

The Battle for Benefits:
Exploring Human Capital Factors that Affect the VA Claims Backlog

Garrett Lance
Policy Analysis
Senior
SPEA Undergraduate Honors Thesis

Dr. William G. Resh
Assistant Professor
School of Public and Environmental Affairs
Indiana University
Thesis Advisor

ABSTRACT

The Battle for Benefits: Exploring Human Capital Factors that Affect the VA Claims Backlog

Garrett Lance

Policy Analysis

Senior

Abstract submitted for SPEA honors Thesis Presentation

Dr. William G. Resh

School of Public and Environmental Affairs

Assistant Professor

Currently, the Department of Veterans Affairs (VA) faces a significant backlog of disability compensation claims to process for veterans. Veterans are waiting an average of 163 days to receive notification of a decision regarding their service-related disability rating. Furthermore, claims are expected to increase as more than 1 million service members leave over the next 5 years. Previous studies have looked at external and institutional factors that have contributed to the backlog, but have paid little attention to more micro-level human capital factors that may also have an effect. In contrast, I will create a research design to examine human capital factors that may contribute to the backlog, such as different training and adjudication norms among regional offices and the effects of incentives for quantity of claims decided rather than accuracy.

My thesis will suggest a research design to test whether particular human capital factors contribute to the backlog by looking at existing differences among 10 VA regional offices. My thesis will take a similar approach to a GAO report on external factors in the sense that data collection will involve a cross-sectional research design, looking at regional offices intentionally chosen based on existing differences rather than random allocation (i.e. offices with varying wait times, size of veteran population served, region of the country). Some of the information needed can be collected from existing data from the VA; however, interviews with ratings officers and supervisors at each office will also provide important insight on training and adjudication norms. By testing whether these factors have an effect on the backlog, we can begin to identify solutions that are within the control of VA management to help veterans receive their benefits more quickly.

Abbreviations

DOD	Department of Defense
GAO	Government Accountability Office
OIG	Office of the Inspector General
PTSD	Post Traumatic Stress Disorder
VA	Department of Veterans Affairs
VARO	Department of Veterans Affairs Regional Office
VBA	Veterans Benefits Administration
VSO	Veterans Service Organizations
VSR	Veterans Service Representative

Introduction

In 2004, when Specialist James Eggemeyer returned to Fort Bragg, North Carolina after serving a year in Iraq, he was discharged under honorable conditions for fighting with his captain. His military training and time in Iraq had battered his body and changed his disposition.

As reporter Aaron Glantz documented in his book *When the War Comes Home*¹, a few years after his discharge, Eggemeyer quit his job at a car wash because of the physical demands of the job and a disagreement with his boss. He filed a disability claim with Veterans Benefit Administration – part of the Department of Veterans Affairs – for his mental and physical injuries. When the VA responded to his claim by requesting an appointment with him, they sent the letter to his old address – he was now living out of his girlfriend's car. He never got the letter.

Without a job and unable to work, Eggemeyer pawned many of his possessions while he waited for compensation. He also sought help from a veterans service officer, Tony Reese, who helped veterans navigate the complicated disability claims process. Even with Reese's help, the wait continued. When Reese contacted the VA, they said they were ready to make a decision within 30 days. After a month, though, they said they actually needed to gather more medical information to make a decision.

¹ Glantz, Aaron. The War Comes Home: Washington's Battle Against America's Veterans. Berkeley: University of California Press, 2010.

In the meantime, Eggemeyer continued to live out of his girlfriend's car. When that car was wrecked in an accident, however, Reese got enough money from organizations like the American Legion to buy him a used truck to live in.

Finally, Eggemeyer received his decision from the VA. After nearly a year of waiting, he received \$30,000 in retroactive pay and a \$2,700 check every month for the rest of his life.

Still today, Eggemeyer's story isn't unique. In fact, it's much better than the stories of many other veterans. What if Eggemeyer had waited a year for a decision and they denied his claim? The backlog for the appeals process is even longer. Eggemeyer could have waited two more years for an appeal – having no other options – and still be denied².

The VA considers a disability claim to be backlogged if it has been awaiting a decision for more than 125 days. Claims are adjudicated by 58 regional offices (known as VAROs) that serve veterans in the surrounding area. The average wait time for a claims decision varies among VAROs. The VA released its Transformation Plan in 2013, which articulated a goal of eliminating the claims backlog and improving decision accuracy to 98% in 2015.³

² Vogel, Steve. "Veterans Face Another Backlog as a Quarter-million Appeal Disability Claims." *Washington Post*. The Washington Post, 11 Sept. 2013. Web. 13 Mar. 2014. <http://www.washingtonpost.com/politics/veterans-face-another-backlog-as-a-quarter-million-appeal-disability-claims/2013/09/10/0078154a-15ba-11e3-804b-d3a1a3a18f2c_story.html>.

³ United States. Department of Veterans Affairs. Veterans Benefits Administration. *Department of Veterans Affairs (VA) Strategic Plan to Eliminate the Compensation Claims Backlog*. Washington: VA, 2013. Print.

The purpose of this thesis is to explore the external, institutional and human capital factors that are responsible for the disability claims backlog at the VA. While some factors have been extensively covered by both the VA and watchdogs, more micro-level human capital factors – such as different training and adjudication norms among VAROs and the effects of incentives for quantity of claims decided rather than accuracy – still require more exploration. This thesis proposes a research design that can verify the effects of these factors on the backlog. By focusing on these factors, the VA can continue to reduce the backlog to meet its goal and implement systems that will sustain low wait times for veterans.

The Claims Process

The disability compensation claims process at the Veterans Benefits Administration (VBA) is a very complicated one, both in the application process for veterans and in the decision process for claims officers. To submit a claim, a veteran must gather his/her discharge or separation papers, Service Treatment Records, and medical evidence of the claim⁴. If any of these documents are held by a federal agency and not by the veteran, then he/she must identify the document(s) and authorize the VA to collect the evidence. Claims are generally submitted through the online portal, eBenefits, shared by the VA and DOD. The VA will also provide a medical examination of the veteran if they feel it's necessary to make a decision.

⁴ Department of Veterans Affairs. "How to Apply." 2013 22-October. [VA.gov](http://www.benefits.va.gov/compensation/apply.asp). <<http://www.benefits.va.gov/compensation/apply.asp>>.

