

December 2007

VETERANS' BENEFITS

Improved Operational Controls and Management Data Would Enhance VBA's Disability Reevaluation Process



Highlights of [GAO-08-75](#), a report to congressional requesters

VETERANS' BENEFITS

Improved Operational Controls and Management Data Would Enhance VBA's Disability Reevaluation Process

Why GAO Did This Study

To help ensure that veterans are properly compensated for disabilities, VA is required to perform disability reevaluations for specific disabilities. VA also performs reevaluations whenever it determines there is a need to verify either the continued existence or current severity of veterans' disabilities. VBA completed about 17,700 reevaluations in fiscal year 2005. GAO was asked to review the Veterans Benefits Administration's (VBA) disability reevaluation program. This report assesses (1) the operational controls VA uses to ensure the effectiveness of the disability reevaluation process and (2) the management information VA collects and uses to manage the disability reevaluation process. To conduct this study, GAO analyzed VBA data, reviewed federal regulations and VBA procedures, conducted site visits, and interviewed VBA officials.

What GAO Recommends

GAO recommends that VA modify its electronic diary date system to ensure that the appropriate reevaluations are scheduled to occur; develop additional methods to ensure accuracy of completed and cancelled reevaluations; clarify its guidance so that all regional offices use the same criteria for measuring the timeliness of reevaluations; and develop a plan to collect and analyze data on the results of reevaluations. VA concurred with our recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-08-75.

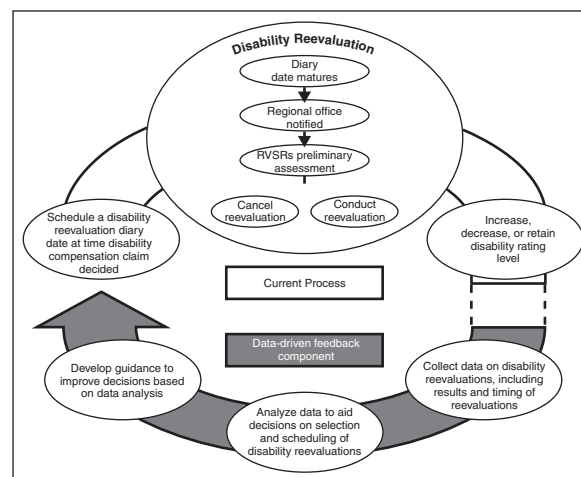
To view the full product, including the scope and methodology, click on the link above. For more information, contact Daniel Bertoni at (202) 512-7215 or bertonid@gao.gov.

What GAO Found

VBA's operational controls do not adequately ensure that staff schedule or conduct disability reevaluations as necessary; however, VBA is planning to improve some of the controls. VBA claims processing software does not automatically establish or prompt regional office staff to schedule a time – known as a diary date – to determine whether a disability reevaluation should proceed. Consequently, some cases that require a reevaluation may never receive it. After the diary date matures, staff perform a preliminary review of a veteran's claim file to determine if a more comprehensive reevaluation should be conducted. If staff determine during this review that a reevaluation is no longer needed, the reevaluation is cancelled. However, cancellations are not tracked or subject to quality assurance reviews to ensure adherence to program policies and procedures. VBA plans on improving some of its control mechanisms through its new claims management system, the Veterans Service Network (VETSNET), including developing the ability to track cancellations. However, VBA has no plans to include a prompt for scheduling reevaluation diary dates in VETSNET.

VBA cannot effectively manage the disability reevaluation process because some of the data it collects are inconsistent and it does not systematically collect and analyze key management data. While VBA collects data on the amount of time regional offices take to conduct disability reevaluations, these data are not consistent because regional offices use different starting points for measuring timeliness. Also, VBA does not know the types of disabilities being reevaluated, the length of time before reevaluations are conducted, or the results of the reevaluations. As a result, VBA cannot ensure that it is effectively and appropriately using its resources.

VBA Reevaluation Process with an Added Data Driven Feedback Component



Source: GAO.

