

**BREAKING THROUGH THE BACKLOG:
EVALUATING THE EFFECTIVENESS OF THE
NEW STATE STRIKE FORCE TEAM**

HEARING
BEFORE THE
SUBCOMMITTEE ON DISABILITY ASSISTANCE
AND MEMORIAL AFFAIRS
OF THE
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
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**BREAKING THROUGH THE BACKLOG:
EVALUATING THE EFFECTIVENESS OF THE
NEW STATE STRIKE FORCE TEAM**

Friday, September 21, 2012

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
SUBCOMMITTEE ON DISABILITY ASSISTANCE
AND MEMORIAL AFFAIRS,
Washington, D.C.

The Subcommittee met, pursuant to notice, at 10:00 a.m., in Room 334, Cannon House Office Building, Hon. Jon Runyan [Chairman of the Subcommittee] presiding.

Present: Representatives Runyan, McNerney, Barrow, and Waltz.
Also Present: Representative Flores.

OPENING STATEMENT OF CHAIRMAN JON RUNYAN

Mr. RUNYAN. Good morning and welcome, everyone. This oversight hearing of the Subcommittee on Disability Assistance and Memorial Affairs will now come to order.

As is often the case when this Subcommittee convenes, we are here to discuss the backlog of veterans disability benefits claims. Unfortunately, when such a discussion takes place, we often find ourselves having the same discussion over and over. Frustrated veterans want to know why it takes so long to process their claim; frustrated lawmakers want to know why the backlog keeps increasing; and frustrated VA employees want everyone to know what the folks on the front lines are doing, that they are doing the best they can to try to keep up with the increasing amount of claims. However, every so often we have an idea that is interjected into the discussion, and we are here today to discuss one such idea.

In 2009, the State of Texas created a Claims Processing Assistance Team that helped reduce pending claims at the State's two regional offices, or ROs, in Waco and Houston. Four hundred thousand dollars was allocated toward a dozen employees over several months. Those employees reduced the number of pending claims in Waco and Houston by 17,000. Despite this success, the situation has since worsened for veterans not only in Texas but across the country as the amount of pending claims has doubled since that time.

As a recent Center for Investigative Reporting study reveals, the impact of the backlog varies by region. The study finds that veterans in sparsely populated States often have their benefit claims processed faster than those in more populated States. In addition

to this study, the media has also been paying close attention to veterans who must wait the longest to receive their benefits, which are veterans in Texas, and, as is well-known to the Ranking Member Mr. McNerney, veterans in California. But the fact remains no matter where the veteran is located, more often than not the veteran is waiting too long to receive their benefits decision.

Once again, taking action into their own hands in late July of this year, the Texas State legislature created a State Strike Force Team led by the Texas Veterans Commission. This time they have allocated \$1.5 million and 16 full-time employees. The goal of the State Strike Force Team is to assist veterans and their families in receiving disability compensation and pension payments earlier than expected.

Specifically, eight claims counselors will be located at both the Waco and Houston regional offices to help process claims. There will also be fully developed claims teams located throughout the State to improve access to and assist veterans with fully developed claims. By examining this process today we are hoping that the State Strike Force Team will serve as a model to other States and perhaps even lead to the creation of a similar Federal Strike Force Team.

I want to thank the VA, the Texas Veterans Commission, and Mr. Hernandez for their valuable input as we work together to find important solutions to the growing backlogs of claims. I welcome today's witnesses to continue this ongoing discussion and offer their own specific recommendations on how to improve the current system of processing veterans' disability claims.

At this time I would like to welcome Mr. Flores to our hearing. Although he is not a member of the Subcommittee, he is a member of the full Committee.

At this time I would like to yield to Ranking Member, Mr. McNerney, for any opening statement he might have.

[The statement of Jon Runyan appears in the Appendix]

**OPENING STATEMENT OF HON. JERRY MCNERNEY, RANKING
DEMOCRATIC MEMBER**

Mr. MCNERNEY. Well, thank you, Mr. Chairman, for holding today's hearing on possible ways to address the VA's mounting backlog of claims and appeals. Today over 1.3 million claims and appeals are jammed in a flawed processing system and in an organization with a current management culture that often overemphasizes production over quality. It is our collective quest to vanquish BVA's backlog of claims and appeals, which as I mentioned previously, currently exceeds 1 million. It is my hope that we can improve the performance of the system as a whole while ensuring accurate and accountable claims outcomes for our veterans.

Since 2007, the VBA has added over 10,000 claims processing personnel and Congress has funded these requests. Yet the backlog still climbs. Merely adding more people to the same broken system does not expedite benefits to veterans and their families. We need to continue to look at the system with fresh eyes to help the VA with managing its claims processing mission.

As the VA OIG recently concluded in its report after inspection reviews of 16 VA ROs, the VBA is processing 23 percent of its

claims erroneously. To change this, the VA OIG recommended that VA needs to enhance policy guidance, compliance, workload management, training and supervisory review in order to improve claims processing operations.

These conclusions echo many of the provisions of the Veterans Benefits Improvement Act of 2008, P.L. 110-389, as well as the continued course from Congress and other stakeholders that say time and again that the backlog is just a symptom of a much larger problem. The current system is broken and in need of a major overhaul. We need to focus on getting the claims right the first time.

Today we have representatives here from the Texas Veterans Commission (TVC), and I welcome you here this morning. TVC has hired employees to create strike force teams out of the monies from State coffers. These teams are working side-by-side with VA employees to help process claims. The Waco and Houston Texas regional offices that serve these veterans are considered underperforming by the VA's own standards, where wait times exceed the national averages.

I know that in California, particularly in the Oakland and Los Angeles regional offices, we are experiencing similar extraordinary wait times for claims decisions, including lengthy work stoppages, which means delays will only increase. As a Representative from the State with the most veterans per capita, I agree that we need to come up with solutions that put veterans first, and this is what the VA is not doing enough of.

There is no shortage of getting around the basics of having well-trained employees who are empowered with the right tools and the right systems to get the job done the first time. We need claims done right the first time, as if a do-over was not an option, and that is why I still remain concerned that the work credit system may not keep the focus on the veterans but rather on churning out more work.

We have veterans committing suicide in shameful numbers. The most recent figure is 18 veterans per day. That is one veteran every 80 minutes, over 6,500 a year. That means that before this hearing is over, a veteran may take his or her life. That breaks my heart. Having a system like the current claims processing system where over 65 percent of claims are in backlog also breaks my heart, with many veterans and families suffering while waiting for a decision.

We need to get this right so that no claims are languishing and veterans, their families and survivors get the benefits that they have earned and deserve without delay.

With this in mind, I look forward to the hearing, I thank the Chairman and I yield back.

Mr. RUNYAN. I thank the gentleman. At this time I would like to ask unanimous consent that Mr. Flores be able to sit in on the Committee and participate and ask questions. Hearing no objection, so ordered.

I would also at this time like to ask any of the members, I know Mr. Flores has an opening statement he would like to make, but do any of the other members wish to?

If not, with that, Mr. Flores, you are now recognized.

OPENING STATEMENT OF HON. BILL FLORES

Mr. FLORES. Thank you, Chairman Runyan and Ranking Member McNerney, for allowing me to be part of this important hearing today.

I think it is important that we hold this hearing so that we can take a closer look at this issue, which is important not only to veterans living in Texas, but also to veterans across this country. The growing problem with processing disability claims that the Department of Veterans Affairs faces in serving Texas veterans is merely a microcosm of a problem at large that our veterans face around the country today.

Unfortunately, Mr. Chairman, Texas is only one example of the glaring problems and service trials our veterans are facing throughout the country. It is also important that we work through the problems within our VA and implement a flawless claims processing system for our Nation's veterans.

I am concerned about the VA claims issue, particularly those at the Waco VARO, which is in my district. I appreciate the fact that the VA has appointed a new director to the Waco VARO to address this issue. I have met with Director Limpose and I am pleased with his efforts thus far and his commitment in particular to address the Waco backlog claims. He and I have agreed to meet again in late November or early December to follow up on his progress.

I applaud Texas Governor Rick Perry, Texas Lieutenant Governor David Dewhurst, Speaker Joe Straus and the leadership of the Texas Veterans Commission for committing valuable State resources to help address this issue by creating the Texas State Strike Force—that is a lot of vowels to say at one time—Texas State Strike Force Team and for being proactive to help our Nation's veterans. I appreciate Mr. Cantu and Mr. Richman for agreeing to testify today.

I suggested that Mr. Hernandez be allowed to speak at this hearing. The reason for that is we are going to hear a lot of numbers today. We are going to hear about claims backlogs and the claims delays and the time to process claims. But behind every one of those numbers is the face of a veteran and Mr. Hernandez can help put a face on each of those numbers. So I think his testimony will be valuable.

In my district in McLennan County, which is the home of the Waco VARO, we have tens of thousands of veterans, given that we are a neighbor to Fort Hood, the largest Army base in the country.

Mr. Hernandez has a quote in his testimony that I think is particularly poignant, and it says this: "The effects of the prolonged backlog are affecting the veteran in the most adverse way. If the data is possible, I am certain it would be a travesty to know how the backlog has affected veteran homelessness, relationships, crime, addiction, mental health, and suicides. The prolonged wait on claims decisions cannot be productive on our society and unfortunately will continue to lead to social problems at the national level. A sad and embarrassing end to the dedicated patriots who have braved austere conditions, family separation, traumatic experiences, and multiple deployments to provide us with the freedom and the liberty as a free society."

That is what we need to think about. Behind every number that we talk about today is the face of a veteran.

Before I close I think it is important that we as a Committee and we as a Congress think outside the box and think about solutions. I personally could care less about the bureaucracy. I care about the veterans. Our goal ought to be as a Congress and as a Nation to deliver the benefits to the veterans. So whatever it takes, and if it takes thinking outside the box, let's think about how we do that to take care of the veterans versus taking care of the bureaucracy.

Thank you, Mr. Chairman. I yield back.

Mr. RUNYAN. I thank the gentleman.