Gathering evidence by the VA can take a while because it requires coordination with other agencies. To expedite the claims process, the VA recently established the Fully Developed Claim Program, which places the burden of evidence gathering entirely on the veteran⁵. Veterans must submit all relevant records so the VA doesn't need to spend time gather evidence from agencies. If the VA finds that a relevant document is missing, they will continue with the claim through the traditional claims process.

Because navigating the benefits system can be complicated and frustrating for many veterans, Veterans Service Organizations (VSOs) exist to provide free help in navigating the claims system and serving as an advocate⁶. Organizations like the American Legion and Veterans of Foreign Wars are examples of VSOs, which have service officers on staff. Many counties and states have service officers as well.

Once a veteran submits a claim to the VA, a Veterans Service Representative (VSR) will follow several steps in the decision-making process. A simplified version of the claims process follows⁷:

1. Claim Received

Veterans receive an electronic receipt if they apply through eBenefits or a letter of receipt if they apply by mail.

2. Under Review

⁵ Department of Veterans Affairs. "Fully Developed Claims." 2014 11-February. [VA.gov](http://www.benefits.va.gov/fdc/). <<http://www.benefits.va.gov/fdc/>>.

⁶ "About Service Officers." *National Association of County Veterans Service Officers*. NACVSO, 2014. Web. 13 Mar. 2014. <<http://nacvso.org/about/>>.

⁷ Department of Veterans Affairs. "Compensation Claims Process." 2013 22-October. [VA.gov](http://www.benefits.va.gov/compensation/process.asp). <<http://www.benefits.va.gov/compensation/process.asp>>.

A VSR at the nearest VARO will determine if additional evidence is needed to adjudicate the claim.

3. Gathering of Evidence

If more evidence is required, the VSR will make requests to the relevant government agency. Veterans may also be asked to undergo a medical examination.

4. Review of Evidence

The VSR will review all evidence and determine if the claim is accurate and service-connected, and/or if more evidence is needed.

5. Preparation for Decision

The VSR will recommend a decision. Different claims receive different disability compensation ratings. For example, certain injuries will receive a particular percentage rating, nerve pain will receive another rating, and PTSD will receive another rating. A 100% disability rating, also known as Individual Unemployability, indicates that the veteran is unable to work. For a single veteran with 100% disability, the currently monthly compensation is \$2,858.24.

6. Pending Decision Approval

The recommendation is reviewed, typically by a supervisor, and the final compensation award is approved.

7. Preparation for Notification

The VA prepares a packet to inform the veteran of a decision.

8. Complete

Once a veteran receives a decision, he/she can either accept or appeal it.

The Appeals Process

A veteran may appeal the decision if the claim is denied or he/she is dissatisfied with the disability rating. The appeals process begins with the veteran sending a Notice of Disagreement to the VARO, which simply formalizes the veteran's intent to appeal⁸. In response, the VARO will send the veteran a Statement of the Case, which outlines the evidence and reason for their decision. They will also send a VA Form 9, which the veteran must fill out stating their discrepancies with the Statement of the Case. Veterans may also request a personal hearing with someone from the local VARO or with a member of the Board of Veterans' Appeals to further explain their case. Finally, the Board of Veterans' Appeals – a board in Washington, D.C. that reviews all appeals – will make a final decision. If a veteran is unhappy with this decision, he/she can file an appeal with the U.S. Court of Appeals for Veterans Claims. The appeals process can be even lengthier than the original claims process. The Board of Veterans' Appeals' annual report for FY 2012 found that appeals to an average of 1,040 days to decide, or about 2.8 years⁹.

The chart below shows a simplified overview of the claims and appeals process:

⁸ United States. Department of Veterans Affairs. Board of Veterans' Appeals. *How Do I Appeal?* Washington: n.p., 2002. Print.

⁹ United States. Department of Veterans Affairs. Board of Veterans' Appeals. *Report of the Chairman Fiscal Year 2012*. By Steven L. Keller. Washington: n.p., 2013. Print.