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Abbreviations

BDN	Benefits Delivery Network
RVSR	Rating Veterans Service Representative
STAR	Systematic Technical Accuracy Review
VA	Department of Veterans Affairs
VBA	Veterans Benefits Administration
VETSNET	Veterans Service Network

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United States Government Accountability Office
Washington, DC 20548

December 6, 2007

The Honorable Richard Burr
Ranking Member
Committee on Veterans' Affairs
United States Senate

The Honorable Larry E. Craig
United States Senate

In fiscal year 2006, the Department of Veterans Affairs (VA) paid about \$26.5 billion in cash benefits to approximately 2.7 million veterans to compensate them for disabling medical conditions connected to injuries or illnesses incurred or aggravated during active military service. To help ensure that veterans are properly compensated for these service-connected disabilities, VA is required to perform disability reevaluations for specific disabilities. VA also performs disability reevaluations whenever it determines there is a need to verify either the continued existence or current severity of veterans' disabilities. In fiscal year 2005 the Veterans Benefits Administration (VBA) completed about 17,700 disability reevaluations. During this same time period, VBA completed about 629,000 disability compensation claims.

At your request, we reviewed VBA's disability reevaluation program. Specifically, we assessed (1) the operational controls VA uses to ensure the effectiveness of the disability reevaluation process and (2) the management information VA collects and uses to manage the disability reevaluation process. To develop the information for this report, we analyzed VBA workload and timeliness data and reviewed federal regulations on disability reevaluations, VBA's written guidance and training materials on reevaluations, and VBA's procedures for conducting reevaluations. We discussed the procedures for ensuring that reevaluations are conducted and the information used to manage the reevaluation program with headquarters and regional office officials and observed control procedures at 5 of VA's 57 regional offices. We selected these five offices based on the number of reevaluations they completed, the time it took to complete reevaluations, and geographic dispersion. For more details on our scope and methodology, see appendix I. We conducted our review from October 2006 through October 2007 in accordance with generally accepted government auditing standards.

Results in Brief

VBA's operational controls do not adequately ensure that the administration is conducting reevaluations of veterans with disabilities that are likely to change in the future; however, VA is planning to improve some of the controls. VBA claims processing software does not automatically establish or prompt regional office staff to schedule a time—known as a diary date—to determine whether a disability reevaluation should be conducted. To the extent that staff do not enter a diary date, some cases that need reevaluations may never be brought to the attention of claims processing staff. In fact, the VA Office of Inspector General has found instances where this has occurred. After a regional office is notified of a maturing diary date, staff perform a preliminary assessment of the veteran's claim file to determine if a more comprehensive reevaluation should be conducted. According to VBA guidance, if staff determine during this assessment that a reevaluation is no longer needed, the reevaluation is cancelled. For example, a reevaluation may be cancelled if a veteran reopens their claim because the disability has worsened. However, the number of cancellations and their associated reasons are not tracked or subject to quality assurance reviews. As a result, VBA does not know if reevaluations are being cancelled appropriately. Also, completed reevaluations—which represent a small proportion of regional offices' total disability compensation claims workload—are not likely to be selected for quality assurance review due to VBA's methodology for selecting cases. VBA plans on improving some of its control mechanisms through its new claims management system, the Veterans Service Network (VETSNET), including developing the ability to track cancellations. However, VBA has no plans to include in VETSNET prompts for scheduling disability reevaluations. VBA expects to complete the rollout of VETSNET for disability compensation claims in May 2008.

VBA cannot effectively manage the disability reevaluation process because some of the management data it collects are inconsistent and it does not systematically collect and analyze other key management data. While VBA does collect data on the amount of time regional offices take to conduct disability reevaluations, regional offices use different starting points for measuring timeliness. As a result, the amount of time to complete a disability reevaluation may be undercounted for some offices and overcounted for others. VBA also does not know the types of disabilities being reevaluated, the length of time before reevaluations are conducted, or if the reevaluation decisions result in an increase, decrease, or no change in VBA's assessment of the severity of the veteran's disability. Without such key management data, VBA cannot ensure that it is effectively using its resources to reevaluate those veterans with

disabilities where reevaluation is mandated or whose disabilities are likely to change, and that it is reevaluating those disabilities at the appropriate point in time.

We are recommending that VBA (1) modify its electronic claims processing system so that a rating decision cannot be completed without staff completing the diary date field, (2) modify its electronic claims processing system to ensure that a diary date is automatically generated by the system for all disabilities where a reevaluation is required by VA's Schedule for Rating Disabilities, (3) include cancelled reevaluations in its quality assurance reviews and evaluate the feasibility of periodically sampling a larger number of completed disability reevaluations for quality assurance, (4) clarify its guidance so that all regional offices use the date they are notified of a matured diary date as the starting point for measuring timeliness, and (5) collect and analyze data on the results of disability reevaluations in order to refine guidance on the selection and timing of future disability reevaluations. In its comments on a draft of this report, VA generally agreed with our conclusions and concurred with our recommendations.