At this time I would like to welcome our first panel to the witness table. We will be hearing from Al Cantu, the Chair of the Texas Veterans Commission. Next we will hear from James Richman, the Director of Claims Representation and Counseling with the Texas Veterans Commission. And our final witness on this panel will be Mr. Steve Hernandez, the McLennan County Veterans Service Officer.

Your complete and written statements will be entered into the hearing record. Mr. Cantu, you are now recognized for 5 minutes for your oral statement.

STATEMENTS OF ELISEO "AL" CANTU, JR., CHAIR, TEXAS VETERANS COMMISSION; JAMES O. RICHARDSON, DIRECTOR, CLAIMS REPRESENTATION AND COUNSELING, TEXAS VETERANS COMMISSION; AND STEVE HERNANDEZ, COUNTY VETERANS SERVICE OFFICER, MCLENNAN COUNTY, TEXAS

STATEMENT OF ELISEO "AL" CANTU, JR.

Mr. CANTU. Good morning, Mr. Chairman Runyan, Ranking Member McNerney, and members of the Subcommittee. For the record, my name is Eliseo "Al" Cantu, Jr., Chair of the Texas Veterans Commission. I am humbled by the invitation to testify before you today on behalf of the Texas Veterans Commission. I would like to thank the Subcommittee for this opportunity and for your interest in the efforts the State of Texas has undertaken to serve its 1.7 million veterans.

I am accompanied today by Mr. Jim Richman, Director of the Texas Veterans Commission's Claims Representation and Counseling Program. Mr. Richman has been with the agency for over 25 years.

My testimony today will provide you with some background information regarding Texas' State Strike Force and Fully Developed Claims Teams Initiative directed by the State leaders this past July. Mr. Richman's testimony will provide you with the details of the initiative and an update on our progress and our keys to success.

The Texas Veterans Commission is the veterans advocacy agency for the State of Texas. Our mission is to advocate for and provide superior service to veterans through four programs: Claims representation and counseling; veterans employment services; veterans education; and the Fund For Veterans' Assistance that will significantly improve the quality of life for all Texas veterans, their families, survivors and spouses.

No other State has centralized all of these program areas within their State's veterans agency. Texas is becoming recognized for aggressively leading on veterans issues. National leaders have referred to the Texas model when advocating for the integration of veterans services.

Texas Veterans Commission's Claims Representation and Counseling Program assists veterans prepare compensation and pension claims with the United States Department of Veterans Affairs. In 2011, our claims counselors handled 179,981 benefit claims on behalf of our veterans and dependents, filed 125,000-plus monetary claims and 16,000-plus new appeals.

In November 2009, Governor Rick Perry and the State Veterans Commission launched a special Claims Processing Assistance Team to assist veterans who had their claims for monetary benefits pending with our two VA regional offices in Waco and Houston, Texas. This project built upon the succession of a pilot project between the Texas Veterans Commission and the VA in 2008.

At the time the CPAT project was announced, a total pending caseload of 39,000 Federal benefit claims existed in Texas' two VA regional offices. These CPAT teams consisted of 12 additional claims counselors, six at each office. They targeted specific areas within the claims process, doing all development needed on the individual's claim and working directly with the claimants in identifying and acquiring necessary evidence. The project was funded for the period November 2009 to July 2011. In that time, the special CPAT teams returned to the VA 17,000-plus cases ready for decision or award action.

Since that time, the situation has become worse. On July 16, 2012, the Commission testified before the State Senate Veterans Affairs and Military Installation Committee regarding the state of backlog in Texas. According to the VA, in January 2010 the total pending caseload in Texas was 59,000 plus claims and 15,000 plus appeals. The number of cases that had been pending for over 125 days, which is what the VA considers backlog, was 16,800 claims. On July 14, 2012, the total pending caseload in Texas was 107,000-plus claims and 28,000-plus appeals. The number of cases that have been pending for over 125 days was 68,612 claims. The backlog has more than quadrupled from 2010 to present. Presently the real world average for getting a decision from VA is 18 to 24 months.

Following the hearing, the Governor, Lieutenant Governor and House Speaker Straus directed the Texas Veterans Commission to implement a team and a force to get behind eliminating the backlog. The State of Texas committed over \$100,000 from the first pass and \$1.5 million in 2012-2013 biennium to address the backlog of claims. The teams will be working on both ends of the claim process to ensure that the backlog is removed or brought down. We make sure that all the claims are processed and all the information is available. We work directly with the claimant. And we hope to be able to reduce the backlog in Texas by 17,000 claims.

Mr. Richman is going to share with you how his team will make that goal a reality.

Again I want to thank you for the opportunity to testify before you today. Thank you for the work the Committee is doing and will

do on behalf of the Texas veterans and all veterans of this Nation's Armed Forces.

Thank you, sir.

[The statement of Eliseo "Al" Cantu appears in the Appendix]

Mr. RUNYAN. Thank you, Mr. Cantu.

Mr. Richman, you are now recognized.

STATEMENT OF JAMES O. RICHMAN

Mr. RICHMAN. Good morning, Chairman Runyan, Ranking Member McNerney, and members of the Subcommittee. I am Jim Richman. I am the Texas Veterans Commission Director of Claims Representation and Counseling and it is truly a privilege to serve in that capacity. This morning I will provide you with the details of the Texas Veterans Strike Force Team and the Fully Developed Claims Team and provide an update at only one month into the project and highlight some keys to successful implementation.

As soon as the direction came this past July from Governor Rick Perry, Lieutenant Governor David Dewhurst, and House Speaker Joe Straus to reinstate a form of this initiative, we began building two separate teams. We expanded on the old method.

First, there are two State Strike Force Teams, one in Waco and one in Houston. Rather than talk about what we have already said, I am going to tell you what they are going to do. These 16 members will take cases that are over 125 days old and not only identify the development that still needs to be done, but actually accomplish that development with the intention of handing it back to the VA completely ready to rate.

The Fully Developed Claims Teams, if you consider the Strike Force Team working on cases over 125 days old and the Fully Developed Teams working at the front end of the process to make sure that every claim that can possibly fit the Fully Developed Claim Initiative is done so, then we are working both ends against the middle. We feel like this is a very needed addition to what we have done in the past in certain projects.

The update, within days of the State leaders' authorization of the teams, we posted the positions. We now have filled all of those positions in the initiative, and those hires include personnel with significant VA claims experience, including former and retired VA and TVC employees with a total combined experience with the VA claims process of over 700 years. This is critical in the success of this program. We have returning to work a former TVC Waco regional director, we have a VA former assistant service manager, a hearing officer, numerous decision review officers, VSRs, RVSRs and coaches.

During this initial period lead TVC and VA personnel have been working together very closely to create a standard operating procedure. I would like to point out with no absolute, with all certainty, that Area Director Beth McCoy, Houston Director Pritz Navaratnasingam and Waco Director John Limpose and their staffs have completely bought into what we can accomplish with this endeavor. Both VA regional offices in Waco and Houston have provided TVC with additional space, training materials and the logistical support that we need to cooperate in this endeavor and make it truly successful.

Are we cooperating with the VA or coordinating with the VA and assisting the VA, helping the VA? Absolutely, yes we are. But our mission in this endeavor is to improve the timeliness and get veterans and their families the benefits they have earned and very desperately need, especially in this economy.

As of Monday, September 17th, members of the State Strike Force Teams have reviewed 2,525 cases. I would like to bring to your attention, this is in the first month of operation while we are even hiring up. Of those backlogged claims, identifying and executing all required additional development, they have already delivered to the VA 852 claims fully developed and ready to rate.

Mr. Chairman, we have identified the keys to success, because to coin a phrase, this ain't our first rodeo based on those two previous projects, and there are several essential elements required for the successful implementation of these or like initiatives: Complete support from the VA regional offices involved, which we have all the way from upper management down. The individuals hired to staff such an initiative must be experienced with the VA's claim process. This is imperative. Any initiative should utilize identified best practices for claims development and dedicated funding to support the initiative for a set period of time in order to realize meaningful reduction of the backlog.

In closing, I would like to thank the Subcommittee for the opportunity to share this information with you, the State leaders that have provided TVC with the opportunity to make a tangible difference in the lives of veterans in the State of Texas, and TVC has demonstrated the capability to have a positive impact on this issue twice before.

I mean absolutely no disrespect by what I am fixing to say, because the VA is full of hard-working, dedicated, well-intentioned people, but the backlog has been talked about for so long and has continued to grow that the VA has become institutionally desensitized to the backlog. Make no mistake, the veterans are not desensitized to the backlog and to the timeliness of claims.

We hope with the support of this Subcommittee and Federal funding, we believe that Texas and other States have the capability to successfully replicate and implement similar initiatives. Like those famous Texans who drew a line in the sand at the Alamo, Governor Perry, Lieutenant Governor Dewhurst, and Speaker Straus have drawn a line in the sand regarding the backlog of claims in Texas and say "no more." The Texas Veterans Commission is making a difference now because the veterans we serve already did.

Thank you for your time, sir.

[The statement of James O. Richman appears in the Appendix]

Mr. RUNYAN. Thank you, Mr. Richman.

I now recognize Mr. Hernandez for his statement.

STATEMENT OF STEVE HERNANDEZ

Mr. HERNANDEZ. Thank you, sir.

Mr. Chairman, Ranking Member McNerney, members of the Subcommittee, my name is Steve Hernandez. I am the McLennan County Veterans Service Officer located in Waco, Texas. On behalf of the Veteran Community of Texas, the Veteran Community of

Central Texas, the citizens of McLennan County, the Commissioner's Court of McLennan County and the McLennan County Veterans Service Office, thank you for allowing me to provide testimony on this very important issue that is affecting the Nation, the chronic backlog of benefit claims from our Nation's veterans.

As you are well aware, nationally benefit claims submitted to the Veterans Affairs Regional Office have increased dramatically. We attribute the influx to an increased average of single digit to double digit individual disability claim submittals, economic stagnation, employment difficulties, issues involving social reintegration, and a continued stream of past era veterans submitting claims for the first time or resubmitting previously denied claims, just to mention a few.

