

VA Office of Inspector General

O F F I C E O F A U D I T



Veterans Benefits Administration

*Review of New Hire Productivity
and the American Recovery
and Reinvestment Act
Hiring Initiative*

February 18, 2010
09-01814-85

ACRONYMS AND ABBREVIATIONS

ARRA	American Recovery and Reinvestment Act of 2009
ASPEN	Automated Standardized Performance Elements Nationwide
CPI	Claims Processing Improvement
C&P	Compensation and Pension
DOOR	Distribution of Operational Resources
FTE	Full-Time Equivalent
FY	Fiscal Year
OFO	Office of Field Operations
OIG	Office of Inspector General
PAID	Payroll and Accounting Integrated Data
VA	Department of Veterans Affairs
VARO	Veterans Affairs Regional Office
VBA	Veterans Benefits Administration
VSC	Veterans Service Center
VSR	Veterans Service Representative

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Report Highlights: Review of New Hire Productivity and the American Recovery and Reinvestment Act Hiring Initiative

Why We Did This Review

In fiscal years (FY) 2007 and 2008, Congress appropriated \$185 million to the Veterans Benefits Administration (VBA) to hire claims processors. In FY 2009, VBA received \$150 million through the American Recovery and Reinvestment Act (ARRA) to hire about 2,300 claims processors. The Office of Inspector General (OIG) conducted a review to assess VBA's efforts to meet its hiring goals and the impact of VBA's increased workforce on Compensation and Pension (C&P) claims workload.

What We Found

VBA met its FY 2008 hiring goals and filled almost all of its ARRA-funded positions in FY 2009. VBA's rating and non-rating claims inventory, however, is expected to continue to grow in FYs 2010 and 2011. In FY 2009, VBA received 1.91 million claims and completed 1.8 million claims. As a result, VBA's year-end inventory was approximately 642,000 claims—an increase of 21 percent from FY 2008. Based on the number of claims VBA expects to receive in FYs 2010 and 2011, the year-end claims inventory could grow each year.

Most new claims processors hired during the third quarter of FY 2007 are meeting VBA's performance standards. While some VA regional offices (VARO) have increased performance standards, VBA does not collect data on local performance measures. VBA cannot assess the impact of overtime on its capacity to complete claims because it does not collect data on how many overtime

hours are worked. As a result of not tracking local performance standards or overtime usage, VBA cannot accurately determine its workforce capacity and its future workforce needs. VBA can temporarily promote supervisors to manage ARRA employees, but these supervisors may not receive the same level of training as permanent supervisors.

What We Recommended

We recommended the Under Secretary for Benefits collect information on overtime hours worked and VARO performance standards and how staff are performing in relation to these standards. We also recommended that VBA issue guidance to VAROs requiring that temporarily promoted supervisors complete a standardized core curriculum of supervisory training.

Agency Comments

The Acting Under Secretary for Benefits agreed with our findings and recommendations. We consider the planned actions acceptable and will follow up on their implementation. Additionally, the Acting Under Secretary provided technical comments, which we have incorporated into the report as appropriate. See Appendix F for the full text of the Acting Under Secretary's comments.

(original signed by:)

BELINDA J. FINN
Assistant Inspector General
for Audits and Evaluations

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INTRODUCTION

Objective

The Office of Inspector General (OIG) conducted a review to evaluate the impact of employees hired under the Veterans Benefits Administration's (VBA) special hiring initiative and the American Reinvestment and Recovery Act (ARRA) on VBA's claims processing workload. The review objectives were to: 1) assess VBA's progress in meeting its fiscal year (FY) 2008 special hiring initiative goals and its FY 2009 hiring goals for ARRA-funded positions, 2) assess the impact of VBA's increased workforce on its claims workload, 3) measure the productivity of newly hired claims processors during their first two years of employment, and 4) assess VBA's new employee integration practices at VAROs.

Compensation and Pension Service

VBA's Compensation and Pension (C&P) Service administers a range of services and benefits for veterans, their dependents, and survivors. Through its disability compensation program, VBA pays monthly benefits to veterans with service-connected disabilities. Monetary benefits vary depending on the severity of the veteran's disability. In addition, VBA pays monthly pension benefits to eligible veterans or their survivors, subject to income limitations.