Background

Through its disability compensation program, VBA pays monthly benefits to veterans for injuries or diseases incurred or aggravated while on active military duty. VBA rates such disabilities by using its Schedule for Rating Disabilities.¹ For each type of disability, the Schedule assigns a percentage rating that is intended to represent the average earning reduction a veteran with that condition would experience in civilian occupations. Veterans are assigned a single or combined (in cases of multiple disabilities) rating ranging from 0 to 100 percent, in increments of 10 percent. Basic monthly payments range from \$115 for a 10 percent disability to \$2,471 for a 100 percent disability. About 58 percent of veterans receiving disability compensation have disabilities rated at 30 percent and lower; about 9 percent have disabilities rated at 100 percent. The most common impairments for veterans who began receiving compensation in fiscal year

¹Schedule for Rating Disabilities is primarily a guide for evaluating disabilities resulting from all types of diseases and injuries encountered as a result of, or incident to, military service.

2005 were, in order, hearing impairments, diabetes, post-traumatic stress disorder, back-related injuries, and other musculoskeletal conditions.²

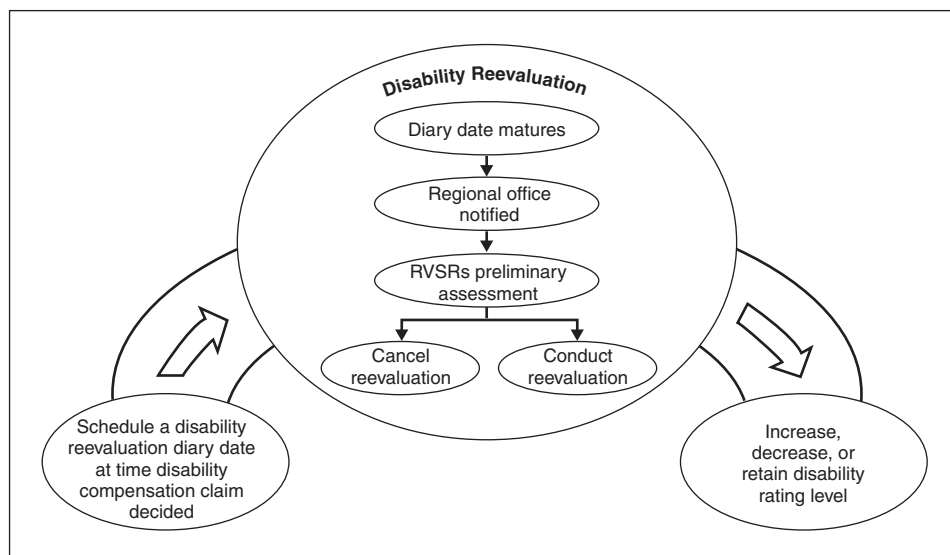
VA performs disability reevaluations for disabilities required by regulation and whenever it determines that it is likely that a disability has improved, or if evidence indicates there has been a material change in a disability or that the current rating may be incorrect. Federal regulations generally instruct VA to conduct reevaluations between 2 and 5 years after any initial or subsequent VA examination, except for disabilities where another time period is specifically mentioned in the regulations. The latter generally require a reexamination 6 or 12 months after the discontinuance of treatment or hospitalization.

The reevaluation process starts when a VBA Rating Veterans Service Representative (RVSR) completes a disability compensation claim and determines whether the veteran should be reevaluated at some time in the future. RVSRs base this decision on a number of factors. The disability reevaluation may be mandated by the Schedule for Rating Disabilities. For example, a veteran with a 100 percent disability rating due to a heart valve replacement is required to be reevaluated 6 months after discharge from the hospital. Alternatively, the RVSR may determine that the severity of the disability may change. For instance, medical evidence may suggest that a veteran with limited range of motion will be continuing physical rehabilitation and is expected to improve. To ensure that the disability is reviewed in the future, the RVSR enters a diary date into VBA's claims processing system, which later generates a reminder that the disability needs to be reviewed. When this reminder is generated, the veteran's file is retrieved and an RVSR performs a preliminary assessment of whether a reevaluation should be conducted. If the RVSR determines that a reevaluation is no longer needed, the reevaluation is cancelled. For example, staff may cancel a reevaluation when a veteran dies or if the file is already being reviewed by VBA following the veteran's claim that his disability has worsened. If the RVSR determines that a reevaluation of the disability should be conducted, the RVSR can simply review the information in the file or, if needed, collect supplemental medical information which can include the results of a physical examination. Once all of the information has been analyzed, an RVSR can make a decision to

²VA specifically identifies these conditions as tinnitus, defective hearing, diabetes mellitus, post-traumatic stress disorder, lumbosacral or cervical strain, and generalized musculoskeletal conditions.

increase, decrease, or continue the current rating. Figure 1 summarizes the disability reevaluation process.

