

# Strictly Speaking

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# World War I Memorial Dedication

**HERSHEL GOBER**  
**Deputy Secretary of Veterans Affairs**

*(Remarks in Atlanta, Ga., April 6, 1998 )*

I'm delighted to join you today, as we pay tribute to those who served in the tremendous conflict that came to be known as World War I.

The two veterans of that time who are present with us today will recall another title for it. When the guns fell silent, the world expressed the prayer it had been the "war to end all wars." Sadly, that was a naive hope. Americans have been called several more times to defend our land and our way of life. Since that first Armistice, a thousand battlefields have become consecrated ground — stretching from the Argonne and Belleau Wood; to Omaha Beach in World War II; to Pork Chop Hill in Korea; to the Mekong Delta of Vietnam; and to the deserts of the Persian Gulf.

With today's dedication, this historic area here in Atlanta will have a separate memorial honoring the veterans of each of those great conflicts. So this ceremony brings us the opportunity to reflect on a long heritage of service and sacrifice. Today, we celebrate the courage and the spirit of the 4.7 million Americans who served in the "the war to end all wars" — and especially, the more than 100,000 Georgians in their ranks. Today, we salute Georgia veterans like Charles Cosby and James Lindsey — and recognize what they fought for and won for us:

- The right to elect our nation's leaders and representatives in government.
- The freedom to speak and write openly and publicly.
- The right to worship according to our beliefs.
- The chance to travel freely, and to meet with anyone we please.
- The opportunity to see, hear and read news gathered and written without government intervention.

This memorial represents each of these freedoms — the very things that hold us out as a beacon of hope throughout the world. This memorial proudly bears the names of the "Doughboys" who did not come home — many sons of Georgia among their number. And those who did return were changed by their wartime experience. And they watched America change, too. They watched our country come out of the horse age, pass through the jet age, and enter the space age. They learned the meaning of cold war, and lived through other wars that were not so cold. They experienced the Roaring Twenties, lived through the Great Depression, and watched our culture struggle through countless trends, from flappers to bobby socks; beatniks to Beatles; bell bottoms to button-down collars. And if their world changed styles, the rest of the world changed shape. The map of nations was re-drawn dramatically in their lifetime — new nations appearing and old ones making way. But through all this change in the world, our veterans found that some things remained constant — things that seem to stand out like navigation marks in a sea of uncertainty; things like their patriotism and their sense of duty. This is something for all of us to keep in mind, whenever we see some of our nation's older veterans:

- We need the kind of vision to see the young soldier who went forward when the whistle blew at Verdun;
- We need the kind of vision to see the sharp young Marine who showed the way at Belleau Wood;

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- We need the kind of vision to see around all the disguises of age and infirmity, to see through to the heart of the young men and women who served America so well.

In 1915, a young combat surgeon named John McCrae wrote a poem that was to become famous under the title "In Flanders Fields." It includes these lines:

To you from failing hands we throw  
The torch; be yours to hold it high.  
If ye break faith with us who die  
We shall not sleep, though poppies grow  
In Flanders fields.

Shortly before the Armistice, John McCrae was killed in action. But his moving words live on to challenge all of us to remember the service and the sacrifice of those who fought the Great War. In dedicating memorials like this one — honoring those who served — we take another step in answer to that challenge. To paraphrase another poet, R.W. Lilliard, we say today:

We caught the torch and hold it high;  
Freedom's light shall never die.

We salute the veterans of World War One. God bless each and every one of them. And God Bless America.

# # #

# A Vision for VBA

## JOSEPH THOMPSON

### Under Secretary for Benefits

*(Testimony before the Subcommittee on Benefits,  
Committee on Veterans' Affairs, U.S. House of Representatives, March 26, 1998)*

I would like to thank you for the opportunity to share with you my vision for VBA as we move into the 21st Century. March 4, 1789, the day the U.S. Constitution took effect, was also the day our brand new Federal government passed its first law to help veterans. Thus began a two-century long commitment by the American people to help those who wore our nation's uniform to defend the ideals embodied in the Constitution. Defending these ideals came with a very dear price: more than 41 million of America's sons and daughters served the cause of freedom, one million of whom died for that cause. In return, America has provided help to these citizen-soldiers in making the sometimes difficult transition back to civilian life.

Each wartime era brought an ever changing society, and consequently, ever evolving programs to help veterans. The agencies created to provide this help — the Bureau of Pensions, the Bureau of War Risk Insurance, the Veterans Bureau, and the other forerunners of today's VA — had to change and adapt to these changing circumstances. Today, we in the VBA, the heirs to this tremendous legacy, find ourselves in a rapidly changing world, one which can be stressful and confusing, but also one which provides many opportunities. We have no choice but to do the things that our predecessors had to do — learn, and grow, and change.

As an organization, we've sometimes lost our focus and not kept pace with our evolving environment. As a result, we've often frustrated veterans with our efforts and have raised serious doubts about our abilities with many of our key stakeholders, including the Congress and veterans service organizations. This can, and will, change. Just as our agency and its predecessors helped veterans in the eighteenth, nineteenth and twentieth centuries, so too will VBA do the things necessary to ensure that veterans are well served in the 21st century.

I am confident of this for two reasons. First, I believe that we have one of the noblest missions in government. Not only do we help the people who have risked their lives "to provide for the common defense," but we do so when they are dealing with life's major events — the death of a loved one, disabilities, poverty and homelessness, buying a home, going to college. We've been entrusted by our fellow citizens to deliver on our nation's commitment to veterans — this is our mission and I know that VBA employees will do everything in their power to achieve this goal.

Second, we are blessed with one of the finest and most dedicated work forces in government. VBA employees care deeply about their mission and often go to extraordinary lengths to help veterans and their families. Just as importantly, every day, they do the routine tasks which make a difference in the lives of the people who come to VA for help.