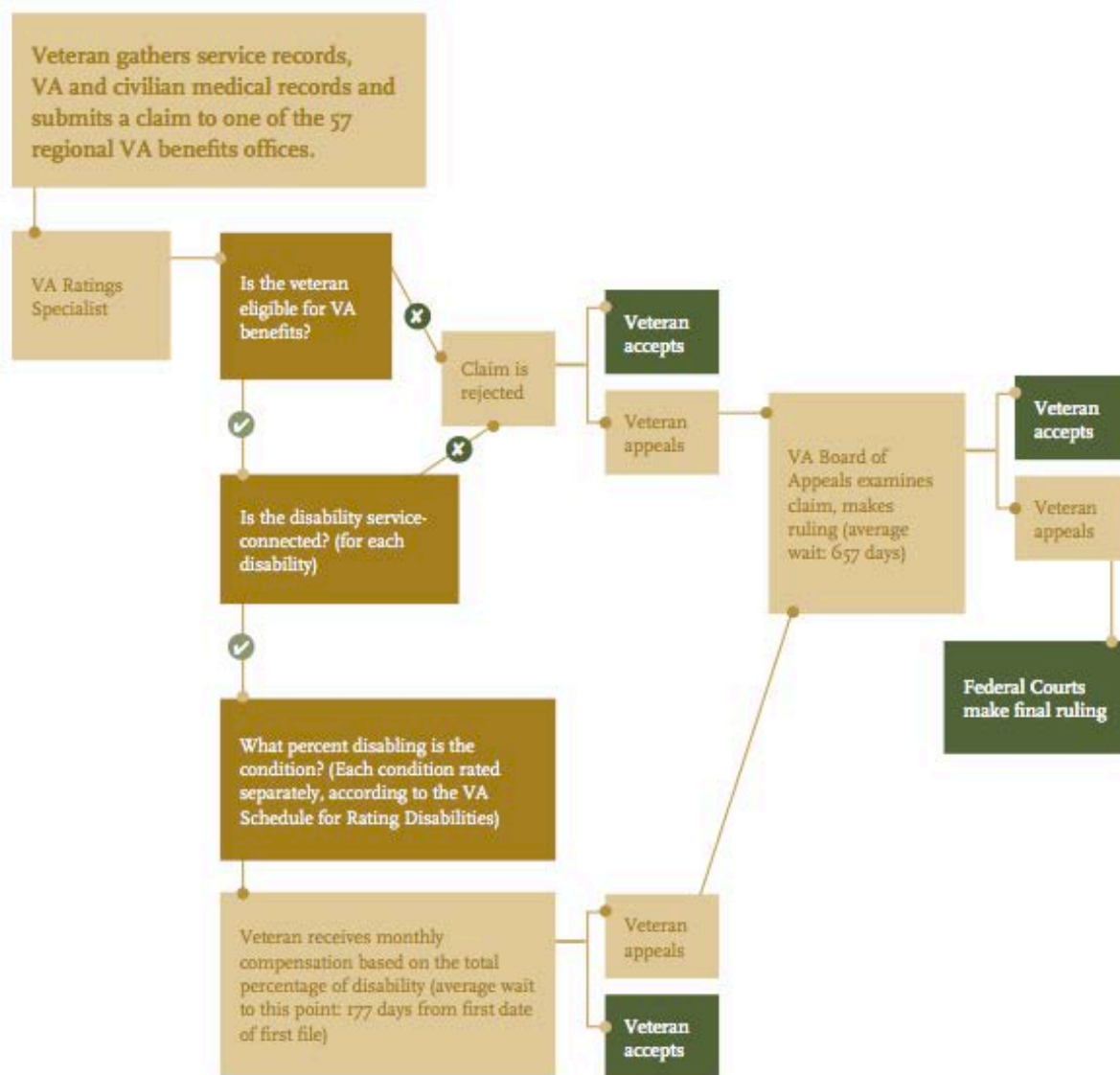


Figure 1: The Disability Evaluation System of the VA; Iraq and Afghanistan Veterans of America

Source: http://iava.org/files/VeteransWaitingForCareAndBenefits_0.pdf

Current State of the Backlog

In 2013, the VA reported that the average wait time for claims decisions was 273 days, around nine months¹⁰. This number doesn't tell the whole story, though. Internal

¹⁰ Glantz, Aaron. "Overtime, new computer system put sizable dent in VA benefits backlog." The Center for Investigative Reporting. 2013 11-November.

data from the department shows that veterans filling a claim for the first time waited an average of between 316 and 327 days¹¹.

When President Obama took office in 2009, the number of veterans waiting over a year for benefits was 11,000 and grew to 245,000 by the end of 2012, according to the Center for Investigative Reporting. The large increase in average wait times between 2009 and 2012 corresponded with a steep increase in the number of veterans seeking benefits. In her testimony before Congress, Allison Hickey, VA Under Secretary for Benefits, emphasized that in 2010 the VA completed a million claims – more than any other year in history¹². In 2011, they received another 1.3 million claims, which continued to grow particularly because Vietnam veterans who were experiencing the negative health effects of Agent Orange decades later were allowed to apply for compensation for the first time. Essentially, Hickey argued, that while the wait times were increasing, the number of incoming claims were increasing at a faster rate¹³.

While this all sounds like catastrophically bad news, the backlog has actually begun to decline over the past six months. The 245,000 number – veterans waiting more than a year for benefits – dropped to 34,000 by November 2013¹⁴. The VA has

¹¹ United States. Department of Veterans Affairs. VBA Office of Performance Analysis and Integrity. *C&P Budget Performance Split FY 2013*. Document Cloud, 8 Mar. 2013. Web.
<<https://www.documentcloud.org/documents/612900-budget-performance-split.html>>.

¹² United States. Cong. House. Committee on Oversight and Government Reform. *Taking Care of Our Veterans: What Is the Department of Veterans Affairs Doing to Eliminate the Claims Backlog?* 112 Cong., 2 sess. H. Rept. 112-177. Washington: GPO, 2012. Print.

¹³ Ibid.

¹⁴ Glantz, Aaron. "Overtime, new computer system put sizable dent in VA benefits backlog." The Center for Investigative Reporting. 2013 11-November.

begun to focus even more intensely on the backlog by mandating case-worker overtime and ramping up the rollout of their computerized claims system. The graph below shows VA's projection of eliminating the backlog by FY 2015 in their Transformation Plan.

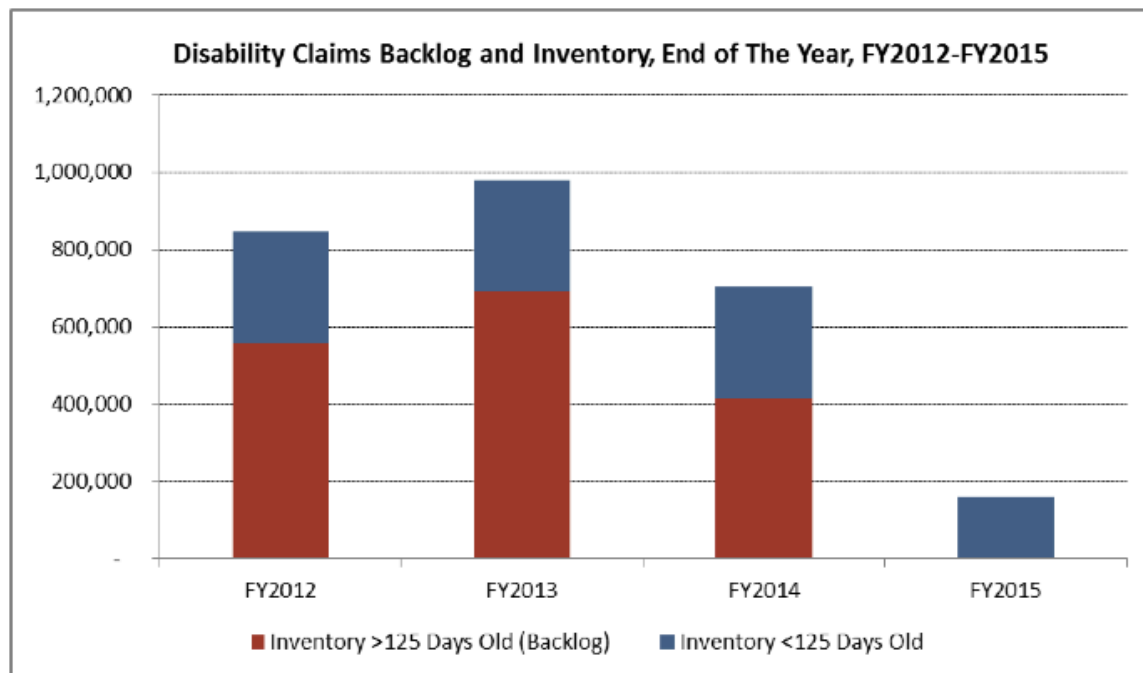


Figure 2: Disability Claims Backlog and Inventory, End of Year, FY2012-FY2015

Source: http://benefits.va.gov/transformation/docs/VA_Strategic_Plan_to_Eliminate_the_Compensation_Claims_Backlog.pdf

However, with the Iraq War ended and the war in Afghanistan winding down, the VA expects that another 1 million service members will become veterans between 2012 and 2017, many of whom are expected to apply for disability benefits¹⁵. This means that with Vietnam veterans filing for Agent Orange-related claims for the first time as well, the VA is experiencing a strain on their resources. So, while the immense backlog is beginning to experience a decline, the continued demand for compensation

¹⁵ United States. Government Accountability Office, *Veterans' Disability Benefits: Timely Processing Remains a Daunting Challenge: Report to Congressional Requesters*. Vol. 13-89. Washington, DC: GAO, 2012. Print.

requires an examination of factors affecting the backlog to ensure a sustainable compensation process.