Figure 1: Summary of VBA's Disability Reevaluation Process



Source: GAO.

VBA maintains a quality assurance review program known as the Systematic Technical Accuracy Review (STAR) program. VBA selects random samples of each regional office's disability compensation decisions and assesses the regional office's accuracy in processing and deciding such cases. For each decision, the STAR quality review unit reviews the documentation contained in the regional office's claim file to determine, among other things, whether the regional office complied with the Veterans Claims Assistance Act³ duty-to-assist requirements for obtaining relevant records, made correct service connection determinations for each claimed condition, and made correct disability rating evaluations for each condition.⁴ VBA has a fiscal year 2008 performance goal that 90 percent of compensation decisions contain no

³The Veterans Claims Assistance Act of 2000 (Pub. L. No. 106-475, Nov. 9, 2000) obligates VA to assist a claimant in obtaining evidence that is necessary to establish eligibility for the benefit being sought.

⁴Service connected disabilities are injuries or diseases incurred or aggravated while on active military duty.

errors that could affect decision outcomes; its long-term strategic goal is 98 percent.⁵ In addition to STAR, regional offices conduct their own local quality assurance reviews. The guidance for these local quality assurance reviews calls for reviewing a random sample of an average of five claims for each RVSR, per month.

VA is currently projecting that it will fully implement a new processing and benefits payment system—VETSNET, for their disability compensation process in May 2008. VA anticipates that VETSNET will be faster, more flexible, and have a higher capacity than VBA’s aging Benefits Delivery Network (BDN). For the past 40 years, BDN has been used to process compensation and pension benefits payments to veterans and their dependents each month. However, this system is based on antiquated software programs that have become increasingly difficult and costly to maintain.

VBA’s Operational Controls Do Not Ensure That Disability Reevaluations Occur, but VBA Is Planning to Update Some of Its Processes and Procedures

VBA’s operational controls do not adequately ensure that staff schedule or conduct disability reevaluations as necessary. VBA’s claims processing software does not ensure that diary dates are established. To the extent that staff do not enter diary dates, some cases that need reevaluations may never be brought to the attention of claims processing staff. As a result, some reevaluations may not be conducted. Staff can also cancel disability reevaluations and VBA does not track or review cancelled reevaluations. Thus, VBA does not have assurances that reevaluations are being cancelled appropriately. Also, completed reevaluations are not likely to receive quality assurance reviews. VBA plans on improving some of its control mechanisms through its new claims management system, VETSNET. However, VETSNET will not address all of the issues we found regarding VBA’s operational controls.

Controls Do Not Ensure Staff Schedule or Conduct Disability Reevaluations

VBA operational controls do not ensure that cases that should be reevaluated are scheduled for disability reevaluations. VA’s regulations require VBA to schedule disability reevaluations either when VBA determines that a veteran’s disability is likely to change or when mandated by the Schedule for Rating Disabilities. For cases where VA determines

⁵Department of Veterans Affairs FY 2008 Budget Submission, National Cemetery Administration, Benefits Programs, and Departmental Administration, Volume 2 of 4, February 2007.

that a disability is likely to change, VBA staff must manually enter diary dates into VBA's claims processing system in order to ensure that a reminder is generated. The diary date is the only VBA procedural trigger that alerts regional offices that a claim needs to be reviewed. However, claims processing staff can complete a rating decision on a disability claim without entering a reevaluation diary date. To the extent that staff do not enter a diary date, a case that needs to be reevaluated may never be brought to the attention of claims processing staff. As a result, the case will likely not be reevaluated.⁶ The VA Office of Inspector General has found some instances where this has occurred.⁷ For example, during a review at the Little Rock, Arkansas regional office, the VA IG found that staff failed to enter required dates for 10 of 41 cases sampled at that office.

VBA's electronic claims processing system also does not automatically set up diary dates for all disabilities where a reevaluation is mandated by VA's Schedule for Rating Disabilities. According to VA, there are 31 disabilities where reevaluations are required by the Schedule. VBA has automated diary dates for 14 of these disabilities. As a result, staff must manually enter diary dates into the system for the remaining 17 disabilities. VBA does not currently have a plan for expanding its automated diary date protocol to include all disabilities where reevaluations are mandatory. VBA officials said that their first priority is to ensure VETSNET is operational and their conversion plan is completed.

