibitive, and does not sufficiently address the variance in our processes.

NWQ's role in reducing the geography-based variances contributed to an overall timeliness improvement during FY16. In March 2016, VA began a staggered release of NWQ to certain ROs, with deployment to all ROs implemented in May 2016. At the onset of our deployment, the average days pending for Veteran's disability compensation claims nationwide was 94 days, reduced to 85 days by the end of the fiscal year—a 10 percent reduction. While other factors beyond NWQ also contributed to this reduction in the average days pending, including overtime and expanded use of contract medical examinations, VBA's new capability to put actionable claims into the hands of its workforce cannot be overlooked. While the current average days pending has increased above pre-NWQ deployment levels during FY 2017, that is a by-product of increased receipts and other factors not necessarily related to NWQ.

VA's claims adjudication process involves many policies designed to ensure that VA fulfills its statutory obligation to assist Veterans with their claims. VA breaks the process down into cycles. Upon receipt of claims for disability compensation, VA develops evidence, to include examinations and records from private and military providers. Thanks to the continued efforts of our employees and the capabilities of the NWQ tool, VA reduced its inventory of claims awaiting initial review from approximately 56,000 claims to 34,000 claims by the end of the fiscal year. This inventory has been further reduced to approximately 18,000 as of the end of January 2017. The average number of days a claim awaited first development action has dropped from almost 25 days to less than 10 days in FY 2017.

Following the initial development actions and any follow up actions required to gather all necessary evidence, VA prepares a rating decision to identify each disability, its severity and its relationship to military service. As described above, there are several factors, together with the deployment of NWQ, that contributed to improvements. However, since implementation of NWQ, VA's inventory of claims that are developed and awaiting a rating decision has increased, but with the ability to distribute work automatically across the country, the amount of time claims that are awaiting a rating decision has dropped from about 29 days to 16 days.

Once a rating decision is completed, VA prepares award and notification for the Veteran, as appropriate. The increase in work completed in the rating decision cycle, due both to NWQ and other factors, also increased the number of Veterans' claims awaiting award from almost 9,500 to nearly 12,500, yet the time awaiting award action has dropped from 8 days to 4 days. Final awards are reviewed by a senior claims processor, and the queue awaiting their review and authorization has increased from almost 3,500 to 5,100, yet the time awaiting authorization has decreased from more than 4 days to less than 2 days.

Impact on Average Days Pending

VA continues to work toward reducing the amount of disability compensation rating claims pending over 125 days. While we acknowledge that some claims will take more than 125 days to complete, we have made significant improvements over the past two fiscal years. In FY 2015, VA completed 45 percent of claims within 125 days, improving to a timely completion rate of 64 percent in FY 2016. Through January 2017, 66 percent of disability compensation claims were completed within the 125-day standard. However, it is important to note that we will not disadvantage Veterans by compromising accuracy in exchange for expediency and we will continue to fully develop claims (which includes considering all evidence, requesting additional evidence or medical exams as needed, and take actions on new medical conditions added throughout the claims process) to ensure each Veteran receives the benefit to which he or she is entitled. We will continue to work with Veteran Service Organizations (VSO) and other stakeholders to increase efficiencies in these areas to reduce processing time.

Dependency on the Veterans Benefits Management System (VBMS)

NWQ is a component of VBMS, VA's claims-processing platform, and is inextricably linked to the continued success of VBMS, the primary technology component of VA's modernization efforts. VA continues to develop VBMS in an agile methodology, in order to address changing needs and priorities.

While we know there is more work to be done with regards to VBMS, we continue to focus efforts on generating positive and significant results. VBMS is poised to capitalize on our achievements to date and drive continued improvements in claim processing timeliness, accuracy, and transparency.

Emphasis on Quality

As previously stated, NWQ is a component of VBMS and one feature that is built into the NWQ allows VA to measure the amount of rework in our system, which we were not capable of measuring prior to VBMS and NWQ. Rework is a classic non-value added step in a process. Reducing rework will further improve efficiency in our disability claims process. VBMS allows any VA employee in the process to "stop the line" to correct a deficiency in process or an error in the decision, a process similar to that used in industry to ensure high quality. VA employees began using this process following NWQ deployment in May 2016, and VA has seen increased numbers of claims returned to an earlier stage for correction.

Because of this feature, we are now able to measure process defects based on feedback from our employees. As a result, approximately 6,500 claims reviewed in FY 2017 to date have been returned to an earlier stage for correction, for reasons including missing or incomplete development, missing exams, incorrect notice letters, or effective date errors. Systematically tracking these errors at the lowest level enables us to tailor our training to correct our most frequent occurring errors and increase accountability in the claims decision process. VA joins Congress, our VSO partners, and Veterans themselves in our collective desire to improve the quality of VA's disability claims process.