Factors Affecting the Backlog

Several major factors are affecting the backlog of claims. These factors can be grouped into three main categories, as shown in Figure 3 below. These three categories – external, institutional and human capital – form a macro- to micro-level assessment of factors affecting the backlog. External factors outside of the VA’s control have been well-documented by news organizations and the GAO. Institutional structures in the VA that have contributed to the backlog have also been reported on extensively both internally the VA’s OIG and by reports from Deloitte and Federal Computer Week. On a micro level, human capital or management factors affecting the backlog – italicized in Figure 3 – haven’t been as thoroughly covered. For this reason, my proposed research design in the next section will focus on whether these human capital characteristics in fact have a significant effect on the backlog.

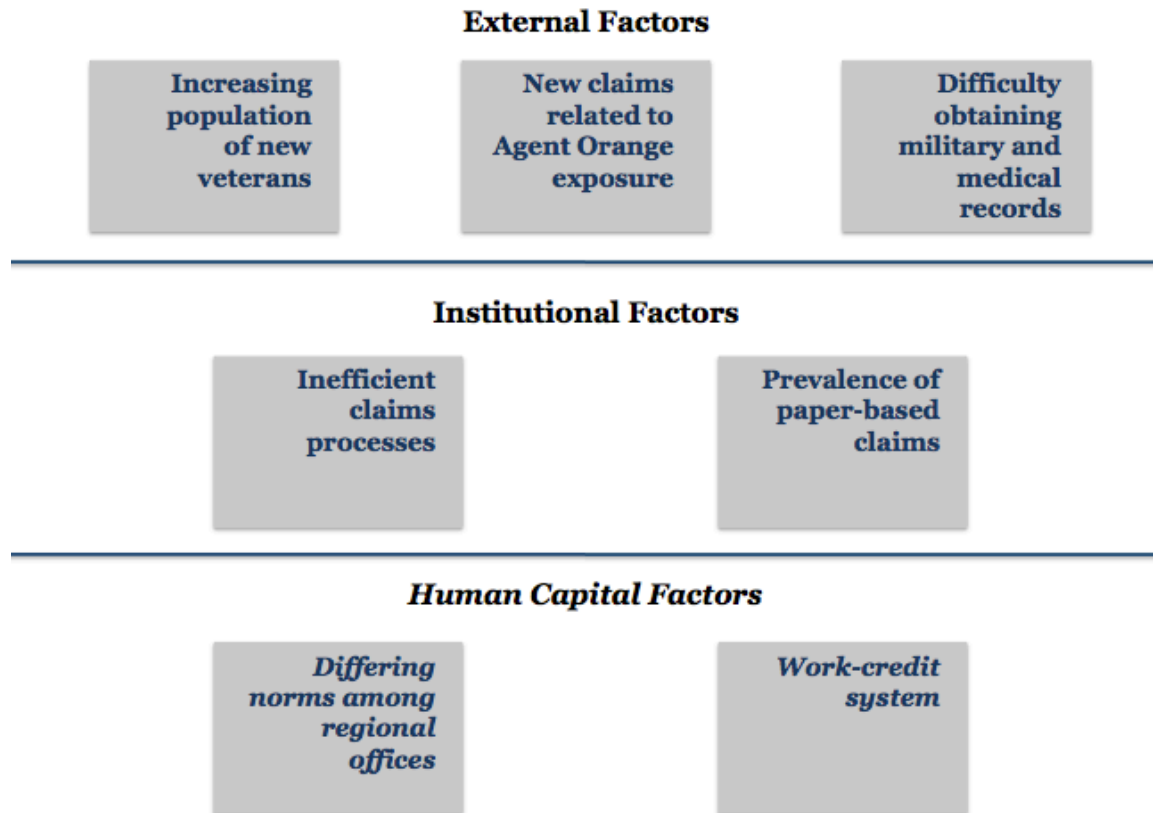


Figure 3: **Major Factors Affecting the Claims Backlog at Levels**

Source: Garrett Lance

External Factors

Increasing population of new veterans with service-connected disabilities

With the end of the Iraq War in 2011 and the wind-down of the War in Afghanistan, more than 1 million service members are expected to return home by 2017¹⁶. This influx of new veterans is already causing a strain on the VA. While the number of total veterans in the United States is decreasing, the influx of new veterans is still having an effect on the system. As the graph below shows, from a VA February 2014

¹⁶ Department of Veterans Affairs. "VA Budget Request Tops \$140 Billion for Veterans Programs." 2012 13-February. [VA.gov](http://www.va.gov/opa/pressrel/pressrelease.cfm?id=2263). <<http://www.va.gov/opa/pressrel/pressrelease.cfm?id=2263>>.

report, the number of living veterans has been steadily decreasing over the last 25 years to about 23 million today. Meanwhile, there has been a sharp uptick in the number of service-connected disabled veterans – at about 3.5 million today. Over 1 million Iraq and Afghanistan have already been injured¹⁷. Furthermore, many of these non-fatal injuries are PTSD and TBI. The VA estimates that 20% of Iraqi war veterans and 11% of Afghanistan veterans have PTSD¹⁸.