Once diary dates have been entered by RVSRs into the claims processing system, the dates are transferred to VBA's centralized data processing center in Hines, Illinois. When the diary dates mature, the data processing center prints and mails out paper notices to VBA's regional offices alerting them that reevaluations are needed. However, once the centralized data processing center prints out these notifications, the diary dates are erased from the centralized computer system. In addition, VBA does not track which disability cases were identified for reevaluation. Since the notices are single pieces of paper, they could be lost or misplaced. If this occurs, these disability reevaluations would likely be delayed or not performed at all. VBA is planning on improving its ability to track reevaluations.

⁶VBA claims processing staff explained to us that a claim could be reevaluated if a veteran submits a claim to increase the benefit for a current disability or claim a new disability.

⁷VA Office of Inspector General, *Combined Assessment Program Review of the VA Regional Office Little Rock, Arkansas*, Report No. 04-03331-91 (Washington, D.C.: Feb. 25, 2005).

According to VBA officials, VETSNET will eliminate the paper notification of a matured diary date. Instead, once a disability reevaluation diary date matures, VETSNET will automatically create an electronic record, which can be tracked. Although VA plans on processing all disability compensation claims using VETSNET by May 2008, VBA officials told us that the automatically created electronic record would not be included. These officials were unable to provide us with a timetable for when such a control system would be rolled out.

Some Disability Reevaluations Not Tracked or Reviewed

Once the regional office receives the paper notice that a reevaluation is due, staff perform a preliminary assessment of the veteran's claim file to determine if more comprehensive reevaluation should be conducted. If staff determine during this preliminary assessment that a reevaluation is no longer needed, they can cancel the reevaluation. Regional office staff noted several reasons for canceling reevaluations, such as when a veteran dies. Additionally, a reevaluation would be cancelled if the veteran reopens their claim because the disability has worsened. However, VBA does not track the number or reasons for cancellations. Also, cancelled reevaluations are not subject to quality assurance reviews. VBA plans on improving its ability to track cancellations using VETSNET. According to VBA officials, when VETSNET is fully implemented for disability compensation claims in May 2008, VBA will be able to track the number and reasons for cancelled disability reevaluations.

While completed disability reevaluations are subject to quality assurance review, very few are likely to be reviewed. Disability reevaluations represent a small portion of the total disability claims workload that VBA reviews for quality. For example, reevaluations represented about 2 percent of the total number of disability claims decisions completed in fiscal year 2005. Since VBA randomly selects claims for review from the total number of disability decisions, it is not likely that VBA will review many reevaluations. Similarly, each regional office's quality assurance review would not likely select many reevaluation claims. Specifically, the local quality assurance guidance calls for reviewing a random selection of an average of five claims for each RVSR per month. Disability reevaluations are part of the sample, but since they are a small portion of the total caseload, they have a low likelihood of being selected. Some of the regional office quality assurance review staff we spoke with reported that in the course of a month, they may only see a handful of disability reevaluation claims. Thus, VBA may not have a sufficient handle on the accuracy and consistency of these reevaluations agencywide.

VBA Lacks Adequate Program Information to Effectively Manage the Disability Reevaluation Process

VBA cannot effectively manage the disability reevaluation process because some of the data it collects are not consistent and it does not systematically collect and analyze key management data. While VBA collects data on the amount of time regional offices take to conduct disability reevaluations, these data are not reliable. Also, VBA does not know the number of reevaluation diary dates that mature in a year or the types of disabilities being reevaluated, the length of time before reevaluations are conducted, or if the reevaluation decisions result in an increase, decrease, or no change in the severity of veterans' disabilities. VBA's electronic system is unable to capture the entire amount of time it takes to complete a disability reevaluation and VBA does not currently collect and analyze outcome data.

Timeliness Data Are Inconsistent

VBA's disability reevaluation timeliness data are inconsistent because regional offices use different starting points for measuring how long it takes to complete reevaluations. For example, staff at one regional office told us they start measuring the length of time to complete disability reevaluations from the date that VBA's centralized data processing center in Hines, Illinois, prints the paper notifications. Since the paper notifications are mailed from Hines to the regional office, several days can pass before the regional office receives the paper notifications. As a result, the actual time it takes this office to complete disability reevaluations would be overcounted. Other regional offices we visited indicated that measuring timeliness is not started until the date that staff review the claims file and determine that a reevaluation should proceed. Staff at one regional office we visited stated that it takes about 10 days for the claim to reach the desk of staff who perform the review. Since this review may not always take place as soon as the office receives the notification, the actual time it takes to complete disability reevaluations for these offices would be undercounted.

