

Hurry Up And Wait

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The frustratingly slow veterans benefits process appears impervious to change.

Soldiers, Marines, sailors and airmen are accustomed to, say, mustering at 0600 hours for a convoy that doesn't end up leaving until 1300 hours. "Hurry up and wait" is a way of life in the military.

The waiting continues even after discharge for those who must apply for disability benefits from the Veterans Benefits Administration. Despite the best efforts of Daniel Cooper, VBA's current chief, and of all those who came before him, waiting months - and sometimes years - to get claims approved and money flowing is one more intractable fact of life for those who have served. Cooper is trying to wring efficiency from the agency's 8,000 employees. A special commission is plugging away on a massive study of the claims process. And veterans' advocates are clamoring for more staff and other changes that could make things better. All of it has taken on renewed urgency in light of Congress members' sudden interest in veterans issues after The Washington Post revealed in February the neglectful conditions for outpatient service members at Walter Reed Army Medical Center in Washington.

But VBA administrators and commissions come and go, and congressional attention fades, a point dramatized on April 12 by Sen. Larry Craig, R-Idaho, the ranking member on the Senate Veterans Affairs Committee. "Five decades ago, a commission chaired by Gen. Omar Bradley, yes, let me repeat that, Gen. Omar Bradley, found that the military program overlaps the system of disability compensation administered by the VA and recommended eliminating duplication of administrative functions," Craig said. "Fifty years ago and 10 administrations ago. . . . There are still concerns."

SYSTEM OVERLOAD

VBA issues monthly checks worth more than \$24 billion annually to more than 2.7 million veterans. The size of a check depends on the severity of a veteran's injuries or illness, with the basic benefit ranging from \$115 to \$2,471 a month. To receive benefits, veterans first must submit claims to VBA showing that they are disabled and their disabilities are related to military service.

It's akin to the workers' compensation program in that the amount of compensation is determined by a schedule that weighs the effect of a disability against potential earnings. But unlike workers' compensation, veterans' disability payments are available even if veterans' injuries or illnesses don't prevent them from working. In addition, there is no deadline for filing a claim - a World War II veteran could file a new claim this year for an illness related to exposure to mustard gas.

Nearly a third of beneficiaries receive the lowest basic monthly benefit, \$115, for relatively minor injuries. One in 10 receives the highest basic benefit, \$2,471, for severe and multiple injuries, such as loss of use of both legs.

In 2006, VBA's employees decided 774,000 claims. But new claims outstripped their efforts. Veterans filed more than 800,000 claims on top of a backlog of more than 600,000 at the start of the year, leaving a backlog of 600,000 by the end of the year. On average, it took 177 days - nearly six months - for VBA to process a claim. Half of veterans who file for disability wait longer than that to get a decision on their claims - some much longer. Rick Weidman, director of government relations with the Vietnam Veterans of America in Silver Spring, Md., says 177 days is the mean. He asked VBA for the median, which turned out to be 154 days. "If the mean is higher than the median, what does that tell you?" Weidman asks. "That tells you that the outliers on the upper end are way the heck out there."

Short staffing is the most obvious reason for the lengthy wait for benefits. Each VBA employee handles 100 claims a year on average. One solution to the backlog would be to increase the number of claims processors. VBA plans to hire 400 additional people by June, enabling the agency to handle another 40,000 claims a year.

VBA will need the extra help, since it expects 800,000 new claims will be filed in each of the next two years. And the actual numbers could be higher since the agency has a habit of underestimating. In addition, court decisions and legislation could force the reopening of old claims. A pending court case, for example, could force review of hundreds of thousands of Vietnam-era Navy veterans' claims.

Assuming 800,000 claims a year, simple math suggests that even with 8,400 employees, VBA still will wind up with big backlogs for years to come. That's especially true because it takes time to train new employees and get them up to full working speed. "Even if they hired triple that amount, it would help the backlog, but it would not clear up," says Alma Lee, president of the Veterans Affairs affiliate of the American Federation of Government Employees. "It's a little bit too little too late."

SQUEEZING OUT EFFICIENCY

Another way to reduce the backlog is to increase the number of claims employees handle annually. That has turned out to be a lot easier said than done. Just ask Cooper, who has headed VBA for the past five years. Before taking the helm, he oversaw a commission on improving the VBA claims process. He observed efforts to shift from an assembly-line claims processing system in which many employees handled claims during different phases of the process, to a case management system in which one employee is largely responsible for a claim from start to finish. Cooper's predecessor, Joe Thompson - a former regional office manager - was the prime proponent of case management. Some current and former managers think the case management system would have reduced the backlog over the long term. They believed that seeing their work through to the end would motivate employees to take ownership of claims, increase accuracy so claims decisions would be less frequently appealed or reopened, and make veterans happier because they would deal with only one person.

Others, including Cooper, found case management disruptive and slow. Regional offices - there are 57 - implemented the process differently, leading to inconsistent claims decisions, Cooper says. He switched back to the assembly-line system, which he dubbed the claims processing improvement initiative. Cooper says it's easier to train new employees in phases of the process rather than the whole thing, and it's easier to make changes when court cases or legislation affect claims decisions because only a portion of the workforce, rather than all of it, needs retraining. "It gave us a consistent organization," says Cooper, who looks and sounds every bit the retired vice admiral, former submarine commander and 33-year veteran of the Navy that he is.