Funding for VBA's Hiring Initiatives

In FYs 2007 and 2008, Congress appropriated \$185 million to VBA to initiate a special hiring initiative to substantially increase its claims processing workforce. As a result, VBA hired about 3,250 claims processors in FYs 2007 and 2008. In FY 2009, VBA received an additional \$150 million through ARRA to increase its claims processor workforce with about 2,300 permanent and temporary employees.

Prior Reviews

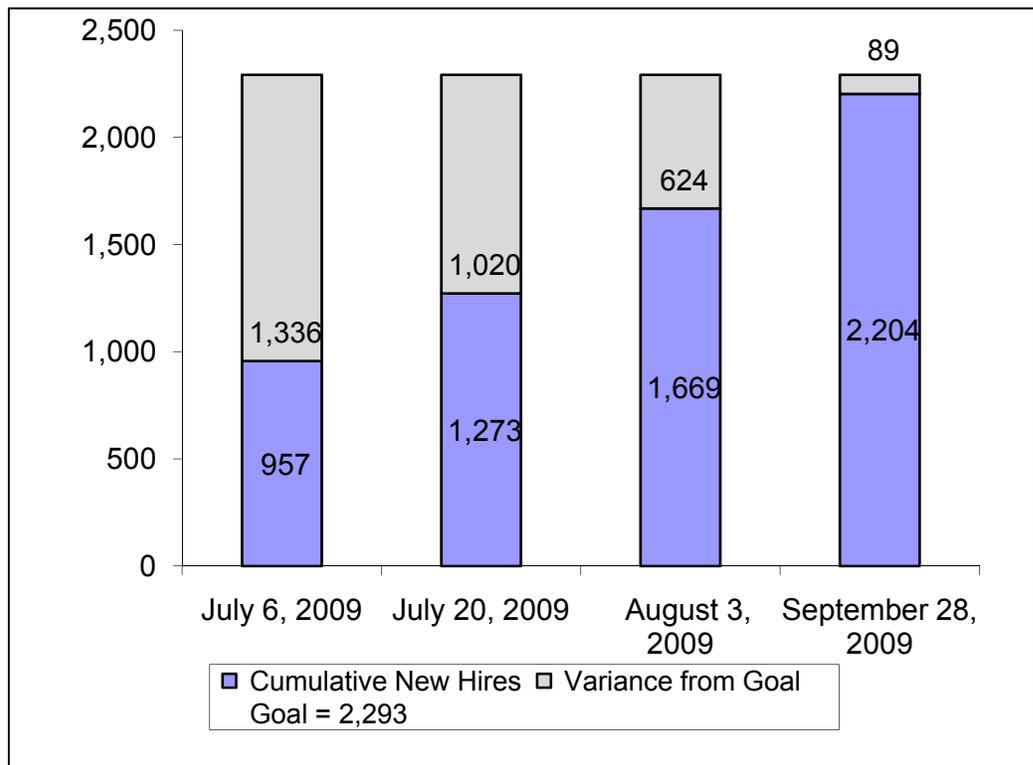
In 2008, OIG conducted an audit to determine the impact of VBA's initiative to significantly increase its claims processor workforce on reducing its claims workload. We reported in *Audit of the Impact of the Veterans Benefits Administration's Special Hiring Initiative* (08-01559-193, September 5, 2008) that the immediate impact of VBA's hiring surge actually decreased its overall productivity, because new employees were not as proficient and required more supervision. As a result, VBA experienced a moderate increase in its claims inventory. Based on VBA estimates on the number of new claims expected, we reported that as VBA's newly hired employees completed their training and increased their proficiency, VBA could increase its capacity to process claims and reduce its claims inventory in FYs 2010 and 2011.

RESULTS AND RECOMMENDATIONS

Finding 1 VBA Filled Most ARRA-Funded Positions

VBA met its FY 2008 hiring goals and filled 96 percent of its 2,293 ARRA-funded positions for claims processing in FY 2009.¹ According to the Department of Veterans Affairs' (VA) Recovery Act Program Plan for VBA's Hiring of Temporary Claims Processors, all ARRA-funded positions were to be filled by the end of September 2009. As of September 28, 2009, VBA hired 2,204 employees to fill ARRA-funded positions. (See Exhibit 1.)

**Exhibit 1. VBA's Progress Filling ARRA-Funded Positions
(Through September 2009)**



Source: VBA

¹ARRA funding for VBA included 2,063 positions to process disability and pension claims and 230 positions to process education claims.