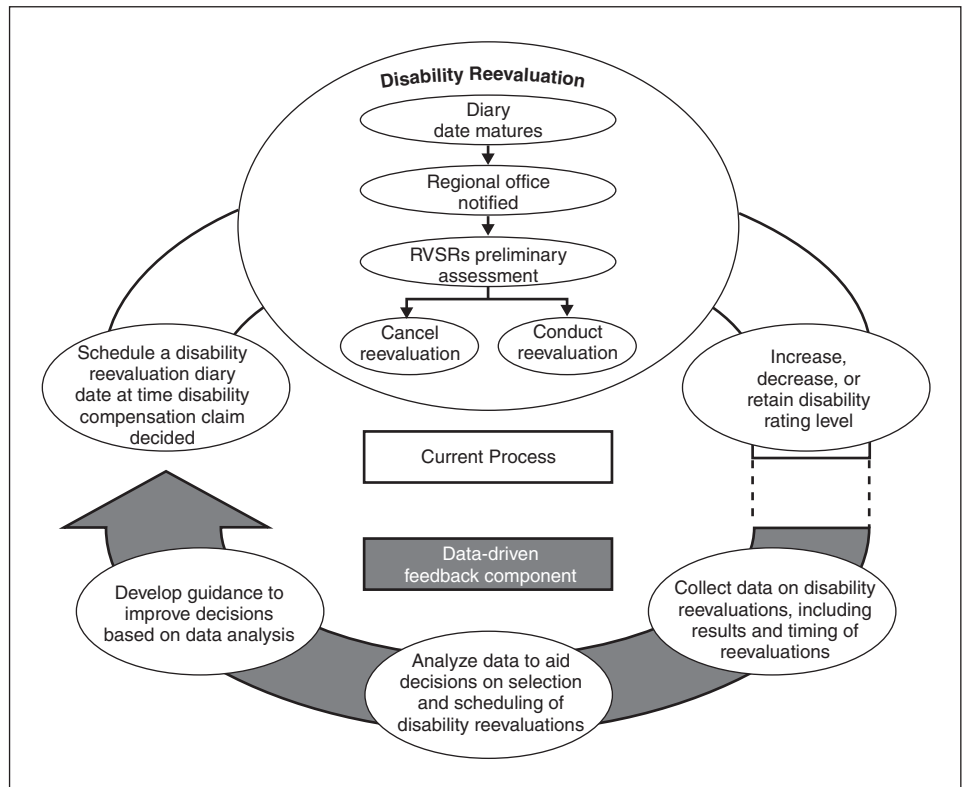
VBA Does Not Collect Key Disability Reevaluation Management Data

VBA does not collect and analyze key management data on disability reevaluations. Thus, VBA does not have a firm grasp on its performance in handling claims that are due for a reevaluation. That is, while VA collects data on the number of reevaluations that it completes, it does not compare this information to the number of claims that were initially scheduled for a reevaluation. Therefore, VA does not know if it is performing well in completing the claims scheduled for review. By not tracking this information, VA does not have a clear sense of the extent to which

reevaluations are being cancelled (as noted) or whether some reevaluations are simply never started.

According to VBA officials, VBA also does not collect data on the types of disabilities being reevaluated and how far in the future reevaluations are scheduled. Also according to VBA officials, VBA does not collect data on the outcomes of reevaluations and, as a result, does not have the benefit of historical results data that could be used to calibrate its decisions on which disabilities are likely to change and thus should be a higher priority for reevaluation. Regional office staff stated that such information on the disability reevaluation process could be useful in aiding their daily decision making on which disabilities to reevaluate and when to schedule them. Having such historical data could also aid VBA in workload management decisions. For example, in January 2002, as a temporary effort to free up staff for processing its backlog of disability compensation and pension claims, VBA postponed most of their currently scheduled reevaluations for 2 years. VBA made this decision without historical data on the extent to which reevaluations affect the benefit levels of disabilities and lost an opportunity to target only those cases likely to result in a change in status. As such, VBA did not know the potential number of veterans it could be over- or under-compensating for the 2 years the reevaluations were postponed. If VBA had a better data-driven feedback component, it could have avoided wholesale postponement of reviews for 2 years. Figure 2 summarizes the disability reevaluation process with an added data-driven feedback loop.