Cooper says case management still is used for seriously wounded veterans whose benefit

applications are handled from start to finish by the most highly trained claims processors. He consolidated the handling of some types of claims - those for veterans over age 70 and those exposed to radiation, for example. And he requires regional offices to stamp "Top Priority" on the claims of Iraq and Afghanistan veterans, thus pushing them to the top of the pile.

A former VBA executive who favors case management says the specialization Cooper established for certain types of claims has been a positive change. Nevertheless, the executive questions the value of Cooper's improvement initiative. "That system has been in place for about five years," the executive says. "But it has not solved the backlog."

Of course, switching back to case management would require additional retraining of employees at the same time they are under the gun to reduce the backlog. Cooper says the backlog rose for a variety of reasons, the most obvious an increase in claims. In addition, the 2000 Veterans Claims Assistance Act mandated new steps in the claims process and calls for lengthy notices to be sent to veterans at a couple points, each requiring 30 or 60 days to elapse before the claim can move forward. The law sought to encourage VBA to help veterans gather the evidence necessary to adjudicate their claims. Cooper says VBA's effort to reach out to service members as they get ready to leave the military has netted even more claims. That outreach helps explain why one in four - 150,000 of 560,000 - Iraq and Afghanistan veterans have filed disability claims. Younger veterans also are more likely to claim multiple disabilities, each of which has to be considered.

Weidman, the Vietnam veterans' advocate, says VBA could work with veterans organizations - many of which help vets file claims - to standardize the application process so each claim is fully developed when VBA starts reviewing it. "If you concentrate on making the claims accurately adjudicable at the first step, then you will eliminate the backlog," Weidman says. Patrick Campbell, legislative director with Iraq and Afghanistan Veterans of America in New York, calls for more help early. "Their first introduction into the VA is 'Fill out this form in triplicate, and you're going to have to fill out this form again, so just assume you're not going to get it right the first time,'" Campbell says.

Nearly all advocates, along with Cooper and former and current managers, back an electronic claims system. Much time is wasted today tracking down documents and moving them among offices. But after more than a decade of work and an endless series of management changes, VBA has been unable to get a paperless system up and running. A key problem is that Defense Department military records are not paperless, and VBA and veterans spend much time tracking down Defense records. Another problem is continuous change in the rules, laws and legal precedent governing claims. VBA executives are forced to focus on the latest changes, to the detriment of long-term improvements such as electronic claims. "The VBA has been traditionally a reactive organization," says the former executive.

Agency changes that don't include adding employees will have limited effect on the backlog, according to Cooper. "We can do managerial things and we can come up with whiz-bang ideas that will help around the edges," he says. "But the fact is you cannot expect to make much progress as far as beating this thing down unless we in fact get more people."

DRASTIC MEASURES

VBA's goal is to get the average wait for claims approvals down to 145 days, which still leaves veterans hanging for nearly five months. That's not good enough for many members of Congress, including Rep. John Hall, D-N.Y., chairman of the House Veterans Affairs Disability Assistance Subcommittee. "Adding staff helps," he says. "But you're still looking at a delay that's really unconscionable. I'd be in favor of taking drastic action. I don't want to move up slowly. I definitely want to add more claims processors, but I also want to change the process for returning

vets."

Hall likes an idea promoted by Linda Bilmes, a lecturer at Harvard University's John F. Kennedy School of Government who has studied the VBA system. "Eighty-eight percent of all claims are eventually granted," Hall says. "So you'd probably save money by just granting all of them and doing selective audits."

Such ideas are under consideration by the Veterans Disability Benefits Commission in Washington, created by Congress in 2003 and slated to issue recommendations as early as October. The commission is seeking efficiencies everywhere, from making VBA a more modern workplace to convincing Defense and VBA to develop an easier path for soldiers into the veterans system. "It's like a yellow brick road process from the time they get wounded," said Jon Soltz, an Iraq veteran and advocate with political action committee VoteVets.org. "I don't think you can look at the VA without looking at DoD."

Of course, the Defense Department is a collection of services - Army, Navy, Marines and Air Force - and making changes to a complex set of systems is no easy task. "DoD itself is a system of internal systems under a broad umbrella," Deputy Secretary Defense Gordon England noted to Craig at the April 12 hearing. "Then, the Department of Veterans Affairs is another system, and then the DoD and the VA are linked by the all-important transition system. Now, for an individual service member looking in from the outside, the division of roles and responsibilities [is] far less important. We should look at this from the service member's view looking in, and they should see a completely transparent system."

Indeed, the commission sponsored a study of private insurance firms, the federal workers' compensation system and the Social Security disability program, to identify best practices that could be applied to VBA. But the study concluded that VBA's responsibilities are too complex and too unique to benefit from simply copying outside management practices.

Given the people it has and the workload it faces, VBA is doing the best it can, Cooper says. He notes that once a claim is granted, benefits are awarded retro-actively back to the application date. But, he says, if members of Congress or anyone else knows a veteran who is seriously ill or injured and waiting too long for benefits, they should call him.

But doesn't everyone want quicker processing? Doesn't everyone want to be at the head of the line? "You broke the code," he replies.

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