The "Road Map to Excellence - Planning the Journey," a draft of which was provided to your office, is a plan for changing VBA to regain our focus and to accomplish our mission. While it is based on the input of many VBA employees as well as our key stakeholders, it is the beginning of a dynamic process. Ergo, it is incomplete in a number of areas and likely to change in others as we receive and analyze more information on our key business processes. Nonetheless, it represents some important changes to our organizational structure, work-flow, job designs, and our relationships with veterans, their representatives and our partners in the benefits delivery process. Working together, we can accomplish everything that needs to be done to bring about this transformation.

## Background

VBA was built from the end of the first World War to the post-Korean War era. This began with the consolidation in the 1920s of most federal programs dealing with veterans' issues into a single agency, through the creation of a "product line" organization — the Department of Veterans Benefits — in 1953. Subsequently, operations of this Department were consolidated into 58 regional offices. As the predecessor agencies of today's VBA were being built, the organizational and administrative practices that were common to both businesses and government at that time were adopted, including:

- an assembly line approach to work
- a multi-layered, hierarchical organizational structure
- insular, "stovepipe" types of operating divisions
- work specialization based on narrowly defined tasks
- a focus on rules and procedures
- a focus on production over quality
- internally driven standards of performance with few program outcome measures
- a paternalistic approach towards customers and employees

This model served our nation well for many years and allowed VBA to be a very productive organization which generally met its customers' needs and expectations. During the 1970s, 1980s and into the 1990s, this dynamic began to change. Millions of new Vietnam Era veterans added to the cohort; a number of controversial claims issues involving agent orange exposure, radiation exposure, claims from former prisoners of war and post-traumatic stress disorders arose to challenge the status quo; and there were successful court challenges to long-standing claims practices and a deterioration of the relationship between veterans and VA. These factors helped to bring about a call for widespread changes to VA. The most significant of these changes were the elevation of the agency to Cabinet-level status and the creation of the Court of Veterans Appeals to review claims decisions which heretofore had been exempt from judicial review. More importantly, they signaled the start of a change process for all of VA and, in VBA's case, have brought into question some of its most important policies and practices. Recent studies completed by the Veterans Claims Adjudication Commission (VCAC) and the National Academy of Public Administration (NAPA) have reinforced the need to reexamine VBA's business processes and plans.

## VBA's Environment

During my pre- and post-confirmation meetings with various stakeholder representatives from throughout the veterans support community, I was provided with candid and knowledgeable feedback regarding the issues and opportunities facing VBA. That feedback, coupled with the VCAC, NAPA and other relevant reports, created an environmental scan. This scan represents the sense of those with whom we work most closely and support most directly regarding the issues of greatest concern for the future of veterans benefits delivery. The most frequently identified issues in the environmental scan are:

- inadequate quality of claims decisions/too many remanded claims from the BVA
- high workload backlogs in C&P claims
- underachieving information technology efforts
- insufficient succession planning
- unclear and fragmented organizational direction
- outdated work processes
- inefficient and unreliable data systems
- poor communications with veterans and VSOs
- insufficient numbers of veterans rehabilitated in the VR&C program
- unacceptably low participation rates for GI Bill
- materially weak financial management systems
- inadequately supported budget requests

These issues were analyzed as part of the planning process in the development of this Roadmap to Excellence.

Shortly after my confirmation, I brought together a group of senior VBA managers for a week-long planning workshop in Baltimore. The workshop was focused on assessing the issues and opportunities facing VBA today, such as those identified in the environmental scan above, and agreeing on VBA's mission, vision, values and goals for the long-term, and its critically important next steps. The results of the Baltimore planning workshop were published in late December and are highlighted below.

### VBA's Goal and Objectives

Achieving our vision of the future for veterans benefits is dependent on accomplishing multiple-change activities concurrently. Based on an assessment of VBA's current operations, management and planning efforts, as well as the feedback received from various stakeholder and oversight entities, we can group those change activities into the following twelve categories. They are:

- \* Culture
- \* Program Evaluations
- \* Rules and Regulations
- \* Data Systems
- \* Resources
- \* Training
- \* Information Technology
- \* Quality of Claims
- \* Human Resources
- \* Succession Planning
- \* Structure
- \* Strategic Planning

Within each category, we have defined a series of objectives to be achieved by 2001. These form the basis for our 2001 vision and are represented below:

### VBA's Culture in 2001

VBA will be customer focused and driven. VBA's employees and stakeholders will share and respect our culture and history — our mission and history are a very important part of our culture. We will become an organization where learning is fostered and modeled. We will listen, adjust and improve on the basis of learning. Our work processes will be owned and shaped by our work force. Teams and teamwork will be our structure and manner of operation. Our core values will be reflected in our day-to-day behavior. We will "walk the talk." Innovation will be encouraged and recognized, and our successes will be celebrated. Collaboration will be a hallmark of VBA work management. VBA leaders and employees are actively working to change our culture and model the change we seek in others.

### Program Evaluations in 2001

VBA program evaluations will affirm public policy goals and determine the degree to which we are achieving our goals. We will have initiated program evaluations in all business lines and, based on the outcomes of these evaluations, we will propose programmatic or legislative changes where appropriate. In conjunction with program evaluations, we will conduct a review of all our administrative processes, to include Business Process Reengineering (BPR).

### Rules and Regulations in 2001

We will have assessed the degree of revision necessary and have developed a plan to rewrite rules and regulations where indicated and will have initiated the revisions in those publications requiring the most significant attention.

### Data Systems in 2001

VBA's data systems will be reliable, timely, accurate, integrated across the organization, honest and flexible. They will enable the organization to forecast workload and resource demands.

### Resources in 2001

VBA will have adequate resources to accomplish its mission and goals. Resources will match requirements. We will use an integrated planning and budget process to forecast and justify needed resources. We will have tied our resource requirements to performance levels.

### Training in 2001

Employee skills and competencies will be identified for every decision-making position. Training plans and practices will be consistently prepared and delivered throughout the organization. Skill certification or credentialing will be in place for all decision-making positions. Training will be performance based and connected to measurable outcomes. Training will be delivered using multi-media techniques and will reinforce team behaviors and customer service. Training programs will be aligned with human resource requirements and will consistently deliver required training.