Figure 2: VBA Disability Reevaluation Process with an Added Data Driven Feedback Component



Source: GAO.

Conclusions

It is important that veterans have confidence in the system designed to compensate them for their service-connected disabilities and that taxpayers have faith in VBA's stewardship of the disability compensation program. Inadequate management controls could result in some veterans being under-compensated for conditions that have worsened or over-compensated for conditions that have improved. VBA is improving some of its operational controls over reevaluations. For example, through its VETSNET system VBA plans to track the number and reasons for cancellations. However, without a system to remind staff to schedule disability reevaluation diary dates or a system that automatically schedules diary dates for all claims that require reevaluation, staff could inadvertently fail to enter diary dates, and reevaluations may not be scheduled and performed as needed. Meanwhile, measuring regional office

performance requires reliable performance data. VBA cannot adequately measure how long it actually takes regional offices to complete disability reevaluations since offices use different starting points for measuring timeliness. For offices that start measuring their timeliness after the claim review has been started, the measurement can result in undercounting the total amount of time to complete a disability reevaluation. Also, without reliable performance data, VBA cannot accurately evaluate regional office timeliness or compare regional offices' performance. Therefore, VBA cannot reward good performance and take actions to improve lagging performance. In addition, without data on the results of reevaluations, VBA cannot ensure that it is prioritizing its resources to reevaluate those veterans whose disabilities are likely to change, and that it is reevaluating those disabilities at the appropriate point in time. Moving in this direction becomes increasingly more important given Operation Enduring Freedom and Operation Iraqi Freedom. Outcome data on the reevaluation process could be used to target certain disabilities in the future. For example, if VBA found that reevaluating a certain disability never resulted in a change in the rating level, then it could consider not reevaluating that disability in the future. In addition, data on the timing of reevaluations could also be used strategically to refine when disabilities are reevaluated. For example, some regional offices may be scheduling reevaluations for 2 years into the future for a particular disability, whereas other regional offices may be using a 3-year time period. This information could be combined with the outcomes of such reevaluations to refine guidance and training on scheduling reevaluations.

Recommendations

We recommend that the Secretary of the Department of Veterans Affairs direct the Under Secretary for Benefits to take the following five actions to enhance VBA's disability reevaluation process:

- VA should modify its electronic claims processing system so that a rating decision cannot be completed without staff completing the diary date field.
- VA should modify its electronic claims processing system to ensure that a diary date is automatically generated by the system for all disabilities where a reevaluation is required by VA's Schedule for Rating Disabilities.
- VBA should include cancelled reevaluations in its quality assurance reviews and should evaluate the feasibility of periodically sampling a

larger number of completed disability reevaluations for quality assurance review.

- VBA should clarify its guidance so that all regional offices consistently use the date they are notified of a matured diary date as the starting point for measuring timeliness.
- VBA should develop a plan to collect and analyze data on the results of disability reevaluations. To the extent necessary, this information could be used to refine guidance on the selection and timing of future disability reevaluations.

Agency Comments

In its written comments on a draft of this report (see app. II), VA generally agreed with our conclusions and concurred with our recommendations.

As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution until two weeks after the date of this report. At that time, we will send copies of this report to the Secretary of Veterans Affairs, appropriate congressional committees, and other interested parties. The report will also be available at GAO's Web site at <http://www.gao.gov>.

If you or your staff have any questions regarding this report, please call me at (202) 512-7215. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Other contacts and staff acknowledgements are listed in appendix III.