Training and Change Management

With an endeavor this large, VA expended a significant amount of time and resources on a measured change management approach to NWQ implementation. Our efforts included briefing various stakeholders, training employees, publication of an

NWQ Playbook for field users, and a myriad of calls and briefings with each VA RO as deployment activities ensued.

Although field personnel have gained experience in the new claims environment, the change management and training efforts continue. VA has utilized new data to revise Director- and employee-level performance metrics and has created a standard suite of reports that personnel use to improve workload management and effectively manage their resources. Additionally, VA committed to bringing together more than 1,100 first line supervisors and division level managers for continued training on tools and best practices.

Conclusion

While VA is acclimating to this new work environment and learning to optimize assigning work to existing capacity, we have taken the feedback from our employees and stakeholders to heart and are implementing methods to increase the amount of local work assigned to our ROs. This will allow VA to continue to leverage the proficiencies that often come from familiarity to further improve efficiency and increase accountability for work actions completed by each RO. While we acknowledge that there is more work to be done, it is important to recognize that these claims transformational efforts have and continue to generate positive and significant results for Veterans.

I look forward to your continued support and commitment on behalf of Veterans, their families, and survivors. Thank you for allowing me to address the Committee today. Mr. Chairman, this concludes my statement. I would be pleased to answer any questions you or other Members of the Committee may have.

Prepared Statement of Zachary Hearn

Chairman Bost, Acting Ranking Member Brownley, and distinguished members of the Subcommittee on Disability and Memorial Affairs (DAMA), on behalf of National Commander Charles E. Schmidt and The American Legion; the country's largest patriotic wartime service organization for veterans, comprising over 2 million members and serving every man and woman who has worn the uniform for this country; we thank you for the opportunity to testify regarding The American Legion's position on "Exploring the national work queue's impact on claims processing".

Background

The National Work Queue (NWQ) is a paperless workload management initiative designed to improve the Veterans Benefits Administration's (VBAs) overall productive capacity and assist with reaching the Secretary of Veterans Affairs' (VA) goals of eliminating the backlog by processing all claims in 125 days with improved accuracy. The NWQ is designed to serve as an efficient method to process, develop, and adjudicate veterans' claims.

The premise behind the NWQ is to avoid funneling cases singularly through the local VA Regional Office (VARO); instead, its objective is to maximize VA's workforce at its 56 VAROs to avoid delays in developing and adjudicating claims that plagued the Veterans Benefits Administration (VBA) in recent years.

In response to the mounting backlog of disability claims, VA created an electronic claims network called the Veterans Benefits Management System (VBMS) to electronically process veterans' claims. The implementation of VBMS has been credited with assisting in the reduction of the backlog that peaked at 611,073 claims in March 2013. With the implementation of VBMS and the elimination of hard-copy files, VA gained the ability to electronically distribute cases throughout its network of VAROs. Through this, the objective was to maximize its workforce, reduce the burden on certain VAROs suffering from under staffing, with the ultimate goal of having claims adjudicated in a more expeditious manner.

Beginning in mid-2015, VA began discussing with veterans service organizations (VSOs) the NWQ and the program's implementation. By 2016, the NWQ was fully implemented and cases that were previously processed, developed, and ultimately adjudicated at a claimant's local VARO could have been handled by VA employees at numerous VAROs.

During the creation and implementation phase of the NWQ, The American Legion received multiple briefings regarding the program. We acknowledged that this program would provide a more efficient manner to have claims processed; however, improvements to VBMS would need to be made to ensure that accredited representatives would be able to maintain contact with VA adjudicators throughout the nation.

Additionally, there would need to be a notification system installed for accredited representatives so that they would know when a claim adjudicated in another location requires a review.

The American Legion is a decentralized organization. Many of our service officers working within VA's network of regional offices are state employees, funded by state taxpayers. Concerns surrounding the assistance of veterans residing outside of a service officer's state have been raised to The American Legion. These same concerns have been raised by The American Legion to VA. Despite these concerns, VA has yet to provide the necessary adjustment to VBMS to ensure the local representative can review the case.

