

November 2004

# VETERANS BENEFITS

## VA Needs Plan for Assessing Consistency of Decisions



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## **Abbreviations**

BDN	Benefits Delivery Network
STAR	Systematic Technical Accuracy Review
VA	Department of Veterans Affairs

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United States Government Accountability Office  
Washington, DC 20548

November 19, 2004

The Honorable Henry E. Brown, Jr.  
Chairman  
Subcommittee on Benefits  
Committee on Veterans' Affairs  
House of Representatives

The Honorable Mike Simpson  
House of Representatives

In the past, we have reported concerns about possible inconsistencies in the disability decisions made by the 57 regional offices of the Department of Veterans Affairs (VA). In 2002, we reported that VA did not systematically assess the consistency of decision making for any specific impairments included in veterans' disability claims.<sup>1</sup> We recommended that VA conduct such assessments to help reduce any unacceptable variations that VA might find among regional offices. VA agreed that decision-making consistency is an important goal and concurred in principle with our recommendation. However, VA did not discuss how it would measure consistency.

In January 2003, in part because of concerns about consistency, we designated VA's disability program, along with other federal disability programs, as high-risk.<sup>2</sup> In fiscal year 2005, VA estimates it will pay about \$25 billion in disability compensation benefits to about 2.7 million disabled veterans. In this context, you asked us to determine (1) the actions that VA has taken to assess the consistency of regional office decisions on disability compensation claims and (2) the extent to which VA program data can be used to measure the consistency of decision making among regional offices.

To address these issues, we (1) identified key data fields in VA's Benefits Delivery Network system—such as the level of benefits awarded for each claimed impairment—which VA uses to manage the delivery of disability

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<sup>1</sup>GAO, *Veterans' Benefits: Quality Assurance for Disability Claims and Appeals Processing Can Be Further Improved*, [GAO-02-806](#) (Washington, D.C.: Aug. 16, 2002).

<sup>2</sup>GAO, *High-Risk Series: An Update*, [GAO-03-119](#) (Washington, D.C.: Jan. 2003).

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benefits to veterans; (2) obtained from VA an electronic file of these key data fields for all veterans receiving compensation benefits as of March 2004; (3) conducted electronic testing of key data fields to determine their reliability for identifying indications of possible inconsistency in regional office decisions; and (4) reviewed VA records and documents and interviewed VA officials. We conducted our review from November 2003 through October 2004 in accordance with generally accepted government auditing standards. On October 28, 2004, we briefed your office on the results of our work. This letter formally conveys the information provided during that briefing. Appendix I contains the briefing slides.

In summary, we found that VA still does not systematically assess decision-making consistency among the 57 regional offices. We also found that data contained in VA's Benefits Delivery Network system, which was designed for the purpose of paying benefits, do not provide a reliable basis for identifying indications of possible decision-making inconsistencies among regional offices. However, according to VA officials, as of October 2004, a newly-implemented nationwide information system (known as RBA 2000) could provide VA such an opportunity if the system proves over time to reliably collect data needed to determine each regional office's denial rates and average disability ratings for specific impairments. VA will need to collect several years of data with RBA 2000 in order to have sufficient data to reliably identify indications of impairment-specific inconsistencies among regional offices. Still, even if the RBA 2000 system permits VA to identify indications of such inconsistencies, VA will need to systematically study and determine the extent and causes of such inconsistencies and identify ways to reduce any variations among regional offices that VA may consider unacceptable.

We recommend that the Secretary of Veterans Affairs develop a plan, and include it in VA's annual performance plan, that contains a detailed description of how VA will (1) use data gathered through the new RBA 2000 system to identify indications of possible inconsistencies among regional offices in the award and denial of disability compensation benefits for specific impairments and (2) conduct systematic studies of consistency for specific impairments for which RBA 2000 data reveal indications of possible decision-making inconsistencies among regional offices.

In oral comments on a draft of this report, VA agreed with our findings and conclusions and concurred with our recommendation. We also made technical revisions as appropriate.

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We are sending copies of this report to the Chairman and Ranking Democratic Member, House Committee on Veterans' Affairs; the Chairman and Ranking Democratic Member, Senate Committee on Veterans' Affairs; and the Secretary of Veterans Affairs. We will also make copies available upon request. In addition, the report will be available at no charge on GAO's Web site at <http://www.gao.gov>.