Unfortunately, from the regional perspective, the Waco VA Regional Office has been identified as the worst of the 57 regional offices under the ASPIRE database. Because of this dubious distinction the Waco Regional Office is under intense scrutiny for the backlog and discussions continue on how the Federal Government can resolve this dilemma.

Realizing the economic benefit in breaking through the backlog and the catastrophic condition under the current Federal system, State leaders have authorized the State veteran component of the Texas Veterans Commission to dedicate State assets to assist with the backlog claims with a commitment of \$1.5 million Teams—for the State Strike Force Teams. I am having the same trouble you were, Congressman—a team of counselors who will assist in fully developed claims as well as assisting in claims assistance and development.

To fully understand the Waco VA Regional Office's dismal performance requires an in-depth evaluation on the causes for such a backlog. The major cause for the spike in the backlog has been the Nehmer claims as well as the most recent presumptive Agent Orange illnesses, illnesses that have been long overdue in recognition.

The Federal directive posed on the VA regional office as a responsible party on Nehmer death claims has proved to be a daunting task. Not only were there 40,000 more claims added to the operation for decision, but the award distribution became extremely complex as these claims involved estate succession that proved unprecedented like never before in deciding the rightful beneficiaries.

In evaluating the backlog at the grassroots level, eliminating the claims backlog will require what hopefully will be a short-term commitment from States that have the ability to supplement State assets to assist in claims processing. The investment should yield an equitable rate of return for the State economy. Also the local private sector could become more involved as community partners in creating one-stop shops utilizing Federal, State and private funds and grants in assisting in the diagnosis of certain specialized claims that could relieve the decision process and the backlog also being experienced by the VA's health care system. The Veterans Benefit Management System must also be a priority in the development of advancing into the 21st century with new technology. The continued review of evaluating the effectiveness of the rating schedule diagnostics codes also should be considered.

As a local Veterans Service Officer, I am the recipient of direct public contact from the veterans who are being confronted with life challenges as they await word on the status of their claim. The level of frustration, the coded threatened innuendoes, some uncontrolled anger outbursts, misunderstanding and the system confusion on the process, and dire economic need are the most common and frantic interactions that I have with the veteran while waiting on the decision. The most disheartening part of the prolonged process is that they could potentially be denied, which is a reality. Many have invested their future on the decision while waiting, leaving many with few alternatives but to become further dependent on other VA programs.

The effects of prolonged backlog are affecting the veteran in the most adverse way. If the data is possible, I am certain it would be a travesty to know how the backlog has affected veteran homelessness, relationships, crime, addiction and mental health and suicides. The prolonged wait on claim decisions cannot be productive on our society, and, unfortunately, will continue to lead us into social problems at the national level. A sad and embarrassing end to the dedicated patriots who have braved austere conditions, family separation, traumatic experiences and multiple deployments to provide us the freedom and liberty as a free society.

Thank you.

[The statement of Steve Hernandez appears in the Appendix]

Mr. RUNYAN. Thank you, Mr. Hernandez. With that, I will begin the first round of questions.

Touching on what you, Mr. Hernandez, and Mr. Richman alluded to, I forget the exact words you used, but you are talking about the institution in general being callous to what is going on. I just wanted to really give you the opportunity—I would think you would say the Strike Force has truly done a good job in assisting veterans. Could you put a personal face to that, a faster decision or more accurate decision and the outcome of that that the Strike Force has really accomplished and put a personal face to it?

Mr. RICHMAN. Yes, sir. When the vets come back and they are discharged, they are facing some of the most important times of their lives. They are trying to come back home, resocialize into civilian society, care for their families, get jobs, get education or training. No reasonable thinking individual being the vet coming back and filing for injuries that were incurred in service, taking 2 years to get an answer and their compensation for those conditions. This is making the life struggle more and more difficult every day. So that is what we want to work on with the Fully Developed Teams, is to get every possible claim that is fully developed into the fully developed claims process and then my staff, the team will work with keeping it in the track to make sure that the time period of processing is as short as possible.

Then with the Strike Force Teams, they are reviewing the older cases that are 125 days old or more, and many of them, in Waco for example, because of the Nehmer cases, hundreds if not thousands of cases are 730 days old. They have a flash on them. And they are working those as feverishly as possible. But that is a long time to wait for an answer on monetary benefits, sir.

Mr. RUNYAN. Talking about part of the problem, do you really think lack of access to the records slows down the process? I know Congressman Walz and myself had a piece of legislation just on the floor the other day actually to really address that. But do you see that as a hurdle, just lack of access to the information?

Mr. RICHMAN. Sir, development is one of the toughest parts of the entire claim process and anything we can do to get the VA quicker access to whatever records and documents from DOD, their service treatment records, all of those things can do nothing but improve the situation.

Mr. RUNYAN. Do you have any suggestions through your experience as to how to make that process a little faster?

Mr. RICHMAN. Sir, the bureaucracy is substantial.

Mr. RUNYAN. Understood.

Mr. RICHMAN. That is too long of an answer to address in this setting.

Mr. RUNYAN. Thank you. Mr. Cantu, can you talk about the level of cooperation you have received from the VA employees and the RO, do you see the same level of cooperation with the Strike Force Team to the VA central office? Talk about each level and if there is uniform cooperation.

Mr. CANTU. Well, the cooperation has been great. They do cooperate. They have given us space and access to information that we would not have gotten had we not developed a strong relationship with them in the past with our CPAT teams. They continue to do well. However, the problem is, as Mr. Richman says, is the bureaucracy. I mean, it is just ridiculous to have to wait that long before we can get action.

Earlier you mentioned about a story. In the Texas Veterans Commission we had a letter from a daughter of a World War II veteran a while back that said her father had applied for benefits and it had been over a year and still no result, then a year-and-a-half and what have you. And then finally about 2 years after that she wrote us a letter and said, I certainly appreciate that my father's rating finally came in service-connected. I am sorry to inform you that he passed away 3 weeks ago.

So this is America's greatest generation warrior that put his life on the line for our country and did not get the proper compensation that he was entitled to.

Again, something has to be done at this level, at the congressional level. Something has to be done to ensure that our regional offices understand the need that is out there. Mr. Hernandez said many veterans are dying every day because of suicides and what have you. And what does that tell us? It tells us that we need to think outside the box, as Congressman Flores said, go after those that control the situation and demand answers and ensure that we get them done.

Mr. RUNYAN. Thank you very much for that. With that I will recognize the Ranking Member, Mr. McNerney, for his questions.

Mr. MCNERNEY. Thank you, Mr. Chairman.

We all want the same thing here. We want the VA claims processing to be fast and right. I know the people in the VA are working hard. They have got a big program in place. I appreciate what the State of Texas is doing and trying to do.

My problem with this hearing is that it is kind of premature in my opinion to really make any conclusions about the program based on a fairly short implementation. But, nonetheless, you clearly learn some things. The underlying thing is here, and whoever wants to take this, what do you think would be the best thing the VA could do to address this backlog? What would be the single most important thing you could think of to help us get the VA steered in the direction that would reduce this backlog?

Mr. CANTU. Well, I certainly believe that one of the most important things is to ensure that there is timely communications between the ROs and the claimant, because sometimes there are no communications. When you call a number, it takes forever to answer. You do not get clear answers. Sometimes it takes a while before mail gets to you to say we need additional information. I think communications is very, very important. They try. Their call centers are taking too, too many calls. They call our Texas Veterans Commission to find the status of their claims. That takes away from us working claims and doing that.

So I think that communications, implementation, and ensuring that we are on board with the sensitivity of the individuals in the awards that we are dealing with. I mean, it is not something that we can turn our back on and say, well, you know, they can wait another 6 months or whatever. I am not saying they are doing that.

But I would certainly encourage communications, constant communications from the RO office to the claimant and some of the State agencies to let them know what is going on. At our conference the other day we had Ms. McCoy from the Central Region of the VA came to our conference and spoke.

Mr. MCNERNEY. We are really limited. We have been called to vote. So if Mr. Richman or Mr. Hernandez has a fairly quick response.

Mr. RICHMAN. Congressman, the VA has over the years instigated numerous wonderful ideas, wonderful processes, but it gets over regulated to the point of non-functionality. The first example that comes to my mind is the QR review, the quality review, where every organization needs quality review, quality control. But they take a case, the quality review team reviews it, and then another quality review member reviews that quality review member's work, and it has created a paralysis of people being afraid to make a decision.

Mr. MCNERNEY. That is a definition of bureaucracy.

Mr. RICHMAN. Yes, sir. Yes, sir. And one thing, the reason our teams have always been so successful is we speed up the development process by using every possible venue to contact the veteran; telephone, email, family members, whatever, third party providers, doctors, hospitals. In the DAT program that the VA came to us and asked us to participate in, we concluded our development, full development in cases in 10.71 days. The VA's control cases that were the same types of cases and number of indications was 131 days, sir.

Mr. MCNERNEY. Mr. Hernandez?

Mr. HERNANDEZ. Yes, sir, real quick, just a knee-jerk reaction to your question there. I would say easing restrictions. I do know on a lot of packages that are sent to the veteran there are probably

15 pages, and out of those 15 pages there are probably 12 that do not necessarily pertain specifically to their claim. How you can eliminate that or what you need to do, I can't answer that. But I will tell you—

Mr. MCNERNEY. I see heads shaking behind you, so you are on to something here.

Mr. HERNANDEZ. Well, I will be the first to tell you as a knee-jerk reaction, just answering your question directly as a direct question, I would say if we could maybe visit that first, along with some others. But that would be my first reply to you.

Mr. MCNERNEY. Thank you. I yield back.

Mr. RUNYAN. I thank the gentleman. With that I recognize Mr. Flores. I am watching the floor very closely, so we do have time.

Mr. FLORES. Thank you, Mr. Chairman.

Mr. Cantu, one of the statements you said is that something has to be done. Mr. Richman, you said that the bureaucracy has become desensitized. So I would ask you this: We have people in this world that process millions of claims a day in the private sector and they do it with very high accuracy. So what do you think about a potential pilot program where we pick a private contractor to process claims in a particular VARO and see how they do?