Over the last 18 months, numerous complaints have been provided to The American Legion's National Headquarters regarding the implementation of the NWQ. Based upon these concerns, The American Legion passed Resolution 104 during the 2015 National Convention in Baltimore, Maryland stating, "VA inform representatives at the local VAROs of decisions by placing a filter in (VBMS) allowing local representatives to find their client's VBMS records, including but not limited to, rating decisions by conducting the client's state of residence search".¹

To illustrate the frustrations of veteran service officers, The American Legion's veteran service officers employed by the Minnesota Department of Veterans Affairs (MDVA) contacted The American Legion recently pertaining to the NWQ; while MDVA communicated these concerns, they echo many of the sentiments we have heard from our field personnel. They identified the following concerns regarding the NWQ and its impact upon the adjudication of claims:

- Glaring inconsistencies in development and adjudications between VAROs;
- Lack of ability to communicate with VA personnel directly responsible for claims' adjudication;
- VA is removing the ability to review adjudications less than 48 hours following some adjudication;
- Removal of mail and notification lists in the process have resulted in an inability for service officers to properly review claims' adjudications prior to promulgation;
- VA notification letters indicate that the power of attorney (POA) has received a courtesy copy of the correspondence. This indication is disingenuous; while true that the POA can review the correspondence on VBMS, there is no copy delivered to the POA and most often, do not know about the correspondence unless a review of the case occurs or the veteran contacts the POA; and
- A lack of ownership of the claim by VA personnel. Previous to the NWQ, VA local employees had greater ownership of the development and adjudication of claims; since the NWQ's implementation, a fracture between VA and service officers has occurred in communication and partnership due to frequently receiving little to no response from VA personnel at separate locations.

The lack of communication and ability to effectively advocate for veterans has proven terribly frustrating to many of The American Legion's service officers. It has added to an increased level of distrust; some service officers have reported an increase of VA personnel starting to appeal the decision to the Board of Veterans' Appeals (BVA), because of the perception of an increased level of authority. The frequency of the statements rose to the level that The American Legion contacted VA's Office of General Counsel (OGC) to question the validity of the statement. In a response to The American Legion on December 12, 2016, OGC stated, "It is not accurate to say that the (BVA) has greater authority than the (VARO) to grant benefits, or any authority at all to circumvent the law and award benefits at will."

The American Legion's service officers in Minnesota also reported that they were misled regarding the distribution of claims of their veterans. Initially, they were informed by VA that the NWQ would result in 99 percent of Minnesota veterans' claims being adjudicated at the St. Paul VARO. Statistics do not bear true, however; since the NWQ's implementation, the number has reduced drastically to only 30 percent of veterans in Minnesota having their claims adjudicated within the St. Paul VARO.

Annually, The American Legion visits VAROs as part of the Regional Office Action Review program. Last year, The American Legion visited 10 VAROs; beyond reviewing the quality of adjudications with the VARO, we have the opportunity to meet with senior leadership and line employees at the sites. Significant concerns regarding the NWQ were raised from veteran service representatives through senior VARO personnel.

¹American Legion Resolution No. 104 (Sept. 2015): Local Accredited Representative Access to Veterans Benefits Management System Decisions

Common complaints from VA personnel were about the inability to have ownership of local claims, and one VARO could complete the majority of the work surrounding an end product (EP), if the product is not completed by the end of the business day, it could be reassigned in the NWQ to another station with the new station gathering the credit for the work. A senior VARO employee expressed that the organization operates in a production environment, and yet the proper credit for the production is not necessarily being applied. While service officers would prefer that all claims were adjudicated within their local VARO, most also recognize that the complexity of claims and the need to adjudicate the claims in an efficient manner needs to exist. We recognize the importance of the NWQ; however, the efficacy of the NWQ and the support of the program does require support of the veteran service organizations (VSOs).

For nearly two years, VSOs have been briefed regarding the NWQ, and during that span, we have advised VA of the needed changes to VBMS to allow the NWQ to be successful. VA continually states that they recognize VSOs as key stakeholders; however, if VA continues to fail to listen and implement the suggestions by the VSOs.

The American Legion's service officers support a thriving VA; we have a fleet of advocates exceeding 3,000 accredited representatives that are available to support VA in its efforts to improve the delivery of benefits - but VA needs to listen and address our concerns. For two years, we have been advised that our suggestions are not "high priority" if you are a key stakeholder and have been provided this statement for this period of time, it is natural to wonder how "key" of a stakeholder you are. To be clear, service officers are not a hindrance to the process, they could be a powerful part of the solution.