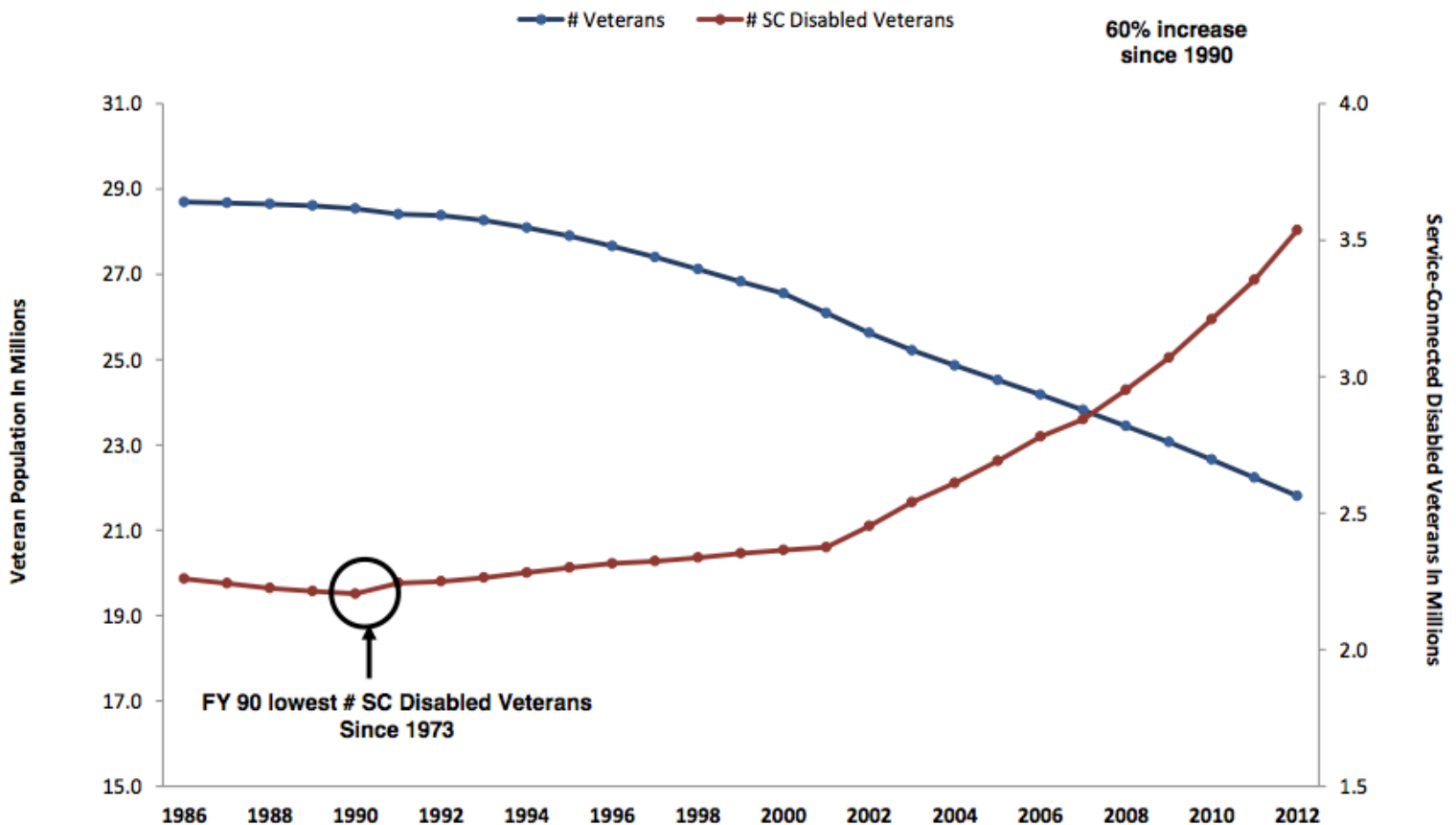


Figure 4: The Veteran population has been declining since 1985 while the number of Veterans with service-connected disabilities has been on the rise.

Source: Department of Veterans Affairs, Veterans Benefits Administration Annual Benefits Reports, 1985-2012; Office of Policy & Planning, 4 Office of the Actuary, Veteran Population Projection Model (VetPop), 2011

¹⁷ Ruiz, Rebecca. "A Million Veterans Injured In Iraq, Afghanistan Wars." *Forbes*. Prod. 2014 Forbes.com LLC. New York, 11 March 2013.

¹⁸ "PTSD: A Growing Epidemic." *NIH Medline Plus* 4.1 (2009): 10-14. Web.

New regulation expanding benefits eligibility for diseases related to Agent Orange exposure

In August 2010, the VA issued a new regulation that expanded the list of health problems the agency would “presume to be related to Agent Orange and other herbicide exposures¹⁹.” The rule included hairy cell leukemia and other chronic B-cell leukemias, Parkinson’s disease, and ischemic heart disease as health problems that have a positive association to Agent Orange exposure²⁰. Because these illnesses can occur decades after service, their “presumed” status means that veterans no longer must prove an association between the illness and their military service²¹. The VA had already accepted several types of cancer and other diseases as associated with herbicide exposure²². This expanded list of conditions came following a 2008 report from the National Academy of Sciences Institute of Medicine²³. As a result of this regulation, 260,000 new claims from Vietnam veterans entered into the claims system. Because these claims had been previously denied, the VA prioritized the cases and allocated 37% of ratings staff to handle the new Agent Orange claims. This sudden influx pushed other claims further down the backlog²⁴.

¹⁹ Department of Veterans Affairs. “VA Publishes Final Regulation to Aid Veterans Exposed to Agent Orange.” 2010 30-August. [VA.gov](http://www.va.gov/opa/pressrel/pressrelease.cfm?id=1945). <<http://www.va.gov/opa/pressrel/pressrelease.cfm?id=1945>>.

²⁰ Diseases Associated With Exposure to Certain Herbicide Agents (Hairy Cell Leukemia and Other Chronic B-Cell Leukemias, Parkinson’s Disease and Ischemic Heart Disease), 75 Federal Register § 38 CFR Part 3 (2010). Print.

²¹ Ibid.

²² Department of Veterans Affairs. “Veterans’ Diseases Associated with Agent Orange.” 2013 20-December. [VA.gov](http://www.publichealth.va.gov/exposures/agentorange/conditions/index.asp). <<http://www.publichealth.va.gov/exposures/agentorange/conditions/index.asp>>.

²³ National Research Council. *Veterans and Agent Orange: Update 2008*. Washington, DC: The National Academies Press, 2009.

²⁴ Freking, Kevin. “Older VA disability claims to get top attention.” *The Washington Post*. Washington, 21 April 2013.

