

Testimony of
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Mr. Chairman and members of the Subcommittee, I have been invited to attend today's hearing to discuss the current situation and future challenges of the Compensation and Pension program at the Indianapolis VA Regional Office. The managers and line employees at the Regional Office are dedicated to providing world-class service to Indiana's veterans and their dependents.

The Indianapolis VA Regional Office is located in the Minton-Capehart Federal Building, where the majority of our employees are based. In addition to that location, we have outbased employees providing services, either itinerant or full time, at the VA Medical Centers in Indianapolis, Marion, and Fort Wayne. We

also provide counseling assistance at the Hoosier Veterans Assistance Foundation in Indianapolis (HVAF), which offers services to homeless and indigent veterans and their families. We have established a full-time outbased employee presence at the HVAF. Our Assistant Director, Jack McCoy, is on the Foundation's Board of Directors, in a volunteer capacity. The Foundation currently occupies a VA-owned property and we are working closely with them to obtain a funding grant so that they may be able to purchase said property for a permanent base of operations. Collocated at the Regional Office are: the staff's of the Indiana Regional Counsel's office; the newly established Memorial Service Network office for the Midwest region; and service organization representatives of the Disabled American Veterans, American Legion, Veterans of Foreign Wars, AMVETS, Military Order of the Purple Heart, and Paralyzed Veterans of America.

The Regional Office is charged with providing service to the entire state of Indiana. There are approximately 573,000 veterans living in Indiana. We are currently paying benefits, in active claims, to about 52,000 veterans and dependents living in Indiana. Of this number, approximately 38,000 are claimants receiving benefits for service-connected disabilities. We are paying out over \$26.5 million per month, with an annual benefits outlay of approximately \$318 million. Our Service Center makes over 30,000 decisions on claims per year, conducts over 14,500 personal interviews per year, and handles about 104,000 telephone inquiries per year. During the past year we have established over 31,659 claims, either new or reopened. Of these, 720 were due to changes in law regarding claims for presumptive service connection of diabetes due to

herbicide exposure for Vietnam Veterans and 900 due to new legislation regarding VA's duty to assist veterans in the development of their claims. Our current pending workload is at 6,900.

The VARO has been adequately funded for the past two years in support of our employment, travel, and other needs. We have an annual budget of over \$8.7 million. In addition, in FY 2001, we utilized \$1.3 million to provide contract counseling services in the state through our Vocational Rehabilitation and Employment Services.

To deal with our increased pending workload we have adopted a number of suggestions proposed by the Veterans Benefits Administration's (VBA's) Office of Field Operations. These include: a slowdown on the activation of VBA's Rating Board Automation (RBA) 2000 initiative, a software program that assists in rating preparation (all new Rating Specialists utilize RBA 2000 in all their cases; however, long-time Rating Specialists may use regular RBA for cases that are not already established in RBA 2000); some specialization (we are using newer Veteran Services Representatives (VSR's) to answer telephone inquiries and we have continued our efforts to have a team specialize in processing appeals); we are authorizing overtime for our decision makers to work each weekend; we are authorizing employees to cancel leave plans and have their excess leave balances carried forward at the end of the year; and our Decision Review Officers are participating in rating cases in addition to their appellate work, especially on authorized overtime. We have recently hired a number of new trainee Rating Veteran Service Representative's (RVSR's) and VSR's who

are utilizing their new knowledge to assist in controlling and developing cases, especially in inputting information to our inventory management system. In addition, we are working closely with our local service organization representatives to fully utilize our case management activities that allow telephone development and follow up in acquiring needed information from veterans to continue processing of their claims.

We are proud of our Balanced Scorecard accomplishments for this year. The Balanced Scorecard is a method by which VBA measures outcomes in five broad categories: Speed; Accuracy; Unit Cost; Customer Satisfaction; and Employee Development and Satisfaction. Within each broad category are specific functions or actions used to measure station performance. Outcomes in each category continue to equal or exceed the national averages for the current fiscal year through the end of July. In Rating Related end products completed we are at 155.2 days, as compared to the national average of 176.5 days. Our Rating Related pending workload is at 133.2 days, in comparison to the national average of 172.3 days. In Non-Rating Related end products completed, our average number of days to complete is 27.2 days, compared to the national average of 50.9 days, and our pending workload is at 74.6 days compared to the national average of 114.3 days. Our appeals resolution time continues to be one of the best in the nation at 462 days, compared to the national average of 597.4 days. Our quality scores, which are accumulated by VBA's Service Delivery Network (SDN), almost mirror the national scores. We have a score of 71.6 in Rating work, which is exactly the same as the national score. In Authorization,

