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# Highlights

Highlights of [GAO-06-283T](#), a statement for the record to the Committee on Veterans' Affairs, U.S. House of Representatives

## Why GAO Did This Study

The Chairman, Committee on Veterans' Affairs, U.S. House of Representatives, asked GAO to report on the claims processing challenges and opportunities facing the Department of Veterans Affairs (VA) disability compensation and pension program. For years, the claims process has been the subject of concern and attention within VA and by the Congress and veterans service organizations. Their concerns include long waits for decisions, large claims backlogs, and inaccurate decisions.

Our work and media reports of significant discrepancies in average disability payments from state to state have also highlighted concerns over the consistency of decision making within VA. In January 2003, we designated federal disability programs, including VA's compensation and pension programs, as a high-risk area because of continuing challenges to improving the timeliness and consistency of its disability decisions and the need to modernize programs. VA's outdated disability determination process does not reflect a current view of the relationship between impairments and work capacity. Advances in medicine and technology have allowed some individuals with disabilities to live more independently and work more effectively.

[www.gao.gov/cgi-bin/getrpt?GAO-06-283T](http://www.gao.gov/cgi-bin/getrpt?GAO-06-283T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Cynthia A. Bascetta at (202) 512-7215 or [bascettac@gao.gov](mailto:bascettac@gao.gov).

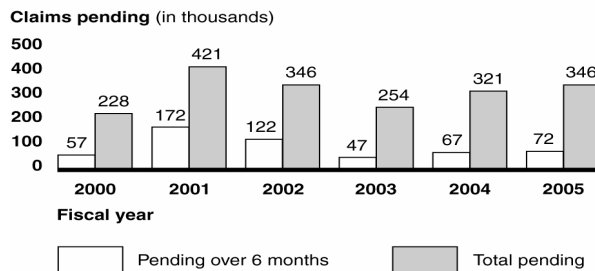
# VETERANS' DISABILITY BENEFITS

## Claims Processing Challenges and Opportunities for Improvements

### What GAO Found

The Department of Veterans Affairs continues to experience challenges processing veterans' disability compensation and pension claims including large numbers of pending claims and lengthy processing times. While VA made progress in fiscal years 2002 and 2003 reducing the size and age of its inventory of pending claims, it has lost ground since the end of fiscal year 2003. For example, pending claims increased by over one-third from the end of fiscal year 2003 to the end of fiscal year 2005. Meanwhile, VA faces continuing questions about its ability to ensure that veterans get consistent decisions across its 57 regional offices. GAO recommended in August 2002 that VA study the consistency of decisions made by different regional offices, identify acceptable levels of decision-making variation, and reduce variations found to be unacceptable. Several factors may impede VA's ability to significantly improve its claims processing performance. These include the potential impacts of laws, court decisions, and increases in the number and complexity of claims received.

#### Rating-Related Claims Pending at End of Period, Fiscal Years 2000-2005



Source: VA data.

Opportunities for improvement may lie in more fundamental reform in the design and operation of disability compensation and pension claims programs. This would include reexamining program design and the context in which decisions are made as well as the structure and division of labor among field offices. For example, in recent years, GAO has found that VA and other federal disability programs have not been updated to reflect the current state of science, medicine, technology, and labor market conditions. The schedule on which disability decisions are made within VA, for example, is based primarily on estimates made in 1945 about the effect service-connected impairments have on the average individual's ability to perform jobs requiring manual or physical labor. In addition, our work has shown that about one-third of newly compensated veterans could be interested in receiving a lump sum payment, potentially saving VA time and money associated with reopening cases over time. In addition, VA and other organizations have identified potential changes to field operations that could enhance productivity and accuracy in processing disability claims. While reexamining claims processing challenges in a larger context may be daunting, there are mechanisms for undertaking such an effort, including the congressionally chartered commission currently studying veterans' disability benefits.