The efficacy of the NWQ rests upon VA making the necessary following adjustments:

- Improving the standardization of adjudications nationwide;
- VA creating an environment where they are encouraged to communicate with service officers regarding individual claims. The creation and use of an informal conference could be included in the point system to increase participation and potentially reduce appeals;
- Create a notification/mail system to alert the local service officer of actions taken on a case;
- Rater does not receive points assigned to the EP until the service officer indicates completion of adjudication review;
- Creation of an alert from the service officer to the adjudicator indicating a concern surrounding adjudication. Through this implementation, VA could avoid numerous appeals simply through having a discussion with the service officer;
- Provide hard copy decisions if the claim has not been electronically processed, the Power of Attorney (POA) does not have access to the e-folder within VBMS, or if a rating decision or correspondence is generated with the EP being cleared the same day
- Include examination requests in VBMS; POAs have no knowledge if the process is being correctly executed; and
- Do not permit VA employees to remove an adjudication awaiting review until two full working days have expired.

Conclusion

The American Legion thanks this committee for their diligence and commitment to our nation's veterans as they struggle to receive the benefits they have earned for their service to the country. The American Legion appreciates the efforts VA has made to improve processing claims. When one considers the backlog of claims we all experienced less than four years ago, there has certainly been great improvement. Success and improvement does exist however; veterans' claims needs to be adjudicated in a timelier fashion. The American Legion is simply asking for VA's focus not to be solely on VA but to the fleet of thousands of advocates that work with VA on a daily basis. Through this cooperation, we are confident that the NWQ can be a viable product for future claims' adjudications. Questions concerning this testimony can be directed to Warren J. Goldstein, Assistant Director in The American Legion Legislative Division (202) 861-2700.

Prepared Statement of Ryan Gallucci

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and our Auxiliary, thank you for the opportunity to offer our perspective on how the Department of Veterans Affairs' (VA) deployment of the National Work Queue (NWQ) has affected the disability claims process.

First, VA should be applauded for implementing a national workload management solution to ensure that work can be performed at a consistent level of quality to deliver timely and accurate benefits to our nation's veterans. In the cloud-based Veterans Benefits Management System (VBMS), the VFW believes that efficiently brokering work to the station best equipped to handle the task is a responsible and innovative method to improve the overall disability claims process. The VFW knows it has been a persistent challenge for VA to ensure consistency and timeliness in its rating decisions for veterans across all of its offices. By implementing the NWQ, VA now has the ability to track the consistency of its work and ensure that VA employees complete tasks to standard.

Make no mistake, the NWQ certainly speeds up the VA claims process, which is generally positive for veterans. If business processes can be completed efficiently by VA regional offices that have the capacity, this makes sense to VA and ultimately delivers timely benefits to veterans. Unfortunately, in deploying NWQ, VA seems to have focused solely on speed and consistency, but neglected the customer-facing side of accuracy.

The VFW believes that VA has an obligation to ensure consistency across this rule-based system to foster the best possible outcomes for veterans. However, VA must remember that its partner Veterans Service Organizations (VSOs), like the VFW, play a critical role in this cumbersome process as advocates whose inherent function is providing quality customer service to the veterans and eligible dependents who seek our assistance. Simply put, we meet face-to-face with veterans who need help navigating the VA benefits system. As VA-accredited representatives, we train our advocates to not only understand health care records and the VA benefits system, but also how to serve as empathic stewards of highly sensitive information. When we take power of attorney for a veteran client, the veteran is placing his or her trust in the VFW to serve as a quality advocate in not just filing for VA benefits, but also ensuring any awarded benefits are accurate.

The VFW cannot overstate the customer-facing aspect of our job. The primary reason our network of service officers exists is so that our veterans do not need to worry about deciphering health care terminology or memorizing the VA rating schedule in 38 CFR just to file a claim for earned veterans' benefits.

The VFW provides up to 80 hours of training every year to our accredited representatives to ensure they remain proficient in understanding the VA benefits system. Our representatives then have the responsibility to meet with veterans in person to help develop evidence in support of their VA claim, as well as ensure paperwork is filled out properly and submitted in a timely manner. What this means is that our representatives are proficient in understanding military and civilian health care recordkeeping, and must develop a keen eye in identifying claimed conditions and evaluating these conditions against the prescribed VA regulations for compensation. Moreover, our representatives must develop a rapport with their clients to help identify any lay evidence that would support their claim, such as statements from family members or fellow veterans that can contextualize symptoms or validate in-service incidents.

VA claims are highly complex and small variables can make a difference in the accuracy of a veteran's rating decision. One of the VFW's contract trainers, Frank Bongiovanni, puts it best when explaining our objective as accredited veterans' advocates: "[VA claims advocacy] is the confluence of health care and law. If you want simple, you're in the wrong line of work."

VA has long recognized that VSOs are constructive partners in the benefits claims process, which is why VA has long afforded accredited VSOs in VA regional offices the opportunity to review proposed rating decisions for accuracy. This 48-hour review period outlined in VA's Manual 21-1 provides our accredited representatives with one last opportunity to perform a quality check on rating decisions. Our objective is to ensure that errors are caught and addressed before the rating decision ever reaches the veteran.

