

**H.R. 3854: Modernizing All Veterans and Survivors
Claims Processing Act
(Rep. Valadao)**

HOUSE COMMITTEE ON
VETERANS' AFFAIRS
CHAIRMAN MIKE BOST

Courtesy of the House Committee on Veterans' Affairs Majority Staff

BACKGROUND:

The Department of Veterans Affairs (VA) Veterans Benefits Administration (VBA) includes multiple program offices that process different types of VA benefits claims for veterans and their survivors. The VA Board of Veterans' Appeals (Board) reviews VBA's denials of veterans' claims for VA benefits. The VA Debt Management Center (DMC) processes debts that veterans may owe VA because VA overpaid them in benefits.

Throughout the entire VA claims and appeals process, employees in these program offices obtain evidence (such as thousands of pages of medical records), send notice letters to claimants, and review and analyze the evidence to make decisions on veterans' and survivors claims. To improve claims processing efficiency, VA's AI technology vendors have developed tools to automate certain tasks for VA's Compensation Service, which processes veterans' claims for disability compensation. These include tools to automate the drafting of notice letters, and tools that automatically obtain, compile, and extract documents and evidence relevant to veterans' disability compensation claims. However, other VA program offices have not been provided with similar tools to efficiently process other types of VA benefits claims, including pension claims and survivors' benefits claims. As a result, it can take VBA much longer to issue decisions on those claims, and survivors can wait years for a decision on their claims for survivors' benefits. Further, VA employees and veterans' advocates report that efficient and accurate processing of veterans' claims is hindered because automatically obtained documents are often mislabeled in VA's electronic claims processing system. Mislabeling can cause claims processors to delay a decision on the claim to obtain evidence that is already in the claims file or to overlook evidence that could have supported a grant of benefits.

At a May 14, 2025 oversight hearing, the Committee learned that VA overpaid veterans roughly \$211.3 million in benefits, since 2017, because VA erroneously made concurrent payments of veterans' dependent child compensation and dependent children's education benefits. These wasted taxpayer dollars were the result of VBA's Compensation Service and Education Service being unaware that both VBA departments were paying out duplicative dependent benefits.

BILL SUMMARY:

The *Modernizing All Veterans and Survivors Claims Processing Act* would:

- Require VA to develop a plan to provide automation tools for purposes of claims processing, information sharing between federal agencies, and generating correspondence, to VA program offices other than Compensation Service.
- Require VA to implement a plan to provide an automated letter-drafting tool to program offices that process veterans' pension claims and survivors' benefits claims.
- Require VA to implement policies, processes, and technological capabilities to ensure that when a veteran or school age child is awarded benefits based on the child attending school, VBA's Compensation Service and Education Service are each automatically updated so that timely action can be taken to decrease overpayments of dependent benefits.

- Require VA to develop a plan to ensure that documents in VA's electronic claims processing system are correctly labeled when they are uploaded into that system, including when they are automatically labeled using AI technology.

THE MESSAGE:

- The *Modernizing All Veterans and Survivors Claims Processing Act* would ensure that all VA claims processors have automation tools at their disposal to efficiently process veterans' and survivors' claims and appeals for VA benefits.
- The *Modernizing All Veterans and Survivors Claims Processing Act* would ensure that VA modernizes across the agency so that no veterans or survivors are left behind when seeking their earned benefits.
- The *Modernizing All Veterans and Survivors Claims Processing Act* would ensure necessary AI technology is implemented to push VA out of the stone age and ensure that hundreds of millions more in taxpayer dollars are not wasted.
- The *Modernizing All Veterans and Survivors Claims Processing Act* would ensure that VA can more efficiently decide VA benefits claims with the workforce that taxpayers have already funded.