THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

June 24, 2013

The Honorable Jack Kingston
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Kingston:

This responds to your cosigned letter to President Obama regarding your concerns about the Department of Veterans Affairs (VA) disability claims backlog. This Administration has an unwavering commitment to our Veterans. Currently, Veterans are waiting too long for the benefits they have earned through their service and sacrifice. These delays have never been acceptable to me or the dedicated employees of the Veterans Benefits Administration (VBA), 52 percent of whom are Veterans themselves. The President has directed me to eliminate the backlog in 2015. My team is also modernizing the second largest agency in the Federal Government, transitioning from a decades-old, paper-based benefits system to a new digital system that will enable us to better serve our Veterans for generations to come.

There are multiple factors that contribute to the current disability claims backlog. In 2009, in order to set higher standards for serving our Nation's Veterans, VA redefined the backlog to include any claim pending 125 days or longer, which doubled the backlog overnight. More importantly, this Administration made tough choices that had been put off too long but were the right ones–from expanding access to those suffering from Agent Orange related-diseases to making it easier to obtain benefits for Post-Traumatic Stress Disorder. By increasing access and expanding eligibility to hundreds of thousands of our men and women, who have earned these benefits, we strained the capacity of claims processors at the same time we put into motion a redesign of the entire system.

VBA is implementing an aggressive Transformation Plan that integrates people, process, and technology initiatives to achieve our goal to end the backlog and process all claims in 125 days or less with 98-percent accuracy. This plan was provided to Congress on January 25, 2013 and is available at http://benefits.va.gov/transformation/. Of note, VBA has realigned all regional offices into a more efficient organizational model and earlier this month, completed the accelerated deployment to all regional offices of an end-to-end paperless electronic claims processing system, the Veterans Benefits Management System.

In addition, VA has engaged across Government to generate new ideas and strategies in support of our transformation. The Departments of Defense, Health and Human Services, Labor, and Treasury, as well as the Social Security Administration, collaborate on many levels with VA to improve electronic sharing of data and records needed for claims processing, and to share best practices and lessons learned during similar transitions within their organizations.

In your letter, you noted that Veterans who are first-time claimants in certain parts of the country are encountering wait times that greatly exceed the national average. The wait-time statistics you provided reflect VBA's timeliness data covering the period October 2012 through December 2012 for original claims with eight or more claimed medical conditions. These claims are the most complex of all claim types and represent only a small percentage of the total claims processed by these regional offices. The average processing time for all claims completed by these offices over that 3-month period was significantly less.

VA continues to take a number of steps to speed claims processing and recently announced additional initiatives to reduce the backlog. As a result of our shared concern regarding the length of time that many Veterans currently wait for decisions on their claims, VA implemented an "oldest claims first" initiative on April 19, 2013. VBA is on track to complete all claims pending more than two years this month and aims to complete all claims pending more than one year by the end of October 2013. Please note that as these older claims are completed, the metric known as "average days to complete" a claim will rise significantly over the short term; however, the average age of the claims in the inventory will decrease since the oldest claims will no longer be part of the inventory. VA tracks the progress of this initiative closely, and the backlog is coming down. As of June 15, 2013, there are 530,075 claims in the backlog (65.6 percent of the inventory). This is down from a peak of 611,073 claims on March 25, 2013–a reduction of 80,998 claims in less than 3 months. Over 60 percent of the pending claims are "supplemental" claims from Veterans seeking to address worsening conditions or new issues; 77 percent of these Veterans are already receiving disability compensation.

VA has also mandated overtime for all claims processors through the end of fiscal year 2013. The additional overtime hours that will be worked during this period will be used to help eliminate the backlog with continued emphasis on high-priority claims for homeless Veterans and those claiming financial hardship, the terminally ill, former Prisoners of War, Medal of Honor recipients, and Veterans filing Fully Developed Claims (FDCs). VA can process FDCs in half the time it takes for a traditionally filed claim, and we are working with our Veterans Service Organization partners and others to expand Veterans' use of FDCs. In addition, due to VA's success in automating education claims, VA now processes Post-9/11 GI Bill enrollment documents in 5 days (down from 21 days in September 2013). As a result, we will redirect 100 education claims processors to compensation claims processing following completion of their Challenge training in mid-September of this year–without compromising the speed and efficiency of GI Bill enrollment claims.

The Honorable Jack Kingston

Thank you for upholding our commitment to those who have served this Nation; for recognizing the increased costs of war through your support of increased budgets for VA in 2010, 2011, and 2012; and for your continued support of our transformation efforts. A similar letter has been sent to the cosigners of your letter. Should you desire more information, please have your staff contact Mr. John Kruse, Director, Benefits Legislative Service, at (202) 461-6467 or by email at John.Kruse3@va.gov.

Sincerely,

Eric K. Shinseki