our score is 57.2, versus a national score of 59.1 percent. In the Fiduciary unit, our score is 68.2 percent versus a national score of 65.9 percent. Continued training and focus on error trends is helping our scores to gradually improve through the year. We anticipate that we will meet or exceed all our accuracy goals for this fiscal year. In telephone activities, we are among the best in the nation in our ratio of abandoned (2.2%) and blocked calls (0.2%). Indianapolis is one of the pilot sites for establishment of a Virtual Information Center (VIC) for answering telephone calls. The VIC is an initiative in SDN 2 whereby we utilize all stations to answer telephone calls incoming from anywhere in the SDN. For example, if a Hoosier veteran calls the Indianapolis Regional Office on our toll-free line and all of our lines are busy, the veteran's call will automatically be transferred to an available line anywhere in the SDN. This transfer is automatic. Our data information system allows any VSR in the SDN to access claim information for other stations in the SDN. Therefore, VSR's are able to answer veteran's inquiries in a majority of the cases.

Three VA Medical Centers (VAMC's) handle our requests for processing Compensation and Pension examinations. These are the Roudebush VAMC in Indianapolis, Northern Indiana Health Care System (NIHCS), and Louisville, Kentucky. The majority of our exam requests are submitted to the Roudebush VAMC. Current exam timeliness (end of month-July) for each VAMC is as follows: Indianapolis = 53 days; NIHCS = 41.9 days; and Louisville = 32.8 days. Our Service Center Manager and his staff meet with the C&P exam unit staff at each medical center on a quarterly basis to discuss pending workload, problem

areas and other areas of concern. Our three servicing VAMC's have been very cooperative in assisting us to meet our goals of prompt and quality service to our veterans.

Other areas of cooperation, under the One-VA umbrella, between our office and the Veterans Health Administration include: my service on the newly formed VISN 11 CARES task force; my ad hoc membership in the VISN 11 Management Assistance Council, including attendance at annual Stakeholder advisory meetings; exploration of the feasibility of VA Medical Centers processing applications for, and payments of annual clothing allowances, with VARO employees providing training to VAMC employees; an employee Alternative Dispute Resolution (ADR) process that is integrated with and supported by the Roudebush VAMC ADR team and their staff; and attendance by a member of the Roudebush VAMC management staff at the Regional Office director's staff meetings.

VBA national initiatives continue to be successfully implemented at the Indianapolis Regional Office. Case Management has been underway at our office since June 2000; this continues to assist us in improving in the development of claims along with improved customer satisfaction. Our conversion to the Business Process Reengineering model of teams has been successful. We are in the process of expanding our number of teams, from four to five, by adding an additional claims processing team to adjust for our increased staffing. We recently advertised two Coach positions to accommodate the increased number of teams and to lessen the span of control for one of the

coaches. The Coach position, relatively new to VBA, a Coach is considered to be a team leader who is responsible for scheduling workload and leading the team towards its goals. The new Coaches have been selected and will start with their new teams on October 1, 2001.

Nineteen percent of our current workforce will be eligible for retirement in the next three years. We were authorized an increase in our FTEE during the past year from 145, to a ceiling of 161. We have completed all hiring, to include three new Rating Specialists. All newly-hired employees are in the midst of their centralized training program and are fully utilizing available modules of the computer assisted training program, called the Training and Performance Support System (TPSS). All accredited Service Organization representatives have been trained by VARO personnel in the Training, Responsibility, Involvement, and Preparation (TRIP) initiative. This initiative was formulated so that we can more fully utilize the expertise and time of the Service Officers to assist us in the development of cases and so that they will provide a more complete application package from the outset. We have hired an additional Decision Review Officer (DRO) to bring our total to three. All DRO's work closely with the Service Officers to ensure that veterans are taking full advantage of having their cases reviewed under the *de novo* review authority outlined in the regulations creating the DRO program.

This completes my formal presentation to the Subcommittee. I will be happy to answer any questions.