If you or your staffs have any questions about this report, please contact me on (202) 512-7215 or Irene Chu, Assistant Director, on (202) 512-7102. Ira Spears, Joseph Natalicchio, Joan Vogel, Walter Vance, and Vanessa Taylor also made key contributions to this report.



Cynthia A. Bascetta  
Director, Education, Workforce,  
and Income Security Issues

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# Appendix I: Briefing Slides



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## Data Limitations Hinder the Department of Veterans Affairs' Ability to Assess the Consistency of Decisions on Disability Compensation Claims

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Briefing for Staff of  
Representative Henry E. Brown, Jr.  
Chairman, Subcommittee on Benefits,  
House Committee on Veterans' Affairs  
and  
Representative Mike Simpson  
Subcommittee on VA, HUD and Independent Agencies  
House Committee on Appropriations

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October 28, 2004

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## Data Limitations Hinder VA's Ability to Assess the Consistency of Decisions on Disability Compensation Claims

- Key Questions
- Background
- Scope and Methodology
- Results in Brief
- GAO Findings
- Conclusions
- Recommendation



## Key Questions

- Since the issuance of our 2002 report, what actions has the Department of Veterans Affairs (VA) taken to assess the consistency of regional office decisions on disability compensation claims?
- To what extent does VA have program data that can be used to measure the consistency of decision making among regional offices?





## Background

VA claims adjudicators use judgment in making disability decisions, which introduces an element of potential variability. Judgment is particularly crucial when the adjudicator must

- assess the credibility of different sources of evidence;
- evaluate how much weight to assign differing sources of evidence; or
- assess some disabilities, such as mental disorders, for which the disability standards are not entirely objective and require the use of professional judgment.

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## Background

- In 1997, the National Academy of Public Administration reported that VA's regulations were subject to varying interpretations and said achieving consistency across 57 decentralized regional offices is inherently difficult.
- In 2001, VA's Claims Processing Task Force questioned the consistency of decisions because of factors such as differing interpretations of VA guidance.



## Background

- In 2002, we reported that VA did not systematically assess decision-making consistency for any specific medical impairments, despite concerns about possible inconsistencies in disability claims decisions made by VA's 57 regional offices.
- VA's disability decision quality review program—known as Systematic Technical Accuracy Review (STAR)—assesses the overall accuracy of all disability decisions, but not the consistency of decisions overall or for specific impairments.



## Background

- We recommended in 2002 that VA assess decision-making consistency for medical conditions requiring difficult judgment. We said VA could, for example:
  - develop hypothetical claims for a specific medical impairment,
  - distribute these claims to multiple adjudicators, and
  - analyze variations in decisions on these claims.
- VA could use these findings to reduce impairment-specific variations among regional offices, if considered unacceptable, to levels VA believes would be appropriate.



## Background

- VA agreed that decision-making consistency is an important goal and concurred in principle with our recommendation. VA added that it seeks to ensure consistency through training and communication.
- However, VA did not discuss how it would measure consistency or evaluate progress toward the goal of decision-making consistency.



## Background

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To decide a disability compensation claim, the regional office

- develops evidence,
- determines service connection of each claimed impairment,
- applies VA's medical criteria to evaluate the degree of disability due to each service-connected impairment, and
- determines the veteran's overall degree of service-connected disability.



## Background

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After deciding a disability compensation claim, the regional office

- notifies the veteran of the decision and
- records the decision results in VA's Benefits Delivery Network (BDN) system in order to begin paying benefits to the veteran.



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## Scope and Methodology

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To do our work, we

- identified key BDN data fields, such as the level of benefits awarded for each impairment, and obtained from VA an electronic file of these data for all veterans receiving compensation benefits as of March 2004;
  - conducted electronic testing of key BDN data fields to determine the reliability of using these data to study the consistency of decision-making among regional offices; and
  - reviewed VA records and documents and interviewed VA officials.
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## Scope and Methodology

- We did not assess how well BDN supports the payment of benefits.
- We conducted our review from November 2003 through October 2004 in accordance with generally accepted government auditing standards.



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## Results in Brief

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- Since the issuance of our 2002 report, VA has not systematically assessed the consistency of regional office decisions on specific impairments.
- Existing compensation program data have limitations that preclude identifying indications of decision-making inconsistency among regional offices. However, VA is implementing a new data collection system that may afford an opportunity to identify indications of inconsistency in the future.