Daniel Bertoni
Director, Education, Workforce,
and Income Security Issues

Appendix I: Scope and Methodology

To develop the information for this report, we analyzed Veterans Benefits Administration (VBA) workload and timeliness data on disability reevaluations. We found that VBA workload reports, which detail the length of time it takes regional offices to complete disability reevaluations are not reliable, since VBA guidance allows regional offices the ability to begin measuring when disability reevaluations begin at different points in time. Because VBA does not routinely collect and analyze data on the time allowed prior to reevaluating disabilities or the results of reevaluations, we requested a VBA analysis of claims-level data. In November 2006, VBA agreed to develop a one-time analysis of reevaluations completed in 2006. However, because of difficulties in developing the data VBA was unable to provide the analysis in time for us to incorporate the results into this report. We also reviewed federal regulations on disability reevaluations, VBA's written guidance and training materials on reevaluations, and VBA's procedures for conducting reevaluations. We discussed the procedures for ensuring that reevaluations are conducted and the information used to manage the reevaluation program with VBA headquarters and regional office officials and observed control procedures at 5 of VBA's 57 regional offices. Specifically, we visited VA's regional offices in Chicago, Illinois; Columbia, South Carolina; Muskogee, Oklahoma; Nashville, Tennessee; and Seattle, Washington. We selected the Columbia, Muskogee, and Nashville regional offices based on fiscal year 2005 VBA data that showed they completed reevaluations faster than the national average. Chicago and Seattle took longer than the national average. All five offices also completed a greater than average number of reevaluations. We also selected these five offices based on their geographic dispersion. During our site visits, we toured the regional office's facilities and interviewed regional office management, 30 staff involved in regional office claims processing, 6 staff tasked with quality assurance, and other staff. We did not perform a case file review during our visits. The VA Office of Inspector General had performed a limited case file review and found that in some instances reevaluations were not scheduled where required. We built on the Inspector General's work by looking at VBA's processes for ensuring that reevaluations are scheduled when required.

Appendix II: Comments from the Department of Veterans Affairs



THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

November 26, 2007

Mr. Daniel Bertoni
Director, Education, Workforce and Income Security
U. S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Bertoni:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office's (GAO) draft report, ***VETERANS' BENEFITS: Improved Operational Controls and Management Data Would Enhance VBA's Disability Reevaluation Process*** (GAO-08-75) and generally agrees with GAO's conclusions and concurs with GAO's recommendations.

The enclosure specifically addresses each of GAO's recommendations and provides comments to the draft report. VA appreciates the opportunity to comment on your draft report.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Gordon H. Mansfield".

Gordon H. Mansfield
Acting

Enclosure

Enclosure

Department of Veterans Affairs (VA) Comments to
Government Accountability Office (GAO) Draft Report
***VETERANS' BENEFITS: Improved Operational Controls and Management
Data Would Enhance VBA's Disability Reevaluation Process***
(GAO-08-75)

To enhance VBA's disability reevaluation process, GAO recommends that the Secretary of Veterans Affairs direct the Under Secretary for Benefits to take the following actions:

- VA should modify its electronic claims processing system so that a rating decision cannot be completed without staff completing the diary date field.

Concur - Rating Veterans Service Representatives (RVSR) determine whether a disability is static. VA will change Rating Board Automation (RBA) 2000 programming to provide an edit to require a "yes or no" decision about reexamination. Programming to accomplish this change will be scheduled at a future date to avoid any diversion of resources currently devoted to VETSNET implementation.

- VA should modify its electronic claims processing system to ensure that a diary date is automatically generated by the system for all disabilities where a reevaluation is required by VA's Schedule for Rating Disabilities.

Concur - Determining the need for reevaluation is based on the facts and circumstances of each individual claim. VA will assess the technical feasibility of this recommendation. Programming to accomplish this change will be scheduled at a future date to avoid any diversion of resources currently devoted to VETSNET implementation.

- VBA should include cancelled reevaluations in its quality assurance reviews and should evaluate the feasibility of periodically sampling a larger number of completed disability reevaluations for quality assurance review.

Concur - Quality assurance review selection criteria will be modified to include cancelled requests for disability reexaminations. A larger proportion of reevaluations are being selected for review. A total of 38,899 reevaluations were completed during fiscal year 2007, accounting for 4.72 percent of the rating workload. Quality assurance reviews were conducted on 485 reevaluation cases, which represent 7.7 percent of the total quality assurance reviews.

Enclosure

Department of Veterans Affairs (VA) Comments to
Government Accountability Office (GAO) Draft Report
**VETERANS' BENEFITS: Improved Operational Controls and Management
Data Would Enhance VBA's Disability Reevaluation Process**
(GAO-08-75)
(Continued)

- **VBA should clarify its guidance so that all regional offices consistently use the date they are notified of a matured diary date as the starting point for measuring timeliness.**

Concur - Using the date printed on the system-generated exam request as the starting date to measure how long it takes to complete reevaluations would provide consistency in timeliness measurements. VA will clarify its guidance to the regional offices to ensure consistency.

- **VBA should develop a plan to collect and analyze data on the results of disability reevaluations. To the extent necessary, this information could be used to refine guidance on the selection and timing of future disability reevaluations.**

Concur - A one-time review will be conducted. Data involving end products will be matched against reevaluation requests and results analyzed to determine if guidance for scheduling disability reevaluations needs to be refined.

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Daniel Bertoni, Director (202) 512-7215

Staff Acknowledgments

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