Based on the VFW's most recent analysis, we find errors in about one out of every 10 claims, and we usually can work with VA to fix them prior to promulgation. This is not only a positive for the veterans we serve, but this is also a benefit to VA. On a grand scale, if VSOs can perform quality reviews on all ratings prior to promulgation, and explain the context of rating decisions to our veterans, we will cut down on appeals and build confidence in the VA system. On a local scale, VSO representatives will learn how to become stronger advocates; VA staff will learn how

to be more meticulous raters; and veterans will receive consistent, accurate, and timely benefit decisions.

Unfortunately, as the NWQ moves work quickly across VA, the final step in the process has the potential to throw the whole system off, sully the veteran's experience. Under the current system, when VA proposes a rating decision, raters will post the decision for the 48-hour VSO review in VBMS. By default, this rating will populate in the "All Claims Queue" for the VSO located at the office where the claim was rated. However, the VSO located where the claim was taken will not be notified in any way that a decision has been proposed. These VSOs can search for their individual veterans by name or utilize a very limited zip code filter to try and track their local clients, but they immediately lose optics on the claim. This practice of posting ratings in offices other than the original office becomes problematic because it does not take into account current technological limitations of VBMS to search for and find unique groups of veterans; it does not account for current M21-1 guidance that allows for immediate promulgation for certain brokered claims; and it discounts the role of VSOs in providing quality customer service to veterans we serve face-to-face.

Moreover, VA currently does not offer an opportunity for VSOs to flag potential errors in decisions in VBMS, relying solely on local employees complying with VA guidance to address errors. This means that VA cannot track this as a quality metric on the back end or hold employees accountable for complying with guidance on responding to potential errors. The VFW's objective in this testimony is to demonstrate why VA must consider VSO priorities to be shared priorities, and how each of our concerns is intertwined with how VA improves its workflow through NWQ to provide the best possible customer experience for veterans.

With regard to technology, the default view for our service officers in VBMS is the "All Claims Queue" and this reflects active workload for which the VFW has power of attorney in the office where the claim is rated (Station of Jurisdiction, or SOJ). This workload changes day to day, which makes it nearly impossible to track the clients our advocates have met with in person. As this work moves around, our service officers are instructed to review any claim that populates in their station's work queue in VBMS. Our service officers have worked in good faith to do this, but many are concerned that the needs of their local clients should come first.

For those seeking to balance the local and national objectives in providing quality customer service, VA has presented several work-arounds to help track locally-generated work. However, this presents a dilemma. Do our service officers support the individual veterans that they met with face-to-face? As local, public-facing advocates, we believe this obligation is paramount. These are the veterans who call, email, and personally visit the office, looking for peace of mind and guidance throughout the VA claims process.

However, our service officers are part of a larger VA business process that requires adherence to certain policies and procedures to function efficiently and deliver consistent quality decisions to all veterans. As good faith partners located in VA facilities, do the interests of the broader VA mission come first?

Finally, in the case of the VFW, many state governments and VFW local organizations have made significant financial investments in service officer programs to ensure the needs of local veterans can be met. As responsible stewards of these financial resources, is it irresponsible to deviate from this objective? Moreover, many VSOs like the VFW have aligned resources at VA regional offices to sufficiently serve the local veterans' population or to support the VA special missions assigned to specific offices. This presents logistical challenges in handling the influx of rating decisions generated through NWQ and creates confusion over responsibility and optics on special missions.

An example of this local mismatch comes from the VFW office in North Dakota. The VFW's service office is staffed by two personnel to reflect the size of the veterans' community in their region. However, when NWQ rolled out, this service office was inundated with brokered rating decisions. Our service officer in North Dakota now reports that his rating review workload largely consists of brokered claims for veterans he has never met. Meanwhile, he has lost optics on the local veterans who turned to his office for help, as the North Dakota workload moves from station to station. He warned our office that the veteran has "lost local advocacy" because of NWQ.

An example of the special mission confusion comes from the VFW's Benefits Delivery at Discharge (BDD) program, which is responsible for helping transitioning service members file VA benefit claims on 20 military installations. When VFW built its BDD program, we aligned our resources with the VA regional offices responsible for developing and promulgating decisions for BDD and Quick Start (QS) claims —Winston/Salem, North Carolina, and Salt Lake City, Utah. When NWQ was being

built, VSOs were assured that special work like BDD would be worked only at the stations dedicated to those special missions. Unfortunately, this was not the case in implementation. Our staff located at these special offices started to notice discrepancies in their claims queues, noticing that work was disappearing while it should have still been available to review. They started to meticulously track these claims and not only found brokered BDD work in 10 other VA regional offices, but also found more than 40 BDD and QS claims assigned to the NWQ cloud (SOJ 499), some of which were still on the 48-hour clock, and others which had expired.