Lengthy timeframes in obtaining military and medical records from other government agencies

Both the GAO and Iraq and Afghanistan Veterans of America identified the lack of collaboration between the Department of Defense (DOD) and other agencies with the VA as having lengthened the evidence-gathering phase of the claims process. When adjudicating a case, VA claims officers must gather medical and service records to determine if the claim is service-connected. According the Veterans Assistance Act of 2000, the VA legally has a “duty to assist”, meaning that the agency is required to “exhaust all efforts to determine whether an injury or illness is connected to a veteran’s service²⁵.” Service records almost entirely come from the DOD, but medical records related to the claim can be more difficult to track. Veterans may seek medical care from the DOD, the VA, and private health providers, leaving a messy trail of medical records. In any case, gathering evidence from other agencies in a timely manner has proven difficult for the VA²⁶. The National Defense Authorization Act for FY 2008 allotted money for the VA and DOD to create a system to share electronic health records. In 2013, however, they announced that they were abandoning the joint measure and would instead pursue separate systems that would be interoperable. This failed pursuit cost over a billion dollars²⁷.

²⁵ Maffucci, Jacqueline, PhD. *The Battle to End the VA Backlog*. Rep. Washington: Iraq and Afghanistan Veterans of America, 2014. Print.

²⁶ United States. Government Accountability Office,. *Veterans' Disability Benefits: Challenges to Timely Processing Persist: Testimony Before the Committee on Veterans' Affairs, U.S. Senate*. Vol. 13-453T. Washington, DC: GAO, 2013. Print.

²⁷ United States. Cong. House. Committee on Veterans' Affairs. *Electronic Health Records U-Turn: Are VA and DOD Headed in the Wrong Direction?*. 113 Cong., 1 sess. H. Rept. 113-6. Washington: GPO, 2013. Print.

Institutional Factors

Inefficient claims processes

Laws and court decisions over the past decade have expanded the rights of veterans during the claims process; however, this has had the effect of lengthening claims processing times. Because the VA has the duty to consider all evidence submitted by a veteran, additional evidence submitted by a veteran – especially late in the process – can significantly delay a decision²⁸. Furthermore, veterans have up to 1 year to submit additional evidence in support of their claim following notification of their claim decision before the decision is considered final²⁹. Similarly, veterans can submit more evidence at any time during the appeals process. According to the GAO, “If the veteran submits additional evidence late in the process after VA completes a Statement of the Case, VA must review the new evidence, reconsider the appeal, and provide another written explanation of its decision—known as a Supplemental Statement of the Case³⁰.”

Paper-based claims

As of early 2013, 97% of claims received by the VA and supporting documents to develop the claim were still paper-based³¹. As a result, the GAO found that “VBA’s paper--based claims processing system involves multiple hand--offs, which can lead to

²⁸ Veterans Claims Assistance Act of 2000, U.S.C. §§ 51-5106-5107 (GPO 2000). Print.

²⁹ United States. Government Accountability Office,. *Veterans' Disability Benefits: Challenges to Timely Processing Persist: Testimony Before the Committee on Veterans' Affairs, U.S. Senate*. Vol. 13-453T. Washington, DC: GAO, 2013. Print.

³⁰ Ibid.

³¹ United States. Department of Veterans Affairs. Veterans Benefits Administration. *Department of Veterans Affairs (VA) Strategic Plan to Eliminate the Compensation Claims Backlog*. Washington: VA, 2013. Print.

misplaced and lost documents and can cause unnecessary time delays³²." To improve efficiency and timeliness, the VA finished rolling out the Veterans Benefits Management System (VBMS) at all 56 regional offices in June 2013³³. The VBMS is "a web-based, electronic claims processing portal created to give VA the ability to process Veterans' claims paper-free³⁴." The VA has said that the system was meant as a way to cut down the average processing time and backlog. Many veterans are still submitting claims via paper, however³⁵. Furthermore, medical and service records used to support the case are also still sent to the VA in paper form. – meaning the VA must digitize these records before adding them to the VBMS³⁶.

Human Capital Factors

The preceding external and institutional factors, and their effects on the backlog, have been fairly thoroughly covered by the government, research organizations and media outlets. Based on the limited literature regarding VA management norms, however, I have coalesced around the following two factors that may very well be having a significant effect on the backlog.

Differences in training and adjudication among regional offices

The VA faces inconsistencies in both training and disability ratings decisions among regional offices. As VA employees, ratings specialists must complete three

³² United States. Government Accountability Office,. *Veterans' Disability Benefits: Timely Processing Remains a Daunting Challenge: Report to Congressional Requesters*. Vol. 13-89. Washington, DC: GAO, 2012. Print.

³³ Summers, Juana. "VA still fighting paper war." Politico. Washington, 5 February 2014.

³⁴ Thomas, Jim. "The Benefits of a Paperless Claim." VAntage Point. 13 February 2013.

³⁵ Cole, Emily. "VA paperless benefits rollout gains speed." FCW. Vienna, 4 February 2013.

³⁶ Thomas, Jim. "The Benefits of a Paperless Claim." VAntage Point. 13 February 2013.

mandatory training courses: VA Privacy and Information Security Awareness, Prevention of Workplace Harassment, and Annual Government Ethics Training. Beyond that, other mandatory training differs by office³⁷.

In 2006, the Institute for Defense Analyses (IDA) released a report commissioned by the VA's Office of the Inspector General (OIG) to identify sources of variation across regional offices. This report bolstered the issue of training inconsistencies. "Some raters received national orientation while others were trained only in their local office. Additionally, the duration and rigor of training for new rating specialists varies by VARO³⁸." Many trainers indicated that they supplemented the national training with more localized training. Furthermore, some offices assigned mentors to continue learning during on-the-job training, while other VAROs did not³⁹. A GAO report also found that while VA training generally complied with accepted training practices, the department did little to properly evaluate their training⁴⁰.

This potential patchwork of employee training among VAROs could very well have a measurable effect on the backlog by increasing the number of appeals claims. If employees in some offices are better trained, they could process claims more quickly and accurately. For veterans who file claims at VAROs with more poorly trained raters, their claims may take longer to be processed or they may be more likely to be processed inaccurately, resulting in more appeals.

³⁷ "Mandatory Training." - *VA Learning University*. N.p., 9 Aug. 2013. Web.
<<http://www.valu.va.gov/Home/MandatoryTraining>>.

³⁸ Hunter, David, et al. Analysis of Differences in Disability Compensation in the Department of Veterans Affairs. Institute for Defense Analyses. Alexandria: IDA, 2006.

³⁹ Ibid.

⁴⁰ United States. Government Accountability Office,. *Veterans' Benefits: Improvements Needed in VA's Training and Performance Management Systems*. Vol. 08-1126T. Washington, DC: GAO, 2008. Print.