Initially, VBA planned to use ARRA funds to hire approximately 500 permanent and 1,000 temporary employees. Funding for the temporary positions ends on September 30, 2010. However, in June 2009, VBA revised its estimates on how many temporary employees it could hire with ARRA funds from 1,000 to 1,800 employees. VBA officials told us they revised their estimates after determining they could not use ARRA funds for administrative costs, such as leases for office space. Because VBA could not use ARRA funds for administrative costs, more money was available for personnel costs. The vast majority of the positions funded by ARRA were allocated to the C&P Service. According to VBA's expenditure plan for ARRA funds, 2,063 positions were allocated to the C&P Service to increase VBA's claims processing workforce.

VARO directors received authorization to fill ARRA positions in April 2009. VBA's hiring data indicates that most new employees were hired between May and August 2009 at a rate of about 200 to 300 new employees every 2 weeks. By the end of FY 2009, all but seven VAROs filled all allocated ARRA-funded positions. (See Appendix C for more details on VBA's progress filling ARRA positions.)

To facilitate its hiring plan, VBA set hiring goals for temporary positions that were monitored on a bi-weekly basis by the Office of Field Operations (OFO) and discussed during regular calls with VARO directors. According to VA's Recovery Act Program Plan for VBA's Hiring of Temporary Claims Processors, VARO directors can be held accountable for meeting hiring goals in their year-end performance evaluations. An OFO official clarified that meeting ARRA hiring goals was factored into VARO directors' FY 2009 performance evaluations.

***VARO Space and
Past Performance
Key in Allocating
ARRA Positions***

VARO space capacity and past claims processing performance were key factors OFO considered when allocating ARRA-funded positions. All VAROs with a C&P claims processing mission received some ARRA-funded positions. VARO Washington did not receive any ARRA-funded positions because it no longer processes C&P claims. Eleven VAROs were expected to fill 50 or more positions for a combined total of 956 ARRA-funded temporary and permanent positions shown in Exhibit 2 on the following page.

Exhibit 2. VAROs Receiving Most C&P ARRA-Funded Positions

VARO Location	Number of Allocated ARRA-Funded Positions
Columbia, SC	164
St. Petersburg, FL	137
Philadelphia, PA	104
Waco, TX	91
St. Paul, MN	87
Milwaukee, WI	84
San Diego, CA	74
Cleveland, OH	60
Seattle, WA	52
Winston-Salem, NC	52
Houston, TX	51
Total	956

Source: VBA

Officials from each of the three VAROs we visited reported that space constraints were either already an issue or will be after filling ARRA-funded positions. Because of space issues, VARO Milwaukee started a second shift to fully utilize ARRA-funded employees and also rented additional office space for new employees.

VBA’s Office of Resource Management, in consultation with OFO, developed a plan to determine how to allocate ARRA-funded positions to VAROs. VARO managers have discretion in how to use ARRA-funded positions to affect their workload capacity, and OFO limited the number of clerical positions that could be filled with ARRA funds to 324. Most ARRA-funded positions were used to create Veterans Service Representatives (VSR) or claims processor positions. As of September 28, 2009, 1,791 of the positions filled were claims processors.

VBA Human Resources Centers Stretched to Capacity

While recruiting qualified candidates was not a challenge at the VAROs we visited, an OFO official told us that VBA’s four regional Human Resources Centers were stretched to capacity to quickly process job applications. Managers at two VAROs also told us that interviewing large numbers of job candidates was challenging. In addition to interviewing job candidates, service center managers and supervisors must also supervise the relatively inexperienced claims processors hired under VBA’s special hiring initiative in FYs 2007 and 2008.

VAROs Must Fill ARRA Positions within 60 Days

An OFO official told us that VAROs were directed to take no more than 60 days to fill ARRA-funded positions and some VAROs may fill temporary positions by making job offers to candidates without interviewing them in an

effort to shorten the time it takes to fill a position. According to a VBA Human Resources official, however, VAROs were advised to interview and check candidate references before job offers were made. Furthermore, VAROs must fingerprint all new employees and initiate background checks before an employee reports for work. Background checks, however, often are not completed for employees until several months after starting a job. Based on VBA's available ARRA hiring data, we determined that VAROs averaged 60 days from the job announcement closing date to the employee start date.

Conclusion

VBA filled 96 percent of its ARRA-funded positions in FY 2009. While VBA officials initially thought that about 1,500 positions could be created with ARRA-funds, over 2,000 positions were funded after VBA clarified how ARRA funds could be used. VBA started hiring employees at an aggressive rate in late May 2009—hiring between 200 to 300 employees every 2 weeks. As a result, almost all VAROs met their ARRA hiring goals by the end of FY 2009.