The VFW reported this discovery to VA. VA staff at first seemed surprised to learn about this, but then seemed nonchalant that this was going to be the way forward for not only BDD and QS claims, but potentially for other special work like pension claims. The VFW implores VA to reconsider this decision and ensure that they consider the alignment of VSO resources and the needs of the veterans we serve.

Our service officers in the field consistently demonstrate that they must build trust and credibility with not only their clients, but also their local VA colleagues to properly advocate for their clients. When these service officers do not have the opportunity to review the work for their clients, everybody suffers. At first, it may look good that VA was able to send the rating to the veteran more quickly, but this is no good if the decision is inaccurate and if our advocates have no way to explain the rating decisions to our veterans.

Over the past two years, the VFW and our partners have tried to articulate this dilemma in many different ways to encourage VA to provide our representatives with the tools they need to monitor the work for veterans they serve face-to-face. To this point, the work-arounds we have been offered have not achieved the desired outcome. The first such work-around was the ability for our representatives to sort lists of clients by zip code. However, this proved impractical as some regional offices serve hundreds of zip codes. Moreover, the zip code sort filter in VBMS is restricted to a certain number of fields, meaning offices responsible for larger catchment areas, such as our operation in the St. Petersburg VA Regional Office, could never possibly sort their clients via zip code.

Next, VA is proposing to build a new field in VBMS through which VSOs could sort by the station where each claim originated (Station of Origination, or SOO). This is a significantly improved work-around, but again, it is only a work-around. The VFW acknowledges that our representatives would be able to sort by the work that originated in their station. However, this does not resolve the business process dispute that often results in claims moving directly to promulgation in lieu of offering 48-hour VSO review, as outlined in M21-1.

According to the current M21-1, VA raters are instructed to follow very specific steps to post rating decisions for VSO review. However, this becomes problematic for brokered worksites, like NWQ worksites, which are allowed to directly promulgate a decision without offering review, if no authorized VSO is available at the redistributed worksite. After promulgation, the redistributed worksite is directed to return the rating to the SOO. In a scenario where a brokered site prepares a rating decision but no VSO representative is present, the decision can be promulgated immediately regardless of whether or not another VSO representative was tracking the claim in VBMS via one of the proposed work-arounds.

The VFW recently experienced this with a client we are serving out of the VFW Washington Office. The veteran was working directly with one of our experienced service officers who serves in a management role with the organization. This service officer checked VBMS regularly for this specific client to ensure that our office would review the rating decision for accuracy. However, the claim was assigned to a VA Regional Office that recently experienced turnover in the VFW office. While the VFW office was vacant, the regional office sent decisions directly to promulgation in accordance with M21-1. Unfortunately, when our staff member was reviewing the already finalized rating decision, he noticed that the regional office failed to address one of the veteran's claimed conditions. What ensued was an additional eight month hassle for the veteran during which VFW's repeated messages to the regional office responsible for the claim went unanswered. We finally started to resolve the issue during a coincidental site visit to this regional office by VFW national staff to provide onsite training to the new VFW service officer.

The VFW would have caught this error immediately if we had an opportunity to review this rating decision, and our client likely could have avoided the additional headaches that came after the decision. This is the worst possible situation for all involved. It not only creates unnecessary stress for the veteran, but it also strains the VFW's credibility as advocates and strains VA's credibility as a benefits provider.

Given the current rules outlined in the manual and the practical examples the VFW has seen, we believe VA would be best served to return claims brokered through NWQ to the SOO for the 48-hour VSO review period. To VA's credit, they seem to be coming around on what groups like the VFW have been requesting. In a recent meeting with VA, NWQ staff informed the VSOs that they are looking to leverage the data from NWQ to monitor employee compliance with the 48-hour review period. This is a positive step. If employees are cutting corners by promulgating decisions before a proper review, they must be held accountable. However, the VFW also asks that VA address the problem up front by returning the claim to the SOO, and also allowing VSOs to flag rating decisions in VBMS when we believe we have found an error.