### Information Technology in 2001

Our information technologies will support a centralized policy development and a decentralized field office structure. VBA's information technology structure will be capable of successfully supporting small scale improvements. Our information technologies will be compatible with other administrations, both internal and external to VBA. Our information technology structure will be poised to achieve a major systems overhaul and support the One-VA architecture.

### Quality of C&P Claims in 2001

VBA will work closely with VHA and BVA in improving the quality of claims. Our Quality Assurance Programs will be greatly improved. We will use expert systems wherever possible and will use technology to control variances. Claims process quality will be linked to training outcomes and performance will be measured using pre-identified goals and milestones.

### Human Resources in 2001

We will have implemented an improved, streamlined human resources organization. VBA will achieve a new level of partnership with labor organizations. We will conduct organizational assessment surveys and will explore a separate VBA personnel system. Our personnel selection process will be aligned to our human resource requirements (e.g., skills, competencies and desired outcomes) and reflect the diversity of the people whom we serve. VBA's reward and recognition system will be aligned to desired outcomes. We will have completed an evaluation of pay pilots.

### Succession Planning in 2001

VBA's core competencies will be identified and a succession plan will be developed and piloted. Managing and promoting diversity will be a core part of our succession plan. Succession planning will integrate human resource issues (e.g., training and rewards). Feedback will be gathered regularly throughout plan development and implementation.

### Structure in 2001

VBA's organizational structure will be agile and will facilitate ease of access by veterans. We will not be bound by geographical limitations in our services to veterans. Authority and responsibility to make decisions will be driven down to the lowest appropriate level. VBA managers will share available resources and reduce redundancies. Field operations will be team-based. VBA's field organization will be realigned to better reflect our team-based, customer-focused and restructured organization. VBA Central Office will facilitate policy development, program integrity, strategic planning, and budget formulation.

### Strategic Planning in 2001

VBA will achieve a dynamic strategic planning process that integrates all near and long-term planning activities. Strategic planning will be outcome focused, have goals that are measurable, and promote accountability. The plan will be based on the Balanced Scorecard. Quality of life for veterans and program outcomes will drive strategic planning. Strategic planning will incorporate data from a broad array of information systems including surveys of both veterans and employees. Prioritization of resources will be based on data-driven strategic planning activities.

These 12 categories and objectives formed the basis for the second round of planning activities that occurred in mid to late January. I convened a series of team meetings in Washington, D.C., which brought together over 50 VBA employees from throughout the agency, along with representatives from other organizations in the Department, various veterans service organizations and VA employee unions. Together, this diverse group reviewed VBA's mission, vision, values and objectives, and analyzed the issues and opportunities identified and prioritized at the Baltimore workshop. The group was then divided into nine teams, with each team responsible for analyzing, developing and reporting on near-term actions to address the nine most significant opportunities for improving VBA benefits delivery in the near term. Those nine opportunity areas are organizational structure, claims processing, Business Process Reengineering, balanced scorecard, communications, training, data, information technology and strategic planning. The nine teams also began the process of developing longer-term strategies to lead us toward our year 2001 objectives. The results of those team-planning efforts are reported in the attachments to the "Road Map to Excellence."

# # #



# VBA Progress on Government Performance

## JOSEPH THOMPSON Under Secretary for Benefits

*(Testimony before the Subcommittee on Benefits, Committee on Veterans' Affairs ,  
U. S. House of Representatives, March 26, 1998)*

Mr. Chairman, I appreciate the opportunity to testify today on VBA's progress in implementing the Government Performance and Results Act (GPRA). All of us in VBA are committed to the provisions of GPRA because we believe it will result in improvements in the success and outcomes of VA's veterans benefits programs. I have organized my testimony into two parts. First, I will discuss our progress to date in implementing an integrated strategic management system, as GPRA requires. Second, I will share with the Subcommittee information we have accumulated to date on the results and outcomes of our programs. The Government Performance and Results Act requires Federal agencies to develop strategic plans and annual performance plans which contain goals and objectives linked to clear outcomes and results. The Act mandates that Federal agency budgets include performance measures and be linked to clear results for identified customers. I am moving ahead aggressively to implement GPRA in VBA, building on efforts started a few years ago with GPRA pilot projects in the New York Regional Office and the Loan Guaranty Program.

VBA has valued for some time the need to link planning and budget activities into an integrated strategic management process, which includes thoughtful development of strategic and annual performance plans—with clear goals, objectives, strategies, and initiatives – followed by careful implementation planning, monitoring of accomplishments, and feedback to ensure benefits from lessons learned. My proposed Balanced Scorecard is based on this approach of establishing goals and objectives within a corresponding framework to track progress achieved and to establish clear accountability. A Balanced Scorecard is developed using specific outcome measures and is used to monitor the results of improvement activities. The Balanced Scorecard will provide us with a strategic measurement system. The organization will look at the total service delivery picture taken together rather than just productivity, cost, or speed. We will also look at ways VBA can improve performance in these areas by sharing data and resources with other parts of VA to achieve the One-VA vision articulated in the Department's strategic plan. There is no doubt in my mind that implementing GPRA in this way will result in better benefits and services for veterans and their families, better value for the taxpayer, and greater satisfaction for our VBA employees.

**We have made good progress to date in implementing GPRA.** We have identified performance measures for each of our six business lines, using a core set of measures focused on improving our business processes. These measures include:

- Accuracy
- Timeliness or speed
- Customer satisfaction
- Unit cost
- Employee development/satisfaction

For some of these measures, VBA systems that provide data for performance measurement purposes already exist. For example, VBA has measured timeliness and accuracy for years using established procedures that are part of our current management information systems, although we admit, we have not been doing as good a job as we should have been doing. We are reviewing these systems and will be revising procedures to make sure the data currently available is accurate. For some other measures, we are developing new information systems and other methods to collect performance data because it is not now available. Examples of new data sources include veteran, other customer, and employee surveys, and our

Activity-Based Costing Project aimed at providing unit cost data.