Finding 2 VBA’s Claims Inventory Expected To Grow

We expect that VBA’s rating and non-rating year-end claims inventory will continue to grow in FYs 2010 and 2011, despite the fact that VBA met its FY 2008 special hiring initiative goals and filled almost all of its ARRA-funded positions in FY 2009. VBA’s estimates of its expected claims workload for FYs 2008 and 2009 were understated as the number of claims received exceeded estimates. As a result, the impact of recent workforce increases on its claims inventory has not been as significant as expected.

As of June 2009, VBA’s claims workload increased by 14 percent as compared to June 2008. Last year, OIG reported in *Audit of the Impact of the Veterans Benefits Administration’s Special Hiring Initiative* that VBA was positioned to decrease its claims inventory by as much as 23 percent by the end of FY 2009. This projection was based on VBA’s estimates that its claims workload would increase by 2 percent from FY 2008 to FY 2009 and VBA’s newly hired claims processors would attain expected levels of productivity.

In FY 2009, VBA received 1.9 million claims (both rating and non-rating claims) representing a claims workload increase of about 14 percent compared to FY 2008. Even with the increase in its workforce under its special hiring initiative in FYs 2007 and 2008, VBA’s current workforce was able to complete about 1.8 million rating and non-rating claims during FY 2009. As a result, VBA carried over an inventory of about 642,000 claims into FY 2010—an increase of 21 percent from FY 2008. (See Exhibit 3 below.)

Exhibit 3. VBA’s Rating and Non-Rating Claims Workload and Capacity FY 2009

	Claims Received	Claims Completed	Carry-Over Inventory FY 2008	Inventory FY 2009
C&P Workforce (11,454 FTE as of June 2009)	1,906,048	1,798,198	528,650	642,268 ↑ 21% from FY 2008

Source: OIG analysis of VBA data

VBA expects that overall ARRA-funded employees will complete an additional 10,000 rating and non-rating claims in FY 2010—or about 4 claims per person. In contrast, we estimate that a fully experienced claims processor has the capacity to complete about 177 claims per year. According to an OFO official, VBA’s estimates are conservative because this is the first time VBA

has hired a significant number of temporary employees and no benchmark exists by which to estimate the productivity of temporary employees.

According to VA's Recovery Act Program Plan for VBA's Hiring of Temporary Claims Processors and VBA officials, ARRA-funded employees will positively impact the efficiency of VBA's claims process by taking on routine administrative duties that—while not directly resulting in a completed claim—will allow more experienced claims processors to complete more complex claims processing tasks. At the VAROs we visited, temporary ARRA employees were being assigned a range of duties.

- At VARO Roanoke, temporary claims processors are assigned to the Public Contact, Pre-Determination, and Appeals teams while temporary clerks are assigned to the Triage team. Specific tasks that temporary claims processors are expected to perform include making telephone calls to obtain additional information needed to process a claim, entering data into the VARO's system on claims appeals, and sending letters to veterans.
- At VARO Milwaukee, all temporary claims processors are assigned to work in the VARO's Pension Management Center that processes adjustments to income-based benefits for veterans, such as death pensions and non service-connected disability pensions. Temporary employees are assigned the same range of tasks performed by permanently hired employees.
- At VARO Cleveland, ARRA-funded claims processors are generally assigned to the Pre-Determination team to assist with the processing of rating decisions.

Furthermore, temporary employees will receive only limited training provided by the VARO, compared to the multi-week training that permanent employees complete. As a result, VBA does not expect temporary employees to be as productive as permanent, more fully trained employees.

VBA also expects that the increase in its claims processing workforce will positively impact the average days a claim is pending in FY 2010—105 days down from 107 days, while the average days it takes to complete a claim will be reduced from 154 days to 150 days. An OFO official told us that in addition to positively affecting VBA's capacity to complete claims, VBA also expects that temporary employees will improve the efficiency of VBA's claims process by increasing staffing in risk areas previously identified by OIG, such as mail processing and claim receipt date accuracy.