Again, if you remember what I said at the beginning, I care about taking care of veterans. I really don't care as much about the bureaucracy. I want the bureaucracy to do their job. So we have given them lots of money, we have given them more people, but as you guys said, it hasn't worked.

So what would you think about a pilot program, thinking outside the box again, to have a private contractor process claims in a particular area?

Mr. CANTU. I would certainly concur that that is a step in the right direction, because a contractor will be loyal to the veterans, to ensure that they do their work. They don't have a bureaucracy that ties one of the quality assurance guys to be inspected or reviewed by someone else, by someone else, by someone else. They ought to have the authority to review that claim, and if all the evidence is there, make an award.

Mr. FLORES. Mr. Richman, any comments?

Mr. RICHMAN. Yes, sir. Let the State of Texas be the contractor.

Mr. FLORES. Okay. You know what you could do.

Mr. RICHMAN. We have proven it twice. The legalities, the VA is an administrative law process that takes years to understand. That is one of the problems. It takes years to understand. The people that we are hiring for these teams have 700 years of experience, but they are also highly motivated. They are the people that when they worked for the VA wanted to be turned loose to accomplish the mission.

Mr. FLORES. I am going to try to get to Mr. Hernandez in a minute so I am going to try to keep the answers short. For instance, let's say we hired the State of Texas to do this, we subcontracted with the State of Texas. You have done processing on each end of the claims process. Could you do it from A to Z, do you think?

Mr. RICHMAN. Yes, sir.

Mr. FLORES. Mr. Hernandez, what are your thoughts about a pilot process like this?

Mr. HERNANDEZ. Sir, I think at this present time anything that could help the veteran would be very well received. In regards to a private contractor, I do agree with my colleagues here that it would be good to cut some of the bureaucracy and some of the red tape, have a focus more on the claim itself and either denying or approving the claim with that emphasis and not necessarily regulations. And I don't want to make that sound in a bad way, but naturally I just feel like it has become so complex that that particular part, the claim itself, is, like I said earlier, two pages of a 15-page disclosure.

Mr. FLORES. Mr. Hernandez, in your written testimony you had a couple of examples you wanted to share with us, real world examples. Can you share one of those examples in a minute and 46 seconds?

Mr. HERNANDEZ. Yes, sir. The first example is that of a 40-year-old Gulf War I veteran. He submitted a new claim for PTSD and an increased evaluation for a recognized back condition. Once submitted, the letter received indicated that his claim had been received by the VA and the claim process had begun. Approximately 6 months later he received a VARO letter stating more information was requested to prove the nexus of his claim which, of course, is the relationship between his service and his claim condition. He provided a personal narrative with information on his experience and his current diagnosis. He also stated that he had service treatment—only had service treatment records from the VA health care system for medical records on his medical evidence.

Approximately 3 months later he came in to inquire about his claim again—I am sorry, I thought my microphone had cut off—he came in to inquire about his claim again because he was experiencing some life challenges. His wife had been diagnosed with breast cancer and was losing her job and he had no other source of income. After the inquiry, he was told that he still needed additional information pertaining to the nexus. He then resubmitted the original narrative with a follow-up letter explaining his HTRs in VA medical treatment files as the sole basis of medical evidence once again.

Another 3 months passed and no correspondence from the VA. We then called the VA again to be told that they had located the original information and he would be receiving a C&P exam in the near future. The C&P schedule did come in 6 weeks later and he was told when to report, which he did. At this time he was becoming agitated and anxious because his wife was receiving chemo treatment and the travel and expense was taking a toll on his overall mental and physical health.

After taking the C&P, he waited another 3 months before coming to inquire again. He was then told that his exams had not been received from the VA health care system. He then decided to go talk to the RO and explain his plight so the public contact staff could put a face with the claim. He was distraught at this time.

Apparently his demeanor concerned the RO because he was then advised to go to the VA hospital in Waco. Upon arrival at the hospital, he was admitted for a psychological exam and held for 72

hours because he appeared unstable. He was then counseled and released instead of concentrating on his claim for decision. He then did receive an award from Social Security disability which helped with his finances.

He inquired once again approximately 2 weeks later only to be told that he would have to take another C&P exam on both claims. He was told the C&Ps were in August of 2012 and is now scheduled for both in October of this year. His wife's cancer is in remission but he continues to have financial difficulties, mental anguish and depression over the overall experience. His file is still pending and the decision has not been rendered. He is in his 18th month of the claim process.

Mr. FLORES. Thank you, Mr. Hernandez. As I said in my opening testimony, my opening comments, every number has a face.

Thank you, Mr. Chairman. I yield back.

Mr. RUNYAN. I thank the gentleman.

Gentleman, on behalf of the Subcommittee, I would like to thank you for your testimony and look forward to working with you on these important matters and continuing to have updates from your progress as you tackle this issue. With that, you are now excused.

That being said, the Committee will stand in recess until approximately 12 noon as we go vote.

[Recess.]

Mr. RUNYAN. At this time the Committee will come to order, and we will welcome the second panel to the table. First, we will have Ms. Diana Rubens, Deputy Under Secretary for Field Operations, Veterans Benefits Administration, U.S. Department of Veterans Affairs. Ms. Rubens is accompanied by Mr. John Limpose, the Director of Waco's Regional Office at the U.S. Department of Veterans Affairs. We appreciate your attendance today. Your complete and written statements will be entered into the hearing record. And Ms. Rubens, you are now recognized for 5 minutes for your opening statement.

STATEMENT OF DIANA RUBENS, DEPUTY UNDER SECRETARY FOR FIELD OPERATIONS, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY JOHN LIMPOSE, DIRECTOR, WACO REGIONAL OFFICE, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS

STATEMENT OF DIANA RUBENS

Ms. RUBENS. Thank you, Mr. Chairman. Good afternoon, Ranking Member McNerney, and members of the Subcommittee. Thank you for the opportunity to discuss the Veterans Benefits Administration's work with the Texas Veterans Commission. I am accompanied today by Mr. John Limpose, the Waco Regional Office Director.

VA is committed to achieving our goal of processing all claims within 125 days with 98 percent quality by 2015, and assistance from stakeholders like TVC is critical to our success in improving the claims process.

As you know, VBA is in the midst of implementing its transformation plan and is relying on support from stakeholders to im-

plement this transformation which changes interactions with our employees, other Federal agencies, veteran service organizations, and State and county service officers such as TVC.

VBA's transformation is demanded by a new era of emerging technologies, the latest demographic realities, and our renewed commitment to today's family, veterans, family members, and their survivors. In the face of dramatically increasing workloads, VBA must deliver first-rate and timely benefits and service and they must be delivered with greater efficiency.

I would like to touch on several components of our transformation plan. eBenefits: Veterans now have the access to benefit information from multiple channels, on the phone, online, or through DOD and VA shared portal called eBenefits. This eBenefits portal provides 45 self-service features to check the status of a claim, or an appeal, review a history of payments, access military personnel records, numerous other benefit actions. eBenefit enrollment now exceeds 1.8 million users. Also, disability benefits questionnaires. DBQs are a template that solicit the medical information necessary to evaluate veterans' medical conditions. VA has made 71 DBQs available to the public so that veterans can take them to their private physicians for completion. Ten additional DBQs for specialized medical examinations and opinions are used by VA physicians, bringing the total number of DBQs to 81.

Also, our fully-developed claim, it is a veteran's disability benefit claim that consists of a complete application, all military and civilian treatment records, and relevant military personal records, to include the DD-214. Veterans participating in the FDC program are often supported by their VSOs, would send in all of the required evidence with their claims, and certify that they have nothing left to provide. The more claims that we receive that are fully developed, the faster that we can make decisions.

In fact, today, claims submitted under the FDC program are processed in an average of 115 days; however, only 3 percent of claims from VSOs and State and county service officers are currently submitted through the FDC program. VBA's target for 2013 is to increase this percentage to 20 percent participation rate.

TVC and the Waco RO first conducted a pilot, the Development Assistant Pilot Program. In this partnership four TVC employees assisted with review and development of cases needing rating decisions. A second pilot with TVC, the Claims Processing Assistance Team, was conducted with Waco and Houston regional offices where TVC dedicated 12 full-time counselors to contact claimants by telephone, email, or other means to facilitate completion of required development.

The Texas State Legislature 2013 biennial budget includes \$1.5 million to create Task Strike Force Teams to work side by side with Houston and Waco regional offices to reduce the number of pending claims and appeals. On August 15, a planning meeting was conducted between TVC and Houston and Waco where TVC committed counselors to the strike force teams. Counselors will be stationed at each RO, will concentrate both on gathering evidence and working with veterans to submit fully-developed claims, as well as focus on pending appeals and claims.

The TVC counselors on the strike force teams will assist by gathering evidence from veterans and securing health care records to expedite claims processing. However, the new partnership will do much more to support submission of fully developed claims as well as the disability benefits questionnaires.

VBA hopes that with the assistance of TVC's strike force team we will far exceed our goal of receiving 20 percent of the claims from veterans represented by TVC by the end of 2013.

Other partnerships across the States with FDC include the Chicago regional office having provided a pilot of the FDC initiative confirming that the FDC allows employees to spend less time developing gathering evidence, and spend more time rating claims, reducing the backlog. VBA also would like to especially recognize the Maine Department of Veterans Services, for their outstanding assistance as they today are providing up to 42 percent of their claims as fully developed.

In July of this year, an FDC workshop was held here in Washington with representatives from 10 different VSOs. The goal was to emphasize the positive impact of filing FDCs and emphasized receipt of FDCs with disability benefits questionnaires would further improve processing time.

VSO and State and county service officers are important partners in our transformation to better serve veterans, their families, and survivors. In our pilot projects with TVC, we experience positive outcomes. We believe there are greater opportunities to improve service and productivity in the new partnership and the broader scope from the new strike force teams will assist VBA in decreasing the backlog in Houston and Waco. VA will carefully track and monitor the strike force teams and assess the potential for future partnerships or pilots to be expanded at our ROs.