We have also made progress in beginning to integrate GPRA planning requirements into our annual budget cycle. Our traditional annual budget documents have been converted into what we now call VBA Business Plans. Our 1998 and 1999 VBA Business Plans included both traditional budget and resource information, as well as GPRA planning information. As GPRA intends, our goal in doing this is to ensure VBA's strategic and performance plans drive budget decisions rather than vice versa. I believe we are still one of only a few Federal agencies that has chosen this approach of preparing one document that fulfills many GPRA requirements, rather than preparing two separate budget and planning documents that must be coordinated and reconciled on a regular basis.

In preparing our 1998 and 1999 VBA Business Plans, we used a framework based on VBA's six business lines – Compensation, Pension, Educational Assistance, Loan Guaranty, Vocational Rehabilitation and Counseling, and Insurance. This is based on our belief that this is the best way to present and analyze the current array of VBA benefits and services enacted by the Congress to improve the quality of life for veterans and their families. We have eliminated prior chapters in the budget – Veterans Assistance, Information Technology, Support Services, and Executive Direction – because we believe these are support activities and do not require separate treatment. Costs and initiatives for these activities are included in the appropriate business line that primarily benefits from the activity, or are spread across all business lines because the activity benefits each one.

Generally, the format of the business line plans included in the overall VBA Business Plan focuses on goals, objectives, performance measures, and anticipated results. While the traditional budget documents did include some information on performance, it was limited primarily to timeliness and accuracy, and was inconsistent across the business lines. Data on workload is included in the current format, but receives less emphasis than performance measures and anticipated results.

**There is still much more to do to meet GPRA requirements.** We need to develop impact, or outcome measures for all our programs. Much of our work to date has focused on performance measures related to our business processes only. Through research and further consultation with our stakeholders, we need to identify the intended impact on veterans' quality of life, and then measure whether our programs are achieving this impact. This is not an easy task and must be handled carefully and sensitively as we discuss each of our benefit programs with our various stakeholders. New systems, surveys and other data sources will be necessary to provide information to measure veteran impact and outcomes. Examples of some of these new measures include comparison of education achievement levels for veterans and non-veterans, comparison of financial educational assistance available for veterans and non-veterans, comparison of home ownership rates for veterans and non-veterans, Vocational Rehabilitation and Counseling (VR&C) veteran employment rates, and the number of veterans living below the poverty level.

We also need to coordinate and integrate existing and new information systems to provide easy-to-understand reports and data for managers and information to overseers and stakeholders. Additional veteran and other customer surveys are necessary to make sure we can provide customer satisfaction data for all business lines. Program evaluations and policy analyses will be needed to provide additional information when outcome measures do not exist, or when alternative policies need to be studied. Much more work is needed to identify employee skills and competencies useful for measuring development achievement.

Finally, we need to do much more strategic planning to form the foundation for all our operations. We need to work cooperatively with other VA organizations, DOD, and other Federal agencies to obtain better data for computer model-based projections of future workload, and to discuss common expectations for outcomes and results. The establishment of the Office of Actuary within VA will greatly assist us in improving our data analysis and

projection capabilities. We can increase VBA performance and improve benefits and services for veterans if we consider critical issues in more detail and focus on developing strategies with initiatives that will achieve the most improvement for the investment. More involvement with our partners – traditional ones such as unions, veterans service organizations, educational institutions, and lenders – is needed to build support and to develop new ideas. Increased contact with other partners, such as state and local governments or various non-profit organizations, will also help us succeed. We also need to develop well thought-out strategies for high profile issues such as handling tobacco claims, processing Gulf War claims, or improving benefits for homeless veterans. Finally, we need to ensure we have an ongoing mechanism to become a true learning organization. We will establish a process whereby we gather information from all sources and incorporate it into future strategic planning discussions.

**Current data on VBA results is limited.** As I mentioned earlier, we are building our abilities to gather performance measurement data based on our Balanced Scorecard approach. Data currently available on 1997 or 1998 progress is limited, however, because most new VBA systems and methods to provide data on performance are not yet operational. My ability to provide you information today on the current results for our programs is therefore limited by this lack of data. The following briefly summarizes information we do have on VBA's 1997 and 1998 performance to date for each of the business lines:

- **Compensation and Pension:** As noted above, we have historically kept timeliness and accuracy data for most of our programs. We also developed and administered in 1997 a veteran survey of the satisfaction with the handling of compensation and pension claims. While the questions in this survey cover many issues related to customer satisfaction, overall, 58 percent of those responding said they were satisfied or very satisfied with the handling of their claim. Another survey was administered last fall and the results will be available in the next two months. The Systematic Technical Accuracy Review (STAR) program was developed by a special work group formed by the Director of the Compensation and Pension Service (C&P) to analyze the C&P national and local quality programs in conjunction with the implementation of Business Process Reengineering and GPRA. We are currently revising our C&P accuracy measures based on review of core adjudicative work represented by the more complex rating and appellate workload. That review showed our error rate to be 36 percent. Until new procedures are established, we will not have any additional current accuracy results for the C&P programs. We will be testing these procedures during 1998 and hope to have a modified program in place by Fiscal Year 1999. Current information shows timeliness of most C&P claims improved from 1994 to 1997, but has slipped recently. For example, original compensation claims at the end of FY 1997 were processed in an average of 133 days, 80 days better than the end of FY 1994. Since October of 1997, however, timeliness for these claims has increased to an average of 150 days. Timeliness for other claims improved similarly from 1994 to 1997, but has slipped as well in the last five months. Much of this increase is attributable to the processing of special claims projects, such as complex Gulf War environmental hazard/undiagnosed illness claims, and tobacco use disability claims; and the number of appeal claims currently pending. The tobacco use claims represent some of our oldest claims, and as they are adjudicated, their age will adversely affect the average time to complete both original disability and reopened disability compensation claims. Training associated with Business Process Reengineering is another factor that impacts claims processing time. While the merging of functions between the Veterans Service and Adjudication Divisions will ultimately improve service to veterans, implementation requires training which temporarily takes staff away from responding to inquiries and processing claims.
- **Educational Assistance:** Similar to Compensation and Pension, current data on results for our Educational Assistance program are limited primarily to accuracy and timeliness. A satisfaction survey of veterans is being tested, and the results will be available by the beginning of the 1999 fiscal year. Payment accuracy rates for education claims have increased from just under 93 percent in 1995 to an estimated 94 percent for 1998. Service accuracy rates have increased from just under 80 percent in 1995 to an estimated 85 percent for 1998. Timeliness of processing education claims has improved from an average of 15 days in 1995 to an esti-

mated 12 days in 1998. Usage of the Montgomery GI Bill is an indicator we have developed to gauge the extent to which veterans use their benefit. This measure has increased from 33 percent in 1995 to an estimated 40 percent in 1998.