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## VA Has Not Assessed Consistency of Compensation Decisions among Regional Offices

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Although VA acknowledges that veterans are concerned about consistency, VA has not taken any action to assess consistency.

- When we asked VA in 2004 about actions taken to assess consistency, VA said it would continue to use its STAR system to assess the overall accuracy of decisions for each regional office.
- However, STAR does not provide statistically meaningful data about the consistency of decisions for specific impairments.



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## Data Limitations Prevent Reliable Identification of Potential Inconsistency among Regional Offices

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BDN—until recently VA’s only nationwide administrative database for recording the results of disability decisions—does not provide a reliable basis for identifying indications of inconsistency in the disability compensation program. BDN did not permit us to reliably

- identify dates of decisions so that we could examine only recent decisions rather than decisions made many years ago,
  - determine each regional office’s average disability ratings for specific impairments, or
  - determine each regional office’s denial rates for specific impairments.
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## Data Limitations Prevent Reliable Identification of Potential Inconsistency among Regional Offices

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We intended to identify indications of possible decision-making inconsistency among regional offices using existing administrative data to

- examine original claims decisions made after fiscal year 2000 because issues affecting decision-making consistency in the past may not be the issues affecting consistency today and
- for selected impairments, such as post-traumatic stress disorder or an undiagnosed illness, compare the
  - average disability ratings of each regional office and
  - service-connection denial rates of each regional office.



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## Data Limitations Prevent Reliable Identification of Indications of Inconsistency among Regional Offices

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We could not reliably group decisions by a relevant date in order to identify original award decisions made after fiscal year 2000.

- No specific data field exists in BDN to record the date that the veteran submitted his or her original claim or the date that the regional office made the original award decision.
- Information in the field for recording the original award's effective date (typically the original claim's submission date) could subsequently be overwritten by another date or erased because of
  - routine benefit changes made in a veteran's record or
  - requirements of new court decisions or new laws.

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## Data Limitations Prevent Reliable Identification of Indications of Inconsistency among Regional Offices

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We could not compare consistency among regional offices because we could not reliably identify the regional office that made the original award decision in which each service-connected disability was rated.

- Some original decisions are made by a regional office other than the one in the region where the veteran resides, but only the regional office where the veteran resides is recorded in BDN because it has jurisdiction over the veteran's claim file.
- If a veteran relocates to an area under the jurisdiction of another regional office, the regional office identifier may be changed in BDN. If so, BDN can no longer identify the office that made the original award.



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## Data Limitations Prevent Reliable Identification of Indications of Inconsistency among Regional Offices

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We could not use BDN to determine denial rates for specific impairments because BDN

- does not maintain impairment-specific data for decisions in which regional offices deny all disability benefits and
  - does not capture impairment-specific decision data for any more than six impairments per veteran, even though veterans may claim more than six impairments.
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## Data Limitations Prevent Reliable Identification of Indications of Inconsistency among Regional Offices

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- VA is working on a new administrative data system—known as VETSNET—that eventually will serve all VA benefits programs. According to VA, the disability program portion of VETSNET will replace BDN in 2006.
  - However, according to VA officials, as of October 2004, a nationwide VETSNET subsystem known as RBA 2000, which collects disability decision data, could provide a reliable basis for identifying impairment-specific indications of inconsistency among the 57 regional offices.
  - Several years of data will need to be collected in RBA 2000 before its data can be used to assess the consistency of decision making among the 57 regional offices.
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## Conclusions

- VA cannot provide reasonable assurance that similarly situated veterans who submit claims for the same impairment to different regional offices receive reasonably consistent decisions.
- RBA 2000 could allow VA to identify indications of possible inconsistencies if it proves over time to reliably provide data that enable VA to determine impairment-specific average disability ratings and average denial rates for each regional office.
- However, VA still would need to take additional action, such as we recommended in 2002, to determine the extent and causes of inconsistencies for the impairments in question and to identify ways to reduce any unacceptable levels of variation in the award and denial of disability compensation benefits.



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## Recommendations for Executive Action

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We recommend that the Secretary of Veterans Affairs develop a plan, and include it in VA's annual performance plan, that contains a detailed description of how VA will

- use data collected through RBA 2000 to identify indications of possible inconsistencies among regional offices in the award and denial of benefits for specific impairments and
- conduct systematic studies of consistency for specific impairments for which RBA 2000 data reveal indications of inconsistencies among decisions made by the regional offices.

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