Mr. Chairman, this concludes my statement. I am pleased to answer any questions you or any other members may have.

[The statement of Diana Rubens appears in the Appendix]

Mr. RUNYAN. Thank you, Ms. Rubens, I appreciate that. Actually, passing the Ranking Member in the hallway on the way here I had a question. We know it is early in what the strike force is doing, but can you give a sense of if you feel it is working, and it is benefiting and helping you actually be able to execute what you are supposed to do at the regional office?

Ms. RUBENS. I would tell you, sir, that in fact we are building on the benefits that we have seen in the past and as they help us provide review of claims and make things, if you will, ready for decision, it will speed the process by which a claim is able to move through the system and enhance the timeliness of the decision we provide to the veteran.

Mr. RUNYAN. Are you finding statistically that they are done correctly?

Ms. RUBENS. Mr. Chairman, I am going to tell you I am going to defer that one to Mr. Limpose, who is on the ground with the folks in Waco.

Mr. LIMPOSE. Sir, TVC is working very, very well with the Waco Regional Office and also the Houston Regional Office. Currently, they are, one of every three cases they are reviewing, for about a 33 percent gathering of information, or making the case ready for

decision is helping us make those cases work in a more timely fashion. So they are helping and I think it is a very, very positive story that we can branch out into just not only TVC, but all of our stakeholders.

Mr. RUNYAN. Is there a metric of following a claim's processing by the strike force through the whole process and a comparison at the end between the traditional realm ?

Mr. LIMPOSE. Sir, we are early in the stages currently working with Mr. Richman on a standard operating procedure between both eastern Waco and Texas Veterans Commission. We have some metrics we will be putting in place to be able to aggregate some data in the future.

Mr. RUNYAN. Ms. Rubens, given the statistics on claims processing in Waco, why was this RO chosen for the Nehmer claims after the new Agent Orange presumptives were added?

Ms. RUBENS. Chairman Runyan, as we identified locations to aggregate the previously denied Nehmer conditions, Waco had a day-one brokering center already in place. They were the focus for where we would process the reviews of those things that had been previously denied. Frankly, it was a function of the fact that they had the resources, if you will, to capacity, that as we looked at it was in addition to what was already in the service center, whose focus was on the Waco jurisdiction claims.

Mr. RUNYAN. Was it more of an issue of expertise than anything else?

Ms. RUBENS. I would say that for all of the day-one brokering centers that we moved the roughly 93,000 claims that needed review, we did actually extensive training around the conditions for those three new presumptives that were added and as those folks worked those claims, I would tell you that many of them with the volume of ischemic heart disease claims that they worked, became true experts in those issues, and frankly, as a function of moving away from once they completed the review of those claims, it was an opportunity and a requirement that we, if you will, refresh everybody that was doing that work so that they would then be able to move back to general rating claims.

Mr. RUNYAN. Moving on to, what I think most of us think is going to help another part of the backlog is VBMS. Do you know where we are when Waco and Houston are scheduled to start using VBMS?

Ms. RUBENS. Yes, sir, as part of our transformation, one of the things that VBA is doing is first implementing, if you will, the people and the process components of the transformation plan. Houston has actually already implemented the people and the process components, with Waco coming somewhere down the line. The expectation would be then that VBMS, as it continues to, I will say mature, will then follow that same path with an expectation that that being the case, Houston will see VBMS first and Waco shortly thereafter, recognizing that retraining your entire workforce on a new technology all at once might not be the right way to go, but we are moving out smartly working to get both people and process and the VBMS, the technology component for the processors rolled out as quickly as we can.

Mr. RUNYAN. Mr. Limpose, what is the average processing time for fully developed claims versus non-fully developed claims in the Waco—between the Waco and Houston offices?

Mr. LIMPOSE. The fully developed claims are being processed on average of about 100 days sooner than our normal workload is right now. We fully expect to improve upon that. Obviously, I am not happy with that, and we are going to do everything we can to fully, fully take advantage of the work with our stakeholders to make sure that we deliver timely services and that overall the normal workload has had an impact due to, obviously, some of our Agent Orange work that we have completed under the national mission. We are proud to say that the office completed an extraordinary number of cases. We finished up last August and it had some impact and we are feverishly working some of our oldest cases out there which has a negative impact on the way our claims are aggregated.

So I fully expect that we will continue to trend in a more positive direction, and that I am happy to say that last month the Waco Regional Office successfully completed 4,400 cases in service output to veterans, which is a 50 percent increase over the strategic target that we had for last month.

Mr. RUNYAN. That all being said and simply put, would you agree that fully developed claims not only help the process move faster, but also, ease the strain on the veteran just as a general statement?

Mr. LIMPOSE. Absolutely, sir. Those claims that we will be working with all of our stakeholders to bring in the front door as fully developed will help us in that market of evidence gathering during our claims process timeliness, should shorten that, and then in the long run give us better timeliness and service and output to veterans.

Mr. RUNYAN. Do you believe, between VSRs, RVSRs, DROs, that both of the offices are adequately staffed or do they need additional adjudicators required to help us tackle this?

Mr. LIMPOSE. Sir, I cannot answer for Houston. However, at the Waco Regional Office I feel that in my veteran service center with approximately 470 employees that I am adequately staffed and that we are fully focused and feverishly processing cases as fast as we can, sir.

Mr. RUNYAN. Are you diverting any appeals staff to do the work on the initial claims at all?

Mr. LIMPOSE. Sir, that is a very delicate balance. We are working all facets of the claims process to include the appellate work.

Mr. RUNYAN. On July 10, 2012, VBA released a report on challenge training showing an increased productivity among VBA rating specialists after receiving the training. How many of your Waco staff have received the challenge training?

Mr. LIMPOSE. All of our new employees, sir, go through challenge training. I have only been there 5 months. Every new VSR and RVSR goes through our challenge curriculum, and I would have to ask to get the exact number back to you on the entire staff of the Waco Regional Office.

Mr. RUNYAN. I would appreciate that because my next question was, were you measuring it. So I would appreciate those numbers if you would get them to the Committee.

Mr. LIMPOSE. Yes, sir.

Mr. RUNYAN. Were there any employees at the Waco RO held accountable for the office's dismal performance in claims processing?

Mr. LIMPOSE. Sir, we hold people accountable for their individual performance standards and we will take appropriate action, when deemed necessary, for poor performance in serving our veterans. We have done so in the past and will continue to do so in the future. I am always looking to have the best and brightest individuals serving our veterans and our claimants, and I will continue to raise the bar to make sure we meet all expectations out of the Waco Regional Office.

Mr. RUNYAN. I appreciate that. I don't have anything further, but like the conversation I had with the Ranking Member earlier today, we know we are early in this process, and I think we all agree that fully developed claims make it a lot easier on everybody. And I think we all have a hand in that, whether it is from my personal congressional office helping a veteran, whether it is our county VSO officers doing the same thing, and I think that the team approach to doing this, which the State of Texas has taken an honest attempt at it to truly, take care of our veterans. We have to be open-eyed to this, and know there is multiple solutions and multiple ways to get there. As the Ranking Member said, we are still early in this process, but I think we can see some uptick from it and some positives.

So I look forward to hopefully continuing this discussion down the road as we can get some more statistical analysis, some more, I would say, comforting stories from our veterans that we are serving. This is the one biggest thing where they can see the light because, specifically in this room let alone up on the Hill, bureaucracy is a word that just makes the back of your neck tingle sometimes because of the uphill battles we have to climb to not give our men and women what we promised them, especially our warriors, is something I think most of us would not sleep well at night thinking about.

So I thank you for coming and doing this, and also everybody from the State of Texas with the strike force, and thank you for your testimony.

And with that being said, I want to thank everyone for being here this day. I would like to again emphasize that the fact that all veterans in central Texas face the longest time for claims processing is an issue. The backlog for claims processing is one that affects veterans nationwide, including many in my home State of New Jersey. Therefore, I applaud the State strike force in their efforts at addressing the issue, and thank the VA for being here today to participate in a discussion on the new approaches, and there probably will be many more to come on this very long-standing problem.

I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include any extraneous materials. Hearing no objection, so ordered. I thank the

members that were in attendance today, and this hearing is now adjourned.

[Whereupon, at 12:41 p.m., the Subcommittee was adjourned.]

A P P E N D I X

Prepared Statement of Hon. Jon Runyan, Chairman

Good morning and welcome everyone. This oversight hearing of the Subcommittee on Disability Assistance and Memorial Affairs will now come to order.

As is often the case when this Subcommittee convenes, we are here to discuss the backlog of veterans' disability benefits claims. Unfortunately, when such discussions take place, we often find ourselves having the same discussion over and over.

Frustrated veterans want to know why it takes so long to process their claim. Frustrated lawmakers want to know why the backlog keeps increasing. And frustrated VA employees want everyone to know that the folks on the front lines are doing the best they can to try to keep up with an increasing amount of claims.

However, every so often a new idea is interjected into the discussion, and we are here today to discuss one such idea.

In 2009, the State of Texas created a "Claims Processing Assistance Team" that helped reduce pending claims at the State's two Regional Offices, or "ROs", in Waco and Houston. \$400,000 was allocated toward about a dozen employees over several months, and those employees reduced the number of pending claims in Waco and Houston by 17,000. Despite this success, the situation has since worsened for veterans not only in Texas but across the country, as the amount of pending claims has doubled since that time.

As a recent Center for Investigative Reporting study reveals, the impact of the backlog varies by region. The study finds that: veterans in sparsely populated states often have their benefits claims processed faster than those in more populous states.

In addition to this study, the media has also been paying close attention to veterans who must wait the longest to receive their benefits – which are veterans in Texas and, as is well-known to the Ranking Member Mr. McNerney, California.

But, the fact remains that no matter where a veteran is located, more often than not, that veteran is waiting too long to receive their benefits decision.

Once again taking action into their own hands, in late July of this year, the Texas State Legislature created a "State Strike Force Team," led by the Texas Veterans Commission. This time around, they have allocated \$1.5 million dollars and 16 full time employees. The goal of the State Strike Force Team is to assist veterans and their families in receiving disability compensation and pension payments earlier than expected.