- **Loan Guaranty:** As I noted previously, our Loan Guaranty program was one of the early GPRA pilots. As such, this program developed several key performance measures. Satisfaction surveys of both veterans and lenders have been used for the past few years. Results during 1994 to 1998 include 90 to 93 percent veteran satisfaction with their contact with VA, and 83 to 85 percent agreed that loan processing did not take longer than expected. Lender results during the same period include 67 to 68 percent satisfaction with their overall interaction with VA. One of the most important indicators Loan Guaranty uses is the Foreclosure Avoidance Through Servicing (FATS) ratio. This measures VBA's success in keeping veterans in their homes. The FATS ratio had ranged from 37 in 1995 to 42 in 1996, but has decreased recently in 1998 due to increased workload in selected regional offices and the initial impact of our Loan Guaranty restructuring initiative.

- **Vocational Rehabilitation and Counseling:** Our VR&C program has developed a comprehensive set of new performance measures as part of its overall effort to improve impact on its veteran customers. Many of the systems to provide data for these measures are still being developed, but some 1998 results are available. For example, the claims completion rate measures our success in informing the veteran of eligibility requirements and appropriateness of the program to meet his/her employment needs. We have improved this rate from 53 percent to an estimated 60 percent in 1998. Similarly, the claims timeliness rate measures how quickly we can process a veteran's application for services. The current average number of claims timeliness days in 1998 is estimated to be 95. We also are using an employment timeliness measure which focuses on the days it takes to find suitable employment after the veteran has completed training. Unfortunately, this has increased from 80 days in 1995 to an estimated 106 days in 1998. However, we are developing a training module on employment services for field staff that we expect will improve this result. We are also, in conjunction with the Department of Labor, developing training for Disabled Veterans Outreach Programs (DVOPs) and Local Veterans Employment Representatives (LVRs), as well as VBA staff. Another area in which we have enhanced performance measures is the rate of successful rehabilitations. In the past, we had consistently tracked successful program outcomes in traditional terms of the numbers of veterans who completed their programs and were rehabilitated into suitable and stable employment. However, VR&C recently has developed an outcome success rate to measure the number of veterans who terminate the program prior to completion, yet who, with the benefit of the assistance provided, had outcomes that meet our definition of program success. This current rate is estimated at 52 percent in 1998.

**Insurance:** We have made considerable progress in developing performance measures for our insurance programs. Most of these indicators are comparable with those used in the insurance industry. Veteran satisfaction with our programs as measured by high customer ratings was 90 percent in 1997 and is estimated to be 91 percent in 1998. Low customer ratings decreased from 5 percent in 1997 to an estimated 4 percent in 1998. The average number of workdays to process disbursements is another important timeliness measure. Performance in this area has ranged from 4.1 days in 1995 up to 4.4 days in 1997, and back to an estimated 4.2 days in 1998. Our accuracy rate in processing disbursements is also important. This has been about 97 to 99 percent from 1995 to 1998.

There is much more information on these performance indicators, especially the methods used to measure the data and the targets for the future. I would be pleased to provide this more detailed information to the Subcommittee at a later date. Mr. Chairman, this concludes my statement. I repeat my opening comment that VBA is committed to implementing GPRA. It is not only the law; it will help us meet our mission of providing improved benefits and services to veterans and their families. I would be pleased to answer any questions the Subcommittee may have.

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# Changes for Veterans

## ANTHONY J. PRINCIPI Chairman, Congressional Commission On Servicemembers and Veterans Transition Assistance

*(Remarks at VBA Directors' Conference, Nashville, Tenn., April 28, 1998)*

You have likely heard the saying that, "There is nothing constant in this world except for change." And many things have changed over the years gone by and many more must change in the years to come.

Change is one reason the Congress created the Congressional Commission on Servicemembers and Veterans Transition Assistance. As you know, the Congress chartered this commission to evaluate the adequacy and effectiveness of transition benefits and services and the structures of the organizations delivering them. I believe the Congress acted because it understands that much has changed since the Servicemen's Readjustment Act of 1944, the original "GI Bill."

Our country and our veterans have changed since the Vietnam War, and even since the enactment of the Montgomery GI Bill a decade and a half ago. Our Commission is looking at how the country has changed in the civilian world, in the military, and in the Americans who make the transition from one to the other.

The military services have changed. They have been downsized. America is at peace and the missions of our armed forces have evolved. The operational tempo is different. The Reserves play a greater day-to-day role. Technology plays a greater role in our defense.

The young men and women who serve in uniform have changed. They are all volunteers. Their socio-economic characteristics are different than in the era of the draft. Almost all are high school graduates – but very few come from the families of the upper and upper middle classes. One difference stands out immediately: Unlike the predominately unmarried force that existed when I was on active duty, over 68% of servicemen and women are now married while they are on active duty.

The civilian world from which our services recruit, and to which our veterans return, has also changed. The economy transformed itself into one of service and technology instead of heavy industry. The social safety net is much broader. There are more programs to fund post-secondary education. Private-sector mortgages and affordable housing programs have become much more accessible. The number and percentage of veterans in our national institutions is falling. Veterans are becoming increasingly rare in the Congress, in business and union leadership, in academia, in the media.