***VBA's Projected
Claims
Productivity***

We conducted several calculations to estimate how VBA's recently increased workforce will affect its estimated rating and non-rating claims workload for FYs 2010 and 2011. Our workforce capacity calculations prorate the

productivity of newly hired claims processors. (See Appendix D for a detailed discussion of our methodology for projecting claims inventory.) We applied VBA's FY 2010 budget projection that its new claims workload will increase by 7.5 percent in FYs 2010 and 2011. As Exhibit 4 on the next page illustrates, we estimate that VBA's end-of-year claims inventory will increase by seven percent in FY 2010 to 685,550 claims and by 26 percent in FY 2011 to 861,046 claims. To conduct this analysis, we also applied VBA's estimate that ARRA-funded new positions will result in an increase of 10,000 completed claims for FY 2010. In FY 2011 and beyond, VBA does not expect that permanently hired ARRA employees will increase VBA's workload capacity because these employees will fill positions vacated through normal attrition.

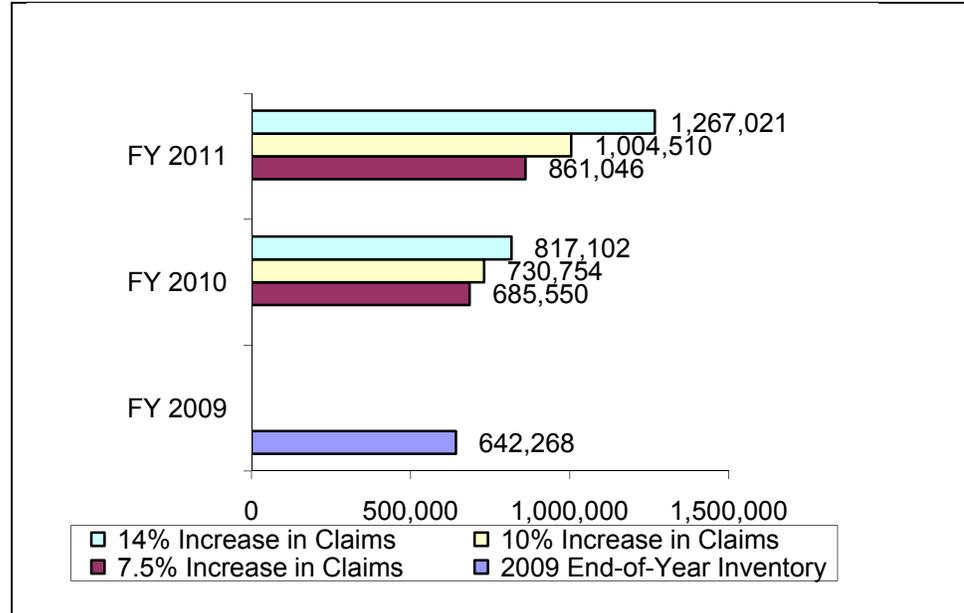
*Projected Claims
Productivity with
10 Percent Increase
in New Claims*

VBA's recent claims workload has significantly exceeded its estimates. Exhibit 4 illustrates our estimates of VBA's claims workload and its claims processing capacity for FYs 2010 and 2011 if we average VBA's actual claims workload for the last two fiscal years—an average growth of about 10 percent in new claims each fiscal year. Under these conditions, we expect that VBA's year-end inventory in FY 2010 will be about 730,754 claims, up 14 percent from FY 2009. By the end of FY 2011, VBA's claims inventory could be up to about a million claims—37 percent higher than its inventory in FY 2010.

*Projected Claims
Productivity with
14 Percent Increase
in New Claims*

VBA's claims inventory could increase by 26 percent as early as the end of FY 2010 if its claims workload increases as dramatically as it did in FY 2009. We estimate that if the number of claims submitted to VBA increases by 14 percent in FY 2010, VBA's workload will be about 2.17 million claims. We project that VBA's current workforce, including all ARRA-funded new employees, will be able to complete an estimated 2 million claims. As a result, VBA's claims inventory could rise to about 817,102 claims. Exhibit 5 on the next page compares our estimate of the number of claims VBA's workforce can complete with the number of new claims expected at various growth estimates for FYs 2009–2011.