Another challenge for NWQ is the process to address errors that VSOs identify in rating decisions. At the moment, when a VSO identifies a potential error, we are instructed to contact the Change Management Agent (CMA) for the regional office responsible for the rating decision via email. VA has issued guidance that CMAs should respond to these inquiries within 24 hours. However, in the field, this process breaks down. The VFW consistently hears from our representatives that they do not receive responses in a timely manner, meaning that we must either mark the claim as "Reviewed" or allow the review period to expire. This means that our potential objection to a rating decision is never documented in VBMS. The VFW instructs our service officers to log these objections in our internal claims management database, but this is completely divorced from VA's recordkeeping systems. This means that on the VA side, they will see either expired ratings or discover erroneous "Reviewed" ratings of poor quality. This has the potential to erode VA's confidence in our advocates, straining local relationships and ultimately damaging credibility with the veterans we serve. Moreover, this potentially obfuscates errors within the VA system, creating the illusion that claims move through the system error-free.

To remedy this situation and help VA better analyze the quality and consistency of its work, the VFW requests that VA allow VSOs to mark ratings as "Queried" in VBMS. This will again provide a significant benefit to VA in improving the quality of the product it delivers to veterans. Not only will this help to automate the rating review process, it will allow VA to hold its employees accountable for addressing potential errors in the digital workspace.

Again, as VA's partners, the VFW believes NWQ can be a very good system to help veterans receive consistent, accurate, and timely benefits. We understand and support VA's initiative in resourcing work based on capacity in a digital environment. However, the veterans we serve expect us to provide the best possible customer service, and we would be remiss if we were not candid with VA about the deficiencies we see in its work products. As we have seen before, some in VA still conflate internal efficiencies with quality outcomes for veterans. Our shared interest in this process is to ensure the best possible outcome for the veteran, and we hope that VA will recognize that our recommendations are ultimately to improve the quality of our shared work product.

We look forward to working with VA to further improve this system and continue serving as quality advocates for the veterans we serve. Chairman Bost, Ranking Member Brownley, this concludes my testimony and I am happy to answer any questions you may have.

Prepared Statement of Kelsey Yoon

Good afternoon, Chairman Bost, Acting Ranking Member Brownley, and other Representatives of this distinguished subcommittee. On behalf of the VVA National President, as well as the members of Vietnam Veterans of America (VVA), I thank you for affording VVA the opportunity to testify today regarding the National Work Queue's impact on claims processing.

The National Work Queue (NWQ) is an IT-based workload management system that assigns claims to be adjudicated to a regional office (RO) based upon capacity, instead of assigning the claim to an RO in the state where the veteran resides. The goal of the NWQ is to eliminate the backlog by processing all claims in 125 days. VA is considering expansion of the NWQ to appeals and non-rating claims.

Pre-NWQ, all claims were adjudicated in the same state where the veteran resided. This process permitted service representatives to develop working relationships with VA claims raters at their respective ROs to ensure that decisions were decided accurately and as early as possible. Indeed, VA procedures require service representatives to have 48 hours (or 16 business hours) to fully review decisions for

errors before the decisions are formally promulgated.¹ This vital step ensures accurate decisions are issued as earliest as possible and prevents the need appeal claims.

However, since implementation of the NWQ, service representatives are further distanced from the claims process, and in some instances, blocked out entirely. Although VVA generally supports the use of technology and VA's desire to move to a paperless system, the NWQ was implemented without prioritizing the crucial role service representatives play in the claims process. To date, VA has failed to prioritize search features in VBMS for service representatives to adequately review claims, neglected to provide accurate information concerning how service representatives can connect with a claims rater in a timely manner, and decreased transparency in rating decisions. VVA believes that due to these deficiencies, we are unable to fix erroneous decisions and are forced to appeal more claims.

VA's failure to prioritize the service representative review process is tantamount to fostering an adversarial and anti-veteran claims process. Although VA listened to veterans service organizations' concerns before, during, and after the implementation of the NWQ, these concerns continue to be put at the bottom of the priority list. VVA is left concluding that VA is only interested in using the NWQ as a tool to eliminate the backlog at the expense of decision accuracy. VVA believes the prioritization of speed over accuracy is certainly not in the spirit of a pro-veteran, non-adversarial claims process.

Therefore, VVA strongly opposes the expansion of the NWQ to appeals and non-rating claims until, at a minimum, the following recommendations are fully implemented.

1. Recommendation to prioritize the Station of Origin (SOO) requirement in VBMS.

Currently, it is nearly impossible for a service representative to competently assist their veterans through the claims process due to the inability to search by Station of Origin (SOO) in VBMS. VBMS does not have the functionality to allow service representatives to accurately track claims that need review during the 16 business hour review period. This request was first raised years ago, and it has still not been prioritized.