And, as a nation, we must respond to these changes. For example, we are proud of the role that the World War II GI Bill played in transforming America into a nation defined by its broad middle class. The GI Bill made the middle class accessible to every veteran with the determination to get an education. And we take comfort in the fact that today's servicemembers cite education benefits as a prime motivation for their enlistment. However, we can't rest on our laurels. The rest of the country has noticed what we have done for veterans and has decided that they wanted the same advantages. Now, a young high school graduate can get Stafford Loans, Pell Grants, National Service stipends, and any number of other programs – none of which require the commitment of time and energy, not to mention risk, that define a tour of military duty.

We like to tell ourselves that we are the stewards of the key unlocking the door to a higher education. Surveys conducted by the Defense Department of young high school graduates tell a different story. These “propensity to enlist” surveys reveal that most college-bound youth, and their parents, see a tour of military service as a detour from their college plans, not as a way to achieve that goal.

The men and women who seek the key to higher education through military service have become exceptions rather than the rule. Our nation will have to respond to that change if we want to ensure that the services benefit from having college-caliber men and women in their ranks. As a nation, we must respond to these changes.

The GI Bill needs to be better than the alternatives. We need to address the rigid, sometimes mind-numbing rules and restrictions that limit its effectiveness. We need to focus on our customers and allow them to use the GI Bill they have earned in the way they want and for the programs they want. We trust these men and women to maintain billion-dollar airplanes. We have enough confidence in their judgment to issue them lethal weapons, even weapons of mass destruction. We trust them in situations where they must decide when or how to use those weapons. But when those now mature men and women become veterans and return to school – we place more restrictions on their education benefits than are found in the civilian programs used by their younger, inexperienced, non-veteran brothers and sisters. It makes no sense.

And VBA will also need to change as an institution to keep up with the expectations created by the changes in the world surrounding it. The bar you must clear to claim the status of “world class” is a bar constantly being raised by those around you at a time when your resources are constrained. VBA can work diligently to reduce the number of “blocked calls” or reduce the time needed to process an original compensation claim.

But the men and women we both serve may not even notice or appreciate what you have done. They have been conditioned to expect even more by corporations that are adopting technology and a culture of customer focused service. As one example, the USAA Insurance Company. Like VBA, USAA is a company by and for those who serve in our armed forces. Unlike VBA, they answer their phones 24 hours a day, seven days a week. Their customers come to think of themselves as members, rather than as customers, and become disciples for life. VBA needs to develop the same culture of service.

Yes, I know there are differences in the complexity of the issues you face and in the environment within which you work. But there are lessons that can be learned – and must be learned – if VBA is going to succeed in the century to come.

In comparison to the standard set by USAA, I note that when I was at Fort Bragg, North Carolina, the home of 10 percent of the Army, the Army’s leadership went out of their way to volunteer the information that VBA’s VBC slot was still vacant for months after the incumbent had taken early retirement.

When I was in Korea, home to 37,000 troops stationed half a world (and half the time zones of the world) away from the United States – I found the same thing. The troops there perceive that they cannot count on having access to information about VA and VA services. On Okinawa, a Marine colonel listed VA’s failure to make contact with his troops, which he described as “VA’s customers,” as a major issue for him and for his out-processing Marines. I suspect I am likely to hear a similar message when the Commission talks with troops in Europe next week.

At a time when VBA operates multiple offices performing the same functions, sometimes located within artillery range of each other, VBA has not allocated the resources necessary to make itself more visible to the veterans of the future. I recognize that you work in a difficult environment. The Congress is always tilting the playing field – first one way and

then the other. I know that a proposal to move even a few FTEE can generate congressional heat all out of proportion to the impact of the proposal. I know that on some days it must seem like every congressional staffer is gunning for you and that every reporter in your state is hoping to earn a Pulitzer by reporting on the conflict.

But that is what leadership is about: The ability to devise solutions to hard problems. The courage to work through the barriers that inevitably emerge. The skill to bring inside your tent those potential opponents who might otherwise try to tear it down. The ability to build a business case for improvement and then fight for that case in the face of entrenched and active opposition.

There is still support for veterans' issues on Capitol Hill. But that support is waning and must be cultivated and nurtured. The Hill is now in a skeptical mode with regard to all programs. Joe Thompson has taken some important first steps to address the many challenges that face VBA and I look forward to hearing about the successes that I am sure will come. I hope that I will see that VBA is looking to the veterans of the future as well as to the veterans of the past. That future will be created by the servicemembers now separating from active duty and making their transitions to civilian life. VBA will be defined in the minds of those veterans by the actions that you take today to meet their needs. That definition will guide their actions for the next half-century. VBA's contributions to a servicemember's successful transition to civilian life will pay dividends for decades to come. Dividends for VBA as an institution – and more importantly, dividends realized in the lives of the veterans that we are all committed to serve.

In the meantime, the Commission is moving towards completion of our evaluation. Our report will be based on more than just input from the Departments and analysis by staff. In addition to visiting bases and talking with separating servicemembers, and holding extensive hearings, we have commissioned a Gallup organization survey of 7,000 servicemembers and veterans in order to obtain statistically valid information about their needs and the effectiveness of the programs established to meet them. Our statutory reporting date is in late October and every member of our team is working to ensure that we meet that deadline.

While it is far too soon to forecast what our recommendations might be, it is not too soon to repeat some of the questions we hear as we discuss what we have found in our many discussions with servicemembers, veterans, policy makers, VSOs, agencies such as VA, DoL, SBA, HUD, and DoD, and corporate leaders.

Do veterans have a way to accumulate the resources they will need to smooth their transition? Why should servicemembers not have the same opportunity for empowerment through programs like the Thrift Savings Plan that are available to you as civilian federal employees? Do we really do a veteran a service when our home loan program imposes a funding fee that from day one leaves the veteran "upside down" with more debt than equity? Would a vet be better off with a one-time grant or voucher that he or she could use for a down payment? Should VA have a direct loan program for future servicemembers?

When only 300 thousand of the 2 million veterans who register with the Job Service obtain work through a DVOP or LVER, do those programs really deliver value for money for the \$157 million invested in the program each year? Especially when Internet sites make it possible for everyone to identify job opportunities that are a good match for their skills and desires?