VA work-credit system

According to self-reported data, the national accuracy rate for claims decisions was 90.2% in April 2014 – still a far cry from the VA's stated goal of 98% accuracy by 2015⁴¹. The issue with inaccurate claims decisions is that they lead to more appeals, which increase the number of claims in the backlog.

The VA's "work credit" system may be exacerbating inaccurate claims decisions by incentivizing workers based on the number of claims they process rather than the quality of claims decisions. Employees are given work credits based on the number of issues within a claim and they must meet certain production quotas based on those credits. A claim with zero to seven health issues, for example, might receive the same number of credits, which is rather broad⁴². Furthermore, there is no weight given to more complex health issues like PTSD or TBI.

Like employee training, the percentage of inaccurate claims decisions appears to vary among regional offices – meaning that VAROs with less quality decisions could be having a disproportionate effect on the backlog. In 2011, for example, thirteen VAROs measured below 79%, while only six measured above 90%⁴³.

To enhance quality control, the VA has local quality review teams (QRTs) as well as a national Systematic Technical Accuracy Review (STAR) program. However, a VA

⁴¹ Department of Veterans Affairs. "Monday Morning Workload Report 3-24-14." Veterans Benefits Administration, 2014.

⁴² United States. Cong. House. Committee on Veterans' Affairs. *Quality vs. Quantity: Examining the Veterans Benefits Administration's Employee Work Credit and Management Systems*. 111 Cong., 2 sess. H. Rept. 111-77. Washington: GPO, 2010. Print.

⁴³ Ibid.

Inspector General report found that the STAR program did not effectively identify and report errors in compensation claim rating decisions⁴⁴. At the local level, “small discrepancies (e.g., 30% versus 50%) between the rater’s adjudication and the reviewer’s judgment are deemed a ‘difference of opinion’⁴⁵.”

Recommendation – Research Design

Hypothesis (Research Question)

As previously mentioned, there has been limited research conducted on the role that more micro-level human capital factors play in long wait times. Therefore, this section sets up a research design that could be used by the government or other entities to test what effect, if any, these potential factors play in contributing to the backlog. To begin, our hypothesis claims that these factors are having an effect: *Differences in training and adjudication among regional offices and work credit-incentives are affecting the speed and accuracy of claims decisions and are contributing factors to the disability claims backlog.*

Data Collection and Analysis of Results

⁴⁴ United States. Department of Veterans Affairs. Office of Inspector General. *Audit of Veterans Benefits Administration Compensation Rating Accuracy and Consistency Reviews*. Washington: n.p., 2009. Print.

⁴⁵ Hunter, David, et al. Analysis of Differences in Disability Compensation in the Department of Veterans Affairs. Institute for Defense Analyses. Alexandria: IDA, 2006.

To test the hypothesis, we will collect data by using a cross-sectional research design. This collection model is very similar to the methodology used by the GAO in their 2012 report on the external and institutional factors affecting the backlog⁴⁶.

A cross-sectional research design has several characteristics:

- It provides a “snapshot” of a single point in time.
- It studies the relationship between variables and draws inferences
- It identifies groups for study “based upon existing differences in the sample rather than seeking random sampling⁴⁷.”
- It uses survey/interview techniques to gather data⁴⁸.

For this study, the design looks at existing differences among five regional offices along with existing data provided by the VA. These offices are chosen based on existing differences (i.e. offices with varying wait times, size of veteran population served, region of the country) rather than random allocation to provide a robust portrait of varying experiences at VAROs across the country. We will interview ratings officers and supervisors at each office with targeted questions to capture any differences among the VAROs.

To test whether training and ratings inconsistencies and inaccuracies among VAROs are contributing to the backlog, we will compare observed differences based on interviews with data provided by the VA. First, by speaking with ratings specialists and

⁴⁶ United States. Government Accountability Office,. *Veterans' Disability Benefits: Timely Processing Remains a Daunting Challenge: Report to Congressional Requesters*. Vol. 13-89. Washington, DC: GAO, 2012. Print.

⁴⁷ Lavrakas, Paul. Encyclopedia of Survey Research Methods. SAGE Publications, Inc., 2008.

⁴⁸ Ibid.

supervisors, we can get an understanding of how each VARO operates. Do they fully utilize federal training resources? Do they supplement some training with localized instruction? Do they provide mentorships? Is there ongoing training? Do they feel that the work credit system affects the care they give to each case? By getting answers to these questions, we can get a picture of how training and adjudication differs in each office.

Next, we compare these answers against data produced by the VA. Every week, the VA releases the Monday Morning Workload Report, which includes a trove of data from each regional office, like the average wait time for a claim and percentage accuracy of claims adjudicated. If we find that offices with consistently long wait times also follow particular training and claim adjudication methods, and conversely that offices with consistently shorter wait times follow other methods, then we can argue that these factors are having an effect on the backlog. For example, if two VAROs supplement federal orientation with localized training, and these offices also have wait times below the 125 day backlog threshold and fewer appeals, we may conclude that differences in training are in fact having a real effect on the speed and accuracy of claims being processed. In another example, if Systematic Technical Accuracy Review (STAR) data indicates that offices with consistently lower ratings decisions also produce more appeals, we may conclude that inconsistent claims decisions amongst offices is having an effect on the backlog.

Conclusion

The backlog of disability claims at the VA remains a serious challenge, most especially for those veterans who are waiting too long to receive compensation.

Although we cannot easily control certain factors, like the number of veterans returning home or particular laws, we can find solutions within the control of VA management by identifying and testing the effects of human capital-level factors on the backlog. Doing so would help create a claims system that is more speedy, accurate and consistent.

