



Highlights of GAO-05-749T, a testimony to Committee on Veterans' Affairs, U.S. Senate

Why GAO Did This Study

The Chairman, Committee on Veterans' Affairs, U.S. Senate, asked GAO to testify on the current state of VA's disability claims process and factors that may impede VA's ability to improve performance. For years, the claims process has been the subject of concern and attention within VA and by the Congress and veterans service organizations. Many of their concerns have focused on long waits for decisions, large claims backlogs, and the accuracy of decisions.

Our work and recent 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, GAO 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

www.gao.gov/cgi-bin/getrpt?GAO-05-749T.

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.

VETERANS' DISABILITY BENEFITS

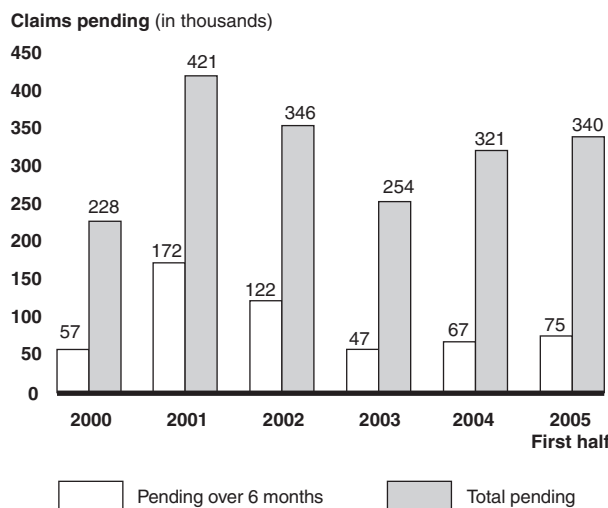
Claims Processing Problems Persist and Major Performance Improvements May Be Difficult

What GAO Found

The Department of Veterans Affairs (VA) continues to experience problems processing veterans' disability compensation and pension claims. These include large numbers of pending claims and lengthy processing times. While VA made progress in fiscal years 2002 and 2003 in reducing the size and age of its inventory of pending claims, it has lost some ground since the end of fiscal year 2003. For example, pending claims increased by about one-third from the end of fiscal year 2003 to the end of March 2005. Meanwhile, VA faces continuing questions about its ability to ensure that veterans get consistent decisions across its 57 regional offices. GAO has highlighted the need for VA to study the consistency of decisions made by different regional offices, identify acceptable levels of decision-making variation, and reduce variations found to be unacceptable. Also, reacting to media reports of wide variations in average disability benefit payments from state to state, the Secretary of Veterans Affairs instructed VA's Inspector General in December 2004 to determine why these variations were occurring.

Several factors may impede VA's ability to make significant improvements in its disability claims processing performance. Recent history has shown that VA's workload and performance is affected by factors such as the impacts of laws and court decisions affecting veterans' benefit entitlement and the claims process, and the filing behavior of veterans. These factors have affected the number of claims VA received and decided. Also, to achieve its claims processing performance goals in the face of increasing workloads without significant staffing increases, VA would have to rely on productivity improvements. GAO believes that fundamental reform might be necessary to achieve more dramatic gains in performance.

Rating-Related Claims Pending at End of Period, Fiscal Year 2000 through March 2005



Source: VA data.