Will current organizational and physical infrastructures of the departments of Defense, Veterans Affairs and Labor meet the needs of transitioning servicemembers and newly separated veterans? Do servicemembers receive seamless access to health care for themselves and their families when they leave active duty? Do the VA and DoD health-care systems fully cooperate with each other? Do they partner with each other, so as to eliminate wasteful duplication and maximize access to quality medical care for their beneficiaries?



Should Congress provide service-connected veterans with help in starting and sustaining a small business? Should those businesses have a priority or “set-aside” in government contracts? How many of the mind-numbing restrictions and limitations on the use of Montgomery GI Bill benefits, inspired by abuses of the post-World War II, Korean and Vietnam-eras, are still needed today?

Should we solve the problems that veterans encounter getting recognition for their military training and experience when they seek civilian jobs with certification and licensing requirements? Has VBA lost sight of the importance of the vocational rehabilitation program’s role as a “crown jewel” which could prepare disabled veterans for the world of work? Have budget constraints and VBA’s allocation of resources instead transformed the program into just another way to fund higher education?

And what about the relative emphasis between disability compensation and vocational rehabilitation? “In the modern-day concept of rehabilitation, disability compensation has an important, but secondary role.” Those aren’t my words; they are the words of the Omar Bradley Commission – 42 years ago.

As I said earlier, I don’t know how the Commission will answer these questions, and others, and I certainly don’t know what the Congress will do with our recommendations. But I do know that if our institutions and our programs do not adapt with the changing times then we will certainly come to be perceived as dinosaurs. The Defense Department must periodically conduct a “bottom-up review” to ensure that its force structure and doctrine are relevant to the world as it has evolved and the changing missions it must accomplish.

We are no different. If we are to remain relevant and successful we must be willing to do the same thing. We must assess our “roles and missions” honestly and sometimes painfully. We must ensure that VBA never becomes either extinct or irrelevant. We owe that to the young men and women who are now, even as we speak, standing watch on the ramparts of freedom throughout the world. Thank you.

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# Accuracy of Claims Processing

**FRANK Q. NEBEKER**  
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*(Remarks at VBA Directors' Conference, April 27, 1998, Nashville, Tenn)*

When Joe Thompson, Under Secretary for Benefits, invited me to speak, he suggested that I discuss how to improve, and I quote, "accuracy of claims processing." I will talk to you about that this morning. Improving accuracy connotes some inaccuracy, and inaccuracy causes a mistrust of the process. So I'll take the liberty of discussing mistrust of the process brought about by inaccuracy. If there is a need to improve accuracy or trust, in the process then that carries with it, by definition, the notion that there is presently an erosion of that trust in that process.

Let's talk for a moment about why there is this erosion. But I want to tell you a true story first. It seems there was a professor at the University of Indiana who was conducting a history seminar on the American Revolutionary War. He had about 12 students and he came to the first class and asked them: "What caused the American Revolution?" And each student looked down, hoping not to be called upon, trying to figure out an answer to the question – obviously the tension was great. Finally the professor turned to one of the students who happened to be a Jesuit priest and called upon him to answer. The priest thought contemplatively for a moment and answered: "One damn thing after another." Well, you know that was a correct answer. How long has it been since any of you in this room have read the Declaration of Independence? If you go to it, you'll find that it is a magnificent indictment of the British Crown. It is a many-count indictment for acts and omissions by the King which the colonists found sufficient to cause them to declare their independence. It is a listing of, as the priest said: "One damn thing after another."

Also before I discuss erosion of trust, I think it is important for you, in this educational exercise, to have a perspective respecting what you do. Let us compare the VA system of adjudication with the ordinary contested case process, administrative or judicial. What is the difference between what you do and a contested case? First of all, in a general, non-VA forum, there is an advocate on either side, or there may be the claimant or "plaintiff" alone, if he is without an advocate. In those cases the claimant bears a responsibility, or a burden, of persuasion by a standard of proof which is preset by law. What does that do? What does the idea of having an adversarial system do to the notion of public confidence in the process? Well, it shows that both sides have been heard to the fullest relevant extent. And thus when the adjudicator makes a decision, the adjudicator is totally independent, unbiased, and arrives at a conclusion that the evidence persuades or that it does not. And it is done with the rules that are understood to begin with. A burden of proof is to persuade either by a clear and convincing standard, beyond a reasonable doubt in the criminal area, or by a preponderance of the evidence in the ordinary civil and administrative litigation. Having an allocation of the burden of proof and having a standard of proof in an adversarial process is the best way we know of for our system to ensure integrity in the decision process. To be sure, there are aberrations that will now and again occur, such as for example the highly publicized criminal proceedings in Los Angeles recently where the outcome seems to be contrary to the evidence that everyone heard about. But, in general, despite those aberrations, the system works, because there is public confidence in it.

Now what do we have in the VA claims adjudication process that is different? Well, we know that the proceedings are not adversarial in nature. We know that beyond simply presenting a well-grounded claim, the claimant has no burden of proof and there is no allocation of proof to one side or the other. You as the adjudicator are now put in a position of assisting the claimant, gathering the evidence or telling the claimant what evidence is needed that the

claimant might have. You don't have the luxury to sit back and listen to both sides being presented to you and then making the neutral and detached decision. In addition, of course, and I'm not telling you anything you don't already know, if the evidence is in equipoise, the claimant wins. Whereas in the ordinary adversarial system the evidence has got to be by a preponderance favoring the claim before an award can be made. In this non-adversarial system what is it that can bring about a lack of trust or confidence in the integrity of the system itself? I submit to you that there are three things.

The first is delay—and it is caused, as you all know, by too much work to be done and too few people to do it.

The second thing, in my view, is the regulatory framework, and to an extent, the statutory framework in which you operate. Let's look at the regulations for a moment. They are dense, they have grown wild, to a great extent. They are highly specific, much too complicated, and in addition to that, there is no useful index to them. So to a great extent you folks are relying on institutional memory as to what regulations you ought to look to for answers to claims that you are adjudicating. By the way, what has happened to the highly touted plan to rewrite and refine Title 38 of the Code of Federal Regulations? It seems to have disappeared. I hope it is not dead.