Specifically, eight claims counselors will be located at both the Houston and Waco Regional Offices to help process claims. There will also be "Fully Developed Claims" Teams located throughout the state to improve access and assist veterans in filing fully developed claims.

By examining this process today, we are hoping that this State Strike Force Team will serve as a model to other states and perhaps even lead to the creation of a similar Federal Strike Force Team.

I want to thank the VA, the Texas Veterans Commission, and Mr. Hernandez for their valuable input as we work together to find important solutions to the growing backlog of claims.

I welcome today's witnesses to continue this ongoing discussion and offer their own specific recommendations on how to improve the current system of processing veterans' disability claims.

Prepared Statement of Mr. Cantu, Jr.

GREETING

Good morning, Chairman Runyan, Ranking Member McNerney, and Members of the Subcommittee. For the record, my name is Eliseo "Al" Cantu, Jr., Chair of the Texas Veterans Commission. I am humbled by the invitation to testify before you

today. On behalf of the Texas Veterans Commission, I would like to thank the Subcommittee for this opportunity and for your interest in the efforts the state of Texas has undertaken in order to better serve the 1.7 million veterans in our state.

I am accompanied today by Mr. Jim Richman, Director of Texas Veterans Commission's Claims Representation and Counseling program. Mr. Richman has been with the agency for over 25 years, working his way up from entry-level claims counselor to becoming the program director in 2006.

My testimony will provide you with some background information regarding Texas' State Strike Force and Fully Developed Claims Teams Initiative, directed by state leaders this past July. Mr. Richman's testimony will provide you with the details of the initiative, and an update of our progress, keys to its success.

TEXAS VETERANS COMMISSION

The Texas Veterans Commission is the veterans advocacy agency for the state of Texas. Our mission is to advocate for and provide superior service to Veterans in the areas of claims assistance, employment services, education, and grant funding that will significantly improve the quality of life for all Texas Veterans, their families and survivors. The Texas Veterans Commission provides these services through four program areas: Claims Representation and Counseling, Veterans Employment Services, Veterans Education Program, and the Fund for Veterans' Assistance.

No other state has centralized all of these program areas within their state's veterans agency. Texas is becoming recognized for aggressively leading on veteran issues. National leaders have referred to the "Texas-model" when advocating for the integration of veterans services.

Texas Veterans Commission's Claims Representation and Counseling Program assists veterans prepare compensation and pension claims with the U.S. Department of Veterans Affairs (VA). In 2011, Mr. Richman's claims counselors handled 179,981 benefit cases on behalf of veterans and dependants, filed 125,179 new monetary claims, and 16,101 new appeals.

CLAIMS PROCESSING ASSISTANCE TEAMS (CPAT)

In November 2009, Governor Rick Perry and the Texas Veterans Commission launched the special Claims Processing Assistance Team (CPAT) project to assist Texas Veterans who had their claims for monetary benefits pending with the two VA regional offices in Texas (Waco and Houston). This project built upon the success of a pilot project between the Texas Veterans Commission and VA in 2008. At the time the CPAT project was announced, a total pending caseload of 39,000 federal benefit claims existed in Texas' two VA regional offices. These CPAT Teams consisted of 12 additional claims counselors (6 at each regional office). They targeted specific areas within the claims process, doing all development needed on the individual claims and working directly with the claimants in identifying and acquiring necessary evidence. The project was funded for the period from November 2009 to July 2011. In that time, these special CPAT teams returned to the VA 17,325 cases ready for decision or award action.

STATE STRIKE FORCE AND FULLY DEVELOPED CLAIMS TEAMS INITIATIVE

Since that time, the situation has become measurably worse. On July 16, 2012, the Commission testified before the State Senate's Veterans Affairs and Military Installations Committee regarding the state of the backlog in Texas. According to the VA, in January 2010, the total pending caseload in Texas was 50,934 claims and 15,644 appeals. The number of cases that had been pending over 125 days, what the VA considers backlogged, was 16,803 claims. On July 14, 2012, the total pending caseload in Texas was 107,279 claims, and 28,183 appeals. The number of cases that had been pending over 125 days, what the VA considers backlogged, was 68,612 claims. In essence, in Texas, the total pending caseload has more than doubled while the backlog has more than quadrupled from 2010 to present. Presently, the real world average for getting a decision on a VA claim is 18 to 24 months.

Following that hearing, on July 19, 2012, Lieutenant Governor David Dewhurst, working with Governor Rick Perry and State House Speaker Joe Straus, directed the Texas Veterans Commission to reinstitute the "State Strike Force Teams" that were implemented in 2009 to help reduce this federal backlog of veterans' claims for disability benefits. The state leadership also directed the Texas Veterans Commission to help the backlog by assisting veterans in filing fully developed claims, which are processed faster by the VA, and to address critical staffing needs in areas where Veterans need additional access to Texas Veterans Commission Claims Counselors. On July 25, 2012, Governor Perry provided \$100,000 to the Texas Veterans Commission to immediately implement these teams. On July 26, 2012, Governor Perry, Lieutenant Governor Dewhurst, and Speaker Straus authorized the Texas

Veterans Commission to utilize \$1,511,267 in the 2012–2013 biennium to address the backlog of federal disability claims.

These teams will be working on both ends of the claims process to ensure that the backlogged claims and new claims have all the information and evidence needed in order to allow a more timely decision. The goal of this initiative, with the single year of funding we have been authorized, is to reduce the current backlog of claims in Texas by 17,000 claims.

Mr. Richman is going to share with you how he and his teams will make that goal a reality, momentarily. Again, I want to thank you for the opportunity to testify before you today. Thank you for the work are doing, and will do, on behalf of Texas veterans, and all veterans, of this Nation's Armed Forces.

Prepared Statement of Mr. Richman

INTRODUCTION

Good Morning, Chairman Runyan, Ranking Member McNerney, and Members of the Subcommittee. My name is Jim Richman and I have the privilege of serving as the Director of Claims Representation and Counseling at the Texas Veterans Commission. As the Chairman mentioned, I have been with the agency for over 25 years. I am a veteran myself and come from a family where military service was expected, as is the case with countless families across this Nation and across the great State of Texas. My father and uncles were members of the greatest generation and participated in some of the toughest combat in WWII. By the grace of God, they all came home and they taught me to be a part of something bigger than myself. I instill that virtue in my Claims Counselors, all of whom are veterans, many of them disabled veterans. Serving the veterans of Texas, their families and survivors is not only our mission, it is our duty, as veterans serving fellow veterans.

This morning, I will provide you with the details of Texas' State Strike Force and Fully Developed Claims Team Initiative, provide an update, one month in to the initiative, and highlight some keys to successful implementation.

In his remarks, Chairman Cantu outlined the gravity of the situation for us in Texas, that in the years from 2010 to 2012, the total pending caseload of claims has doubled and the number claims pending longer than 125 days, backlogged, has quadrupled. I will only emphasize that the end of combat operations in Iraq, a decreased military presence in Afghanistan, and force shaping measures announced by the Department of Defense in January 2012 are expected to greatly increase the demand and need for these services. This influx, coupled with the increasing demand of an aging population of WWII, Korea, Vietnam, and Gulf War I Era veterans threatens to compound the workload of a system already operating beyond capacity.

As I am confident that this Subcommittee has received prior testimony from the U.S. Department of Veterans Affairs (VA) and others regarding the overwhelming backlog of claims and the unacceptable current timelines of 18–24 months associated with claims processing, I will not belabor the point any further. What I will add is that this situation exists, despite the fact that, in Texas, the VA is full of dedicated, hard-working people who are trying to do the right thing for the veterans they serve. The problem is the complexity of the process.

The information that follows is how we propose to assist the VA in Texas with regard to reducing the backlog and improving processing timeliness of current claims.

DETAILS OF THE INITIATIVE

The concept for the State Strike Force and Fully Developed Claims Teams was developed as the result of best practices and lessons learned from two previous cooperative projects with the VA in Texas. The first, in 2008, was the Development Assistance Pilot Project (DAPP) wherein the VA Central Office requested a TVC team to conduct claims development parallel to a team from the VA. In the final analysis of this project, development of the claims processed by the TVC Claims Counselors was accomplished in 10.73 days compared to the VA's 131 days. At the time, VA Undersecretary for Benefits Patrick Dunn commended the results and the VA Office of Field Operations provided all of its regional offices with a copy of the final report, and encouraged them to implement the best practices identified by the project.

The second, the Claims Processing Assistance Teams (CPAT), Chairman Cantu covered in his remarks. CPAT was a state project, funded by the Governor's Office from November 2009 to July 2011. Twelve (12) TVC Claims Counselors targeted specific areas within the claims process, doing all development needed on the individual claims and working directly with the claimants in identifying and acquiring

necessary evidence. By the end of the project, TVC had handed back to the VA 17,325 cases ready for decision or award action.

As soon as the direction came this past July from the Governor Rick Perry, Lieutenant Governor David Dewhurst, and House Speaker Joe Straus to reinstate a form of this initiative, we began building two separate teams.

STATE STRIKE FORCE TEAMS

First, there are two (2) State Strike Force Teams, each consisting of eight (8) members located at each of the two VA Regional Offices in Texas (Houston and Waco). The purpose is to assist the VA by accomplishing all necessary development on cases that have been pending for over 125 days (backlogged) and return to the VA ready for decision. These teams will review cases and not only determine what development needs to be done, but to actually accomplish that development utilizing best practices identified in previous projects, which include:

- Utilizing every resource available (telephone, email, fax, family members, and mail as a last resort) to contact the veteran, clarify or get additional information on his or her claim.
- Contacting private physicians, hospitals or any other party or entity that has information to give the Veteran the highest possibility of a favorable decision on the claim.
- Expediting claims and appeals through submission of waivers, as appropriate.
- Contacting claimants with Decision Review Officer (DRO) hearing requests.
- Contacting claimants with Board of Veteran Appeals (BVA) partial grants for resolution of appeal.
- Identifying inadequate exams.
- In our review, if we find “directed development” or things that have been overlooked or not finalized, we will make recommendations regarding what is needed.