The absence of the ability to search claims by SOO particularly impacts VVA because we do not have a veterans service program in each state to properly monitor claims activities at each RO. As a result, the NWQ has forced VVA to assign multiple stations to a single service representative; for example, two employees stationed at VVA's office at the Appeals Management Office (AMO) cover 11 separate stations every day. In addition to the ballooning workload of each employee, the quality of review is diminished due to the lack of familiarity with the claims file. This is an unacceptable outcome and an unsustainable model.

VVA believes there is no feasible workaround until the SOO is prioritized in the next VBMS update. Although VA indicates that it is possible for service representatives to search by the veteran's zip code, this is not a feasible workaround for VVA service representatives who are covering multiple states or hundreds of zip code areas each day. Additionally, on February 6, 2017, VA indicated that the zip code filter function in VBMS is defective.

VA has been informed, for years, of the urgent need for this VBMS requirement; however, it continues to be given zero priority.

2. Recommendation to publish CMA contact information for service representatives and to establish pro-veteran protocol for service representatives' claims reviews.

Pre-NWQ, when a service representative spotted an error in a rating decision during the 16 business hour period, she would be able to immediately call, email, or directly visit that VA claims rater to discuss the error identified so that it could be fixed quickly. The name of the RO was published on the rating decision and the name of the claims rater was published on the rating code sheet, so it was easy for the service representative to identify who to contact. This permitted service representatives to develop collegial working relationships with VA claims raters, and ultimately, assisted in preventing errors and appeals.

Due to the NWQ, service representatives may now need to contact a rater in another state where the claim is adjudicated. Unfortunately, VA has failed to provide accurate information and consistent policies concerning how service representatives

¹See M21-2, Part I, 3.B.3.b (last updated 9 March 2016).

can connect with a claims rater in a timely manner if an error is identified. VA currently directs service representatives to first reach out to the VA claims rater directly if an error is identified. If the claims rater is not known, which is usually the case for a NWQ-claim, VA instructs service representatives to reach out to the Change Management Agent (CMA) at the RO where the claim was decided.

Unfortunately, in practice, it is often impossible to reach a VA representative at an unfamiliar RO to address a claim in a timely manner. VVA believes this is primarily due to two reasons. First, VA is unable to produce an accurate CMA contact list for service representatives to use if we need to get in touch with someone quickly. Second, even if a service representative contacts the appropriate CMA, we often do not receive a response for weeks or the response does not address the issues or questions raised. By this time, the decision has already been promulgated, and the service representative is forced to appeal the claim - often on the exact same grounds raised in the original email to the rater.

Therefore, VVA makes the following two recommendations. First, VA should publish an accurate list of CMA contact information for each RO on its website. This list should be updated in real-time and should include a name, email address, and phone number. Second, VA should develop and enforce the following protocol for service representatives' claims reviews: (1) CMAs or VA raters should respond to rating decision inquiries within 8 business hours to confirm receipt; (2) the rating decision in dispute is not permitted to be finalized until the service representative's challenge is properly reviewed and answered; and (3) a VA representative must provide a response to the service representative's inquiry within 16 business hours.

3. Recommendation to include both Station of Origin (SOO) and Station of Adjudication (SOA) on rating decisions and to include the full name of the claims adjudicator on rating code sheets.

Previously, VA would publish the name of the RO that adjudicated the claim and the name of the claims rater who made the decision on the rating code sheet. This information facilitated the ability of service representatives to quickly identify who they needed to contact if they found an error with a decision. Moreover, by including this information on each rating decision and code sheet, it increases transparency and accountability of the claims process.

Recently, VA has removed both the RO name and the name of the claims rater on rating code sheets. Because of these changes, it is often difficult to identify which RO adjudicated the claim and it is nearly impossible to identify who adjudicated the claim. This information is necessary to have if we need to timely connect with a VA claims rater to address an error. It is sometimes unclear in the "notes" section of VBMS where the claim was adjudicated; this is especially true of a veteran has multiple claims being worked on at the same time.

Therefore, VVA recommends that VA include both the Station of Origin (SOO) and Station of Adjudication (SOA) on all rating decisions and add the full name of the person who adjudicated the claim to the rating code sheet. These changes will increase transparency of the claims process and support the service representatives' ability to quickly connect with the VA claims rater if an error is found.

In sum, the recommendations that VVA puts forth today seeks to increase the accuracy of rating decisions and prevent appeals, supports transparency and accountability of the claims process, and ensures that the non-adversarial benefits system is truly working for the veteran. VVA opposes the expansion of the NWQ to cover appeals and non-rating claims until the issues raised today are fixed.

Thank you for this opportunity for VVA to share our thoughts regarding the NWQ's direct impact on veterans and the claims process. I am happy to answer any questions at this time.