There is a third aspect that I submit to you is corrosive of trust. That is what I will call a chain of command disconnect. By that I mean that there is no direct chain of authority from the Board of Veterans' Appeals to the VBA and the Veterans Health Administration. When a matter is remanded by the Court or by the Board to you for a specific exercise, there is nothing to ensure that that specific instruction will be followed. We often get appeals where the question asked on remand has not been answered because someone in charge of answering that question has chosen to answer an unasked question or ignore what is asked. And as a result we wind up with harmful errors that require what? Another remand.

Let me for a moment discuss remands and why the Court remands most of the cases where it finds that there has been a harmful error in the adjudicative process. The Court is a court of limited jurisdiction and that limitation is imposed by statute. We are not the adjudicators of fact. We are there to make sure that you all have done your job, if you pardon the expression, "by the numbers." That is, that you are procedurally correct in what you have done and that there is an adequate basis in the record, a factual basis, to support the conclusions of fact that you reached. Thus, when we find procedural glitches, the failure to apply a regulation, the failure to acknowledge the existence of a relevant regulation or the misinterpretation of that regulation, we cannot say, "Well, you would have nonetheless denied the benefits." This is because, if we do that, we are substituting our judgment for yours and the law does not permit us to do that. We therefore must remand most cases where there is procedural error found. There are a few occasions in which the Court has outright reversed.

But only – I repeat only – in those cases where once the error is determined there is no question of fact yet to be resolved and the veteran is by law entitled to the relief sought; whether it is benefits or a hearing because one was not had in the first place. If we have to reverse, it is simply because the veteran is entitled to the benefit or the relief sought as a matter of law.

Let's look at this disconnect problem for a moment, and I'll give you an example. I recognize that examples can be taken out of context, but I submit that this one is simply *deja vu* of what we often see in the Court. We are told that claims run between 2 and 4 million a year at the VAROs. Of those claims, about 50,000 are reported to have been appealed to the Board of Veterans' Appeals each year. At the tip of the iceberg, the Court roughly gets 2,300 appeals a year.

Let's take a look at some figures of the Court. These are based on statistics kept by the Clerk of the Court. For the last year the combined rate of reversals and remands is about 60 percent. Since reversal or remand by statute can only be for prejudicial error, this means that for one reason or another the Court found, or VA conceded, error in 60 percent of the cases appealed to us.

Now let's look at your figures. The BVA's annual report for 1997 reflects a remand to the originating regional offices of over 45 percent of the claims appealed to the BVA. I must assume that the bulk of these remands is due to error in the RO adjudication. Finally in recent testimony before the Senate and House Committees on Veterans' Affairs, and the House

Committee's Subcommittee on Benefits, Under Secretary Thompson stated that, based upon a review by a special work group within the Comp & Pen Service, the error rate at the RO level was found to be 36 percent. That is a pretty high percentage.

I suggest that if we go back and look at the causes for these errors we will find the three elements I mentioned. Delay caused by too many cases; highly complex and dense regulations and law; and this disconnect in the chain of command to which I referred. Assuming that the study was statistically correct, that is about 1 million decisions that contained error, out of about 3 million claims adjudicated in any particular year. I do not know if these findings are disturbing to you, but I certainly find them disturbing.

Let me give you now an example of the disconnect – the absence of control and authority of which I spoke a moment ago. I was made aware of a BVA decision in an appeal to the Court which had been remanded for further evidentiary development and readjudication of the issue of entitlement to service connection for a psychiatric disorder. The BVA in turn remanded the case to the RO with directions, or should I say a request, that further evidence be obtained to identify the specific psychiatric disorder or disorders from which the claimant suffered and to secure an opinion as to whether any current psychiatric disorder was connected to the claimant's service, specifically his being stationed in the Pacific during the actual testing of atomic devices. The Board's opinion states and I quote it, pardon the lengthy quote, but I think it is important that you have it in full context:

"The VA examination of November 1992 following the first three remands was inadequate and another remand was necessary. Examinations performed in October and December of 1994 were likewise inadequate (though the October decision did contain passing comments as to etiology) and the case had to be returned a third time for further efforts. The ensuing examination report prepared in June of 1995 is only superficially better than the others. Though some semblance of an opinion is stated, the language is speculative, the explanation of the reasoning is grossly inadequate and the extent to which the file was reviewed in advance cannot be determined. On each of the above occasions the RO made no attempt whatsoever to determine whether the results of each examination conformed to the Board's requirements, even after the Board had made it abundantly clear that remands would continue until an acceptable examination report was received."

What did the Board member do? He threw up his hands and declared the evidence to be in equipoise and, of course, the benefits were granted and they were granted on a record where it may be that that veteran was not entitled to those benefits. That entire scenario, I suggest, can lead inexorably to a lack of confidence in the system generally. Now there is no single answer to the problems that I have outlined. Why do I tell you the history seminar story? We have had study after study conducted as to the way in which the adjudication process within VA operates. Some of you may recall that a few years back at a State of the Court Address to the Court's Judicial Conference I broached this subject of a disconnect in the chain of command and at that time the Secretary took umbrage at what I had said.

However, these numerous commissions were appointed by various authorities to study the adjudication process. Now their reports have, so far as I know, been either inconclusive or where correction is recommended, not really taken very seriously. The problem continues. But the need to continue to study – it tells me at least that there is beginning to build within the VA adjudication system a cause for, shall I say, a peaceful revolution of law because of "one damn thing after another." The Court does not have the answers nor the power to act. You can't solve this problem any more than the Court can. But the problem exists, and sooner or later, not by Band-Aids, not by piecemeal action, something will have to be done to bring this system to heel so that it isn't taking years and remands after remands to adjudicate these claims in a fair way and in a way that is consistent with the rule of law. It is when we depart from the rule of law that corrosion sets in on the trust that the public has in any adjudication system.

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