FULLY DEVELOPED CLAIMS TEAMS

The Fully Developed Claims Teams were the critical missing piece of our previous projects to assist the VA with reducing the backlog of claims. While the State Strike Force Teams are attacking cases already caught in the backlog, the Fully Developed Claims Teams will work on the front end of the process to ensure that qualifying new cases being filed by TVC Claims Counselors (an average of 500 claims and appeals per day) are filed in a fully-developed status. They will work with the TVC field counselors and Veterans County Service Officers (VCSO's) to assist them in making every claim possible a fully developed claim, and work with the VA Regional Offices to expedite their ratings.

There are two (2) Fully Developed Claims Teams of five (5) members in each of the two VA Regional Offices in Texas (Houston and Waco). The five Fully Developed Claims Team members inside the VA Regional Offices will be working with our TVC field staff to:

- Provide additional training, resources, and assistance in properly preparing fully developed claims prior to submission.
- Utilize “Informal Claims” whenever necessary to insure the Veterans date of claim is protected.
- Review incoming claims to identify those which could be made fully developed claims.
- Review existing claims and determining if they could be “re-filed” as fully developed claims.

There are an additional eight (8) Fully Developed Claims Team members in the field will be utilized to augment the staff of field office locations that have the highest daily volumes of veteran clientele, thereby allowing the counselors in those offices to have more time to develop the claims they file, ensuring they meet the threshold of fully developed.

UPDATE

Within days of state leaders’ authorization of the teams, we posted the positions and began hiring. As of September 1, we filled all 34 positions created as a result of the initiative. Those hires include personnel with significant VA claims experience, including former and retired TVC and VA professionals with a total combined experience with the VA claims process of over 700 years.

During this initial period, lead TVC and VA personnel have been working together to create the Standard Operating Procedures (SOP). I would like to point out that VA Area Director, Beth McCoy, Houston Regional Office Director, Pritz Navaratnasingam, Waco Regional Office Director, John Limpose, and their staffs have completely bought in to what we can accomplish with this endeavor. Both VA

Regional Offices have provided TVC with the additional space, computers, training materials and support we need to make this a truly successful endeavor. We have already devised workflow and workload tracking because we must be able to track all of our production from both teams. The VA has provided us with specific people and/or locations to receive the files, use of the "Covers" computer program to track our work, and to locations to deliver our work. Of course, everything we do is subject to adjustments and improvements as we progress into the project.

As of Monday, September 17, members of the State Strike Force Teams have reviewed 2,525 case files of backlogged claims, identifying and executing all required additional development. They have already delivered 852 claims to the VA, fully developed and ready to rate.

KEYS TO SUCCESS

Based on experience gleaned from previous projects and with Texas' State Strike Force and Fully Developed Claims Teams initiative, there are several essential elements required for the successful implementation of these, or like, initiatives.

1. Complete support from the VA Regional Offices involved.

No state level initiative can succeed without the complete support of the VA Regional Offices involved, in particular the Regional Office Directors. The need for additional workspace, computers, training materials, and access to VA systems and applications, necessitates the need for a solid working relationship between the state agency and VA personnel. VA Regional Office Directors need to direct their entire staff to recognize the experience of the team members and be accepting of their suggestions when devising workflow and workload tracking. As with any cooperative effort, transparency and feedback from both parties regarding the effectiveness of efforts is critical to refining processes and procedures.

2. The individuals hired to staff such an initiative must be experienced with the VA claims process.

Based on our previous experience with the projects referenced, an experienced workforce is critical to the success of a project like this.

3. Any initiative should utilize identified best practices for claims development.

As previously discussed, our prior cooperative projects (DAPP and CPAT) have identified best practices for claims development. The effective implementation of these practices has demonstrated that they can drastically reduce the time required to get claims through the development process to a rating decision.

4. Dedicated funding to support the initiative for a set period of time in order to realize meaningful reduction in the backlog of claims.

The value of federal funding such initiatives is obvious. The specific situation faced by the particular state veteran agency or VA Regional Office will dictate the funding requirement and length of time such funding would be required in order to affect reduction in the claims backlog. In Texas, state leaders have currently authorized \$1.5 million in state funds for the State Strike Force and Fully Developed Claims Teams initiative for one fiscal year. TVC's goal for this initiative, for this single year, is to reduce the backlog of claims in Texas by 17,000 claims.

CLOSING

In closing, I would like to thank the Subcommittee for the opportunity to share this information with you today. State leaders have provided TVC with the opportunity to make a tangible difference in the lives of veterans of the state of Texas. TVC has demonstrated the capability to have a positive impact on this issue twice before. With the support of this Subcommittee and federal funding, we believe that Texas and other states have the capability to successfully replicate and implement similar initiatives. Like those famous Texans who drew a line in the sand at the Alamo, Governor Rick Perry, Lieutenant Governor David Dewhurst, and House Speaker Joe Straus have drawn a line in the sand regarding the backlog of claims in Texas to say "No More". The Texas Veterans Commission is making a difference now, because the veterans we serve already did.

Prepared Statement of Mr. Hernandez

Mr. Chairman and Members of the Subcommittee,
My name is Steve Hernandez. I am the McLennan County Veterans Service Officer, located in Waco, Texas. On behalf of the veteran community of Central Texas, the citizens of McLennan County, the Commissioners Court of McLennan County, and the McLennan County Veterans Service Office thank you for allowing me to

provide testimony on a very important issue that is affecting the Nation: The Chronic Backlog of Benefit Claims for our Nations' veterans.

As you are all aware, nationally, benefit claims submitted to the Veterans Affairs Regional Office (VARO) have increased dramatically. We attribute the influx to an increased average of single digit to double digit individual disability claim submittals, economic stagnation, employment difficulties, issues involving social reintegration, and a continued stream of past era veterans submitting claims for the first time or resubmitting previously denied claims, just to mention a few.

Unfortunately, from a regional perspective, the Waco VARO has been identified as the worst of the 57 RO's under the ASPIRE database. Because of this dubious distinction, the Waco RO is under intense scrutiny for the backlog and discussion continues on how the federal government can resolve this dilemma. Realizing the economic benefit in breaking through the backlog and the catastrophic condition of the current federal system, state leaders have authorized the state veteran component of the Texas Veterans Commission to dedicate state assets to assist with the backlogged claims with a commitment of \$1.5 million dollars for the State Strike Force Teams, a team of counselors who will assist in fully developed claims as well as assisting in claims assistance and development.

To fully understand the Waco VARO's dismal performance requires an in-depth evaluation on the causes for such a backlog. The major cause for the spike in the backlog has been the Nehmer claims as well as the most recent presumptive Agent Orange illnesses. Illnesses that have been long overdue in recognition. The federal directive posed on the Waco RO as a responsible party to Nehmer death claims proved to be a daunting task. Not only were there 40,000 more claims added to the operation for decisions but the award distribution became extremely complex as these claims involved estate succession that proved unprecedented like never before in deciding the rightful beneficiaries.

In evaluating the backlog at the grass root level, eliminating the claims backlog will require what hopefully will be a short term commitment from states that have the ability to supplement state assets to assist in claims processing. The investment should yield an equitable rate of return for the state economy. Also, the local private sector could become more involved as community partners in creating "one stop" shops utilizing federal, state, or private funds and grants in assisting in the diagnosis of certain specialized claims that could relieve the decision process and the backlog also being experienced by the VA's health care system. The Veterans Benefit Management System must also be a priority in the development of advancing into the 21st century with new technology. The continued review of evaluating the effectiveness of the rating schedule diagnostics codes should also be considered.

As the local veterans service officer, I am the recipient of direct public contact from the veterans who are being confronted with life challenges as they await word of the status of their claim. The level of frustration, coded threatening innuendos, some uncontrolled anger outbursts, misunderstanding and system confusion on the process, and dire economic need are the common and frantic interactions with the veteran while waiting for a decision. The most disheartening part of the prolonged process is if they are denied, which is a reality. Many have invested their future on the decision while waiting, leaving many with few alternatives but to become further dependent on other VA programs.

The effects of the prolonged backlog are affecting the veteran in the most adverse way. If the data is possible, I am certain it would be a travesty to know how the backlog has affected veteran homelessness, relationships, crime, addiction, mental health, and suicides. The prolonged wait on claim decisions cannot be productive on our society and unfortunately will continue to lead to social problems at the national level. A sad and embarrassing end to the dedicated patriots who have braved austere conditions, family separation, traumatic experiences, and multiple deployments to provide us the freedom and liberty as a free society.

Prepared Statement of Mrs. Rubens

Good morning Chairman Runyan, Ranking Member McNerney, and Members of the Subcommittee. Thank you for the opportunity to discuss the Veterans Benefits Administration's (VBA's) work with the Texas Veterans Commission (TVC) to expedite claims processing for Texas Veterans. I am accompanied today by Mr. John Limpose, Director of VBA's Waco Regional Office (RO). VA is committed to achieving our goal of processing all claims within 125 days with 98 percent accuracy in 2015, and assistance from stakeholders like TVC is critical to our success in improving the timeliness and accuracy of the claims process.

VBA Transformation

VBA is in the midst of implementing its Transformation Plan and is relying on support from stakeholders to better serve our Veterans, Servicemembers, and their families. This transformation changes interactions with our employees, other Federal agencies, Veterans Service Organizations (VSOs), and state and county service officers, such as TVC.

VBA's transformation is demanded by a new era, emerging technologies, the latest demographic realities, and our renewed commitment to today's Veterans, family members, and survivors. In the face of dramatically increasing workloads, VBA must deliver first-rate and timely benefits and services – and they must be delivered with greater efficiency. VBA is aggressively pursuing its Transformation Plan, a series of tightly integrated people, process, and technology initiatives designed to eliminate the claims backlog and achieve our goal of processing all claims within 125 days with 98 percent quality in 2015.