Bibliography

- "About Service Officers." *National Association of County Veterans Service Officers*. NACVSO, 2014. Web. 13 Mar. 2014. <<http://nacvso.org/about/>>.
- Cole, Emily. "VA paperless benefits rollout gains speed." *FCW*. Vienna, 4 February 2013.
- Department of Veterans Affairs. "Compensation Claims Process." 2013 22-October. [VA.gov](http://www.benefits.va.gov/compensation/process.asp). <<http://www.benefits.va.gov/compensation/process.asp>>.
- Department of Veterans Affairs. "Fully Developed Claims." 2014 11-February. [VA.gov](http://www.benefits.va.gov/fdc/). <<http://www.benefits.va.gov/fdc/>>.
- Department of Veterans Affairs. "Monday Morning Workload Report 3-24-14." Department of Veterans Affairs, 2014.
- Department of Veterans Affairs. "VA Budget Request Tops \$140 Billion for Veterans Programs." 2012 13-February. [VA.gov](http://www.va.gov/opa/pressrel/pressrelease.cfm?id=2263). <<http://www.va.gov/opa/pressrel/pressrelease.cfm?id=2263>>.
- Department of Veterans Affairs. "VA Publishes Final Regulation to Aid Veterans Exposed to Agent Orange." 2010 30-August. [VA.gov](http://www.va.gov/opa/pressrel/pressrelease.cfm?id=1945). <<http://www.va.gov/opa/pressrel/pressrelease.cfm?id=1945>>.
- Department of Veterans Affairs. "Veterans' Diseases Associated with Agent Orange." 2013 20-December. [VA.gov](http://www.publichealth.va.gov/exposures/agentorange/conditions/index.asp). <<http://www.publichealth.va.gov/exposures/agentorange/conditions/index.asp>>.
- Diseases Associated With Exposure to Certain Herbicide Agents (Hairy Cell Leukemia and Other Chronic B-Cell Leukemias, Parkinson's Disease and Ischemic Heart Disease), 75 Federal Register § 38 CFR Part 3 (2010). Print.
- Freking, Kevin. "Older VA disability claims to get top attention." *The Washington Post*. Washington, 21 April 2013.
- Glantz, Aaron. "Overtime, new computer system put sizable dent in VA benefits backlog." *The Center for Investigative Reporting*. 2013 11-November.
- Glantz, Aaron. *The War Comes Home: Washington's Battle Against America's Veterans*. Berkeley: University of California Press, 2010.

- Glantz, Aaron. "VA's ability to quickly provide benefits plummets under Obama." The Center for Investigative Reporting. 2013 11-March.
- Hunter, David, et al. Analysis of Differences in Disability Compensation in the Department of Veterans Affairs. Institute for Defense Analyses. Alexandria: IDA, 2006.
- Iraq and Afghanistan Veterans of America. "Battling Red Tape: Veterans Struggle for Care and Benefits." Iraq and Afghanistan Veterans of America, 2008.
- Lavrakas, Paul. Encyclopedia of Survey Research Methods. SAGE Publications, Inc., 2008.
- Maffucci, Jacqueline, PhD. *The Battle to End the VA Backlog*. Rep. Washington: Iraq and Afghanistan Veterans of America, 2014. Print.
- "Mandatory Training." - *VA Learning University*. N.p., 9 Aug. 2013. Web. <<http://www.valu.va.gov/Home/MandatoryTraining>>.
- National Research Council. *Veterans and Agent Orange: Update 2008*. Washington, DC: The National Academies Press, 2009.
- "PTSD: A Growing Epidemic." *NIH Medline Plus* 4.1 (2009): 10-14. Web.
- Ruiz, Rebecca. "A Million Veterans Injured In Iraq, Afghanistan Wars." Forbes. Prod. 2014 Forbes.com LLC. New York, 11 March 2013.
- Summers, Juana. "VA still fighting paper war." Politico. Washington, 5 Febraury 2014.
- Thomas, Jim. "The Benefits of a Paperless Claim." VAntage Point. 13 February 2013.
- United States. Cong. House. Committee on Oversight and Government Reform. *Taking Care of Our Veterans: What Is the Department of Veterans Affairs Doing to Eliminate the Claims Backlog?* 112 Cong., 2 sess. H. Rept. 112-177. Washington: GPO, 2012. Print.
- United States. Cong. House. Committee on Veterans' Affairs. *Electronic Health Records U-Turn: Are VA and DOD Headed in the Wrong Direction?*. 113 Cong., 1 sess. H. Rept. 113-6. Washington: GPO, 2013. Print.
- United States. Cong. House. Committee on Veterans' Affairs. *Breaking Through the Backlog: Evaluating the Effectiveness of the New State Strike Force Team*. 112 Cong., 2 sess. H. Rept. 112-78. Washington: GPO, 2013. Print.

- United States. Cong. House. Committee on Veterans' Affairs. *Quality vs. Quantity: Examining the Veterans Benefits Administration's Employee Work Credit and Management Systems*. 111 Cong., 2 sess. H. Rept. 111-77. Washington: GPO, 2010. Print.
- United States. Government Accountability Office,. *Veterans' Benefits: Improvements Needed in VA's Training and Performance Management Systems*. Vol. 08-1126T. Washington, DC: GAO, 2008. Print.
- United States. Government Accountability Office,. *Veterans' Disability Benefits: Challenges to Timely Processing Persist: Testimony Before the Committee on Veterans' Affairs, U.S. Senate*. Vol. 13-453T. Washington, DC: GAO, 2013. Print.
- United States. Government Accountability Office,. *Veterans' Disability Benefits: Timely Processing Remains a Daunting Challenge: Report to Congressional Requesters*. Vol. 13-89. Washington, DC: GAO, 2012. Print.
- United States. Department of Veterans Affairs. Board of Veterans' Appeals. *How Do I Appeal?* Washington: n.p., 2002. Print.
- United States. Department of Veterans Affairs. Board of Veterans' Appeals. *Report of the Chairman Fiscal Year 2012*. By Steven L. Keller. Washington: n.p., 2013. Print.
- United States. Department of Veterans Affairs. Office of Inspector General. *Audit of Office of Information Technology's Strategic Human Capital Management*. Washington: n.p., 2012. Print.
- United States. Department of Veterans Affairs. Office of Inspector General. *Audit of Veterans Benefits Administration Compensation Rating Accuracy and Consistency Reviews*. Washington: n.p., 2009. Print.
- United States. Department of Veterans Affairs. Veterans Benefits Administration. *Department of Veterans Affairs (VA) Strategic Plan to Eliminate the Compensation Claims Backlog*. Washington: VA, 2013. Print.
- United States. Department of Veterans Affairs. VBA Office of Performance Analysis and Integrity. *C&P Budget Performance Split FY 2013*. Document Cloud, 8 Mar. 2013. Web. <<https://www.documentcloud.org/documents/612900-budget-performance-split.html>>.
- Veterans Claims Assistance Act of 200, U.S.C. §§ 51-5106-5107 (GPO 2000). Print.
- Vogel, Steve. "Veterans Face Another Backlog as a Quarter-million Appeal Disability Claims." *Washington Post*. The Washington Post, 11 Sept. 2013. Web. 13 Mar.

2014. <http://www.washingtonpost.com/politics/veterans-face-another-backlog-as-a-quarter-million-appeal-disability-claims/2013/09/10/0078154a-15ba-11e3-804b-d3a1a3a18f2c_story.html>.