VBA is working to simplify processes and reduce the burden of paperwork for both Veterans and our workforce. Many of our transformation initiatives will improve efficiency and customer service. While stakeholder engagement is important to nearly all of VBA's transformation initiatives, I would like to highlight three initiatives, the eBenefits web portal, disability benefit questionnaires (DBQs) and the fully developed claims (FDC) program, in which Veterans service officers play a vital role.

eBenefits: Veterans now have access to benefit information from multiple channels—on the phone, online, or through the Department of Defense (DoD) and Department of Veterans Affairs (VA) shared portal called eBenefits. The eBenefits portal provides over 45 self-service features to check the status of a claim or appeal; review the history of VA payments; request and download military personnel records; secure a certificate of eligibility for a VA home loan; and numerous other benefit actions. eBenefits enrollment now exceeds 1.8 million users, and VA expects enrollment to exceed 2.5 million by the end of 2013. VA is engaging our VSO, state and county partners in registering Veterans for eBenefits accounts.

DBQs: DBQs are templates that solicit the medical information necessary to evaluate Veterans' medical conditions. VA has made 71 DBQs available to the public, so that Veterans can take them to their private physicians for completion. Ten additional DBQs for specialized medical examinations and opinions are used by VA physicians, bringing the total number of DBQs to 81. DBQs facilitate submission of a fully developed claim, the fastest means of getting a claim processed. VBA is informing stakeholders, particularly VSOs and state and county partners, about DBQs so they can encourage Veterans to utilize these templates and receive more timely and accurate rating decisions.

FDC: A Fully- Developed Claim (FDC) is a Veterans disability benefit claim that consists of a complete application, all Military and civilian medical treatment records, and relevant Military personnel records to include the DD 214. Veterans participating in the FDC program, often supported by their VSO representatives, send all the required evidence with their claims and certify that they have nothing further to provide. By doing this, they dramatically reduce the processing time of their claim. The more claims we receive that are fully developed, the faster we can make decisions. Currently, claims submitted under the FDC program are processed in an average of 115 days. However, only three percent of claims from VSOs and state and county service officers are currently submitted through the FDC Program. VBA's target for FY 2013 is to increase this percentage to 20 percent – meaning VBA will have the ability, if this goal is reached, to complete 153,000 more claims before they can become backlogged. VBA is exploring both monetary and nonmonetary incentives for its VSO partners to increase FDC submission because of the impact this would have on claims-decision timeliness.

Initial TVC Pilots

The Waco RO first conducted a pilot, the Development Assistant Pilot Project (DAPP), from June 2008 through January 2009. In this partnership, four TVC employees assisted with the review and development of cases needing rating decisions. VA gave TVC counselors 32 hours of training in claims processing. Follow-up training was also given to counselors on an "as needed" basis. A VBA first-line supervisor was assigned to provide subject matter expertise, oversight, guidance, and review of the work each counselor completed. TVC touched over 1,600 claims, 33 percent of those claims were made ready for decision. Evidence was received in an average of 11 days during our initial partnership with TVC.

An additional pilot, the Claims Processing Assistance Team (CPAT), was conducted with TVC and the Waco and Houston ROs from November 2009 through July 2011. TVC had funding available to support CPAT. TVC dedicated 12 full-time counselors to contact claimants by telephone, e-mail, or other means to facilitate

completion of required development. CPAT members also worked with health care providers and DoD to expedite receipt of requested information needed to complete claims.

TVC's review was limited to claims where TVC was designated as the claimant's accredited representative. They were and are unable to assist with the entirety of the Waco and Houston ROs' workload. Claims determined to be ready-for-decision were forwarded to the ROs' decision makers for expedited action.

TVC Strike Force Teams

The Texas State Legislature's 2012–2013 biennial budget includes \$1.5 million to create TVC Strike Force Teams to work side-by-side with the Houston and Waco ROs to reduce the number of pending claims and appeals. On August 15, 2012, a planning meeting was conducted between leadership of TVC and the Houston and Waco ROs. At the meeting, TVC committed to assign 34 counselors to the Strike Force Team. Thirteen TVC counselors will be stationed at each RO, five of whom will concentrate on gathering evidence and working with Veterans to submit FDCs, and the other eight will focus on pending claims and appeals. The remaining eight counselors will be stationed at key field locations around the state.

Similar to the previous pilots, TVC counselors on the Strike Force Teams will assist by gathering evidence from Veterans and securing health-care records to expedite claims processing. However, the new partnership will do much more than the CPAT pilot to support submission of FDCs as well as DBQs. VBA hopes that with the assistance of TVC's Strike Force Team, we will far exceed our goal of receiving 20 percent of claims from Veterans represented by TVC through the FDC program by the end of fiscal year 2013.

As of September 11, 2012, the Houston RO's inventory of pending disability claims included 38,088 claims, of which 27,981 or 75 percent were pending longer than 125 days and are considered to be part of VA's backlog. The Waco RO's inventory included 50,039 claims, of which 38,217 or 76 percent were pending over 125 days. The ultimate goal of our partnership with TVC is to impact these numbers in a positive manner, and provide the Veterans in Texas with fast and accurate service.

In addition to FDC claims, TVC will also assist the Houston and Waco ROs with their appeals inventory by working with appellants to identify cases in which appealed issues may be resolved through written submissions or informal conferences without the need for a hearing and to determine whether a partial grant of benefits by VA resolved the appeal to the appellant's satisfaction.

VBA has provided desk space in the in both Houston and Waco ROs for all TVC employees. They will be provided training with a special focus on FDC. The TVC Strike Force Teams will also have VBA tools and training materials at their disposal and may consult with members of the ROs' Quality Review and Training Teams on an as-needed basis. RO staff will provide regular feedback regarding the quality of the cases deemed ready-for-decision by TVC.

FDC Partnerships in Other States

Since our last partnership with TVC, VA has been reviewing and reengineering our business processes in collaboration with both internal and external stakeholders, including VSOs, state and county service officers, and Congress, to constantly improve our claims process using best practices and ideas. There are approximately 8,000 Veterans service officers nationwide, and they are an integral part of our transformation initiatives, particularly the FDC program.

In December 2009, the Chicago RO was selected to pilot the FDC initiative. Since the beginning of the FDC program, open and continual communication has occurred between the Chicago RO and the collocated VSOs. Through this pilot, VBA confirmed that the FDCs allow employees to spend less time developing and gathering evidence for claims and spend more time rating claims and reducing the backlog.

The Togus Regional Office has also established a robust FDC program by forming a strong relationship with VSOs in the Maine. VBA especially recognizes the Maine Department of Veterans Services for the outstanding assistance they are providing to the Veterans they represent, submitting 42 percent of their claims as FDCs.

On July 31, 2012, an FDC workshop was held in Washington, DC, for representatives from 10 VSOs. The goal of the workshop was to emphasize the positive impact of filing FDCs, and VBA emphasized that the receipt of DBQs with FDCs would further improve processing time. A presentation on the technical process of submitting a FDC was provided, and the Director of the Chicago Regional Office led a discussion on how ROs and VSOs can work together to increase participation in the FDC program.

Conclusion

VSOs and state and county service officers, such as TVC, are important partners in VBA's transformation to better serve Veterans, their families, and survivors. In our pilot projects with TVC, VBA experienced positive outcomes; we believe there are greater opportunities to improve service and productivity in the new partnership with TVC. The broader scope from the new Strike Force Teams can assist VBA in decreasing the backlog in the Houston and Waco RO's. VA is working on a standard operating procedure that will clearly outline the responsibilities of both VA and TVC and assist the agencies in ensuring a smooth process. VA will carefully track and monitor the Strike Force Teams and assess the potential for future partnerships or pilots to be expanded to other ROs.

Mr. Chairman, this concludes my statement. I would be pleased to answer any questions you or other Members of the Subcommittee may have.

Questions for the Record

Questions from Honorable Jon Runyan, Chairman, Subcommittee on Disability Assistance and Memorial Affairs to Ms. Diana Rubens, Deputy Under Secretary for Field Operations:

- (1) How many employees at the Waco Regional Office have gone through VA's new Challenge training?
- (2) How is VA measuring the progress of those going through the Challenge training against those who have not been through the training?
- (3) What have the results been so far?

Responses from Ms. Diana Rubens, Deputy Under Secretary for Field Operations to Honorable Jon Runyan, Chairman, Subcommittee on Disability Assistance and Memorial Affairs:

1. Answer: Deliverables: The number of Waco and Houston VARO employees that have received the new eight week Challenge Training.

The number of Waco and Houston Regional Office employees that received the new eight week Challenge training is provided below. Also included is the number of VSRs that attended the four week Challenge session. The eight week VSR Challenge session included both Pre- and Post-Determination training, allowing employees to work on either team. The four week VSR training session provided training on either Pre-or Post-Determination, but not both.

Challenge Sessions 2011-6 through 2012-5

Regional Office	RVSR (8 Week)	VSR (8 Week)	VSR (4 Week)
Houston	23	6	10
Waco	103	49	31

2. Answer: Comparing a current cohort to employees to a previous Challenge cohort is not feasible. Beginning in FY 2012, Compensation Service modified the employee performance tracking system (ASPEN) so VBA could begin tracking Challenge students' production. Before we implemented that modification, comparing the aggregate performance of previous cohorts of Challenge students or existing journey-level employees who have not been through Challenge would have been extremely time consuming and difficult, requiring manual generation and timely aggregation of hundreds of individual reports.

3. Answer: The first group of VSRs who completed the revised Challenge curriculum in September 2011 produced an average of 5.58 weighted cases per day during September 2012. The national production standard for a VSR GS-9 (typically the grade after 12 months) is 5 weighted cases per day. The September 2011 cohort of Challenge-trained VSRs is exceeding its aggregated performance expectation by more than 10 percent.

The first group of RVSRs who completed the revised Challenge curriculum in September 2011 produced 2.92 weighted cases per day during September 2012. The production standard for RVSRs on the job for 12 months is typically between 1.5 and 2 weighted cases per day. (There are no national production standards for non-journey level RVSRs at this time. Each office negotiates locally). The September 2011

cohort of Challenge-trained RVSRs is exceeding its aggregated performance expectation by approximately 50 percent.

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