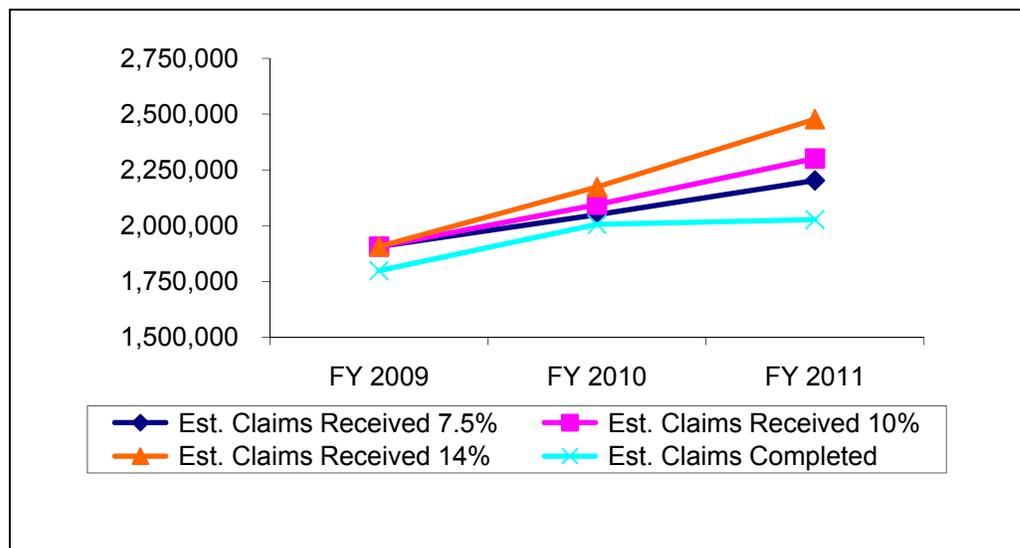
Exhibit 4. Estimates of VBA’s End-of-Year Rating and Non-Rating Claims Inventories (FYs 2009, 2010, and 2011)



Source: OIG analysis of VBA data

Exhibit 5 shows VBA’s capacity to complete claims compared to claims received for FYs 2009–2011 based on estimated rates of growth in new claims.

Exhibit 5. Estimates of VBA’s Rating and Non-Rating Claims: Completed vs. Received (FYs 2009, 2010, and 2011)



Source: OIG analysis of VBA data

**Impact of
Overtime Not
Assessed**

VBA cannot assess the impact of overtime on its capacity to complete claims because it does not collect information on how many overtime hours are worked by claims processors. VBA spent \$23 million in FY 2008 and \$24 million in FY 2009 on overtime to process claims. Effective internal controls help agency managers cope with shifting environments and evolving demands and priorities. Agency managers should implement and use internal controls to assess an agency's risk—both internal and external—of not meeting its objectives. As part of an agency's control environment, managers should assess the capacity of the workforce to achieve agency goals by taking into consideration factors such as employee training, supervision, and overtime. Without complete data on overtime usage, agency managers cannot fully assess whether overtime results in an appropriate return-on-investment.

VBA captures information on the total amount of funds allocated to VAROs for overtime, but it does not centrally track how many overtime hours are actually worked by claims processors with these funds. OFO allocates overtime funds to VBA area offices, which then allocates funds to VAROs. Local VARO managers have discretion to use overtime funds to address the unique workload needs of their office. VARO managers from the three VAROs we visited told us that overtime is offered to claims processors to work on the VARO's claims priorities.

At all of the VAROs we visited, data was collected on the number of overtime hours charged by each claims processor. According to an OFO official, differences in local wage rates makes it difficult to track the number of overtime hours purchased with allocated overtime funds—it would require VAROs to track overtime hours and report this information to OFO. However, VA's payroll system has the capability to capture information on the number of overtime hours VBA employees work. Without capturing and analyzing data on overtime usage, VBA cannot fully assess the capacity of its workforce to manage its claims workload. Specifically, VBA cannot determine its future workforce needs without being able to determine what proportion of its claims workload is being completed during overtime hours.

Conclusion

Despite recent increases in VBA's claims processor workforce, its claims inventory will likely continue to increase in FYs 2010 and 2011. While we recognize the uncertainty regarding the impact temporary ARRA-funded employees will have on VBA's claims processing capacity in FY 2010, we believe VBA's estimates regarding its claims productivity are too conservative. Future workforce capacity estimates could be more accurate if VBA collected better information on its current workforce, such as the number of overtime hours worked. Without more complete information on its workforce capacity, VBA is at risk for underestimating its workforce needs to address its growing claims inventory.

Recommendation

1. We recommended that the Under Secretary for Benefits collect information on the number of overtime hours worked in order to better assess the capacity of its current claims processor workforce and to project future workforce needs to address the claims inventory.

**Management
Comments and
OIG Response**

The Acting Under Secretary for Benefits concurred with our finding and recommendation. VBA will collect data on the number of overtime hours worked at VAROs to assess the capacity of its current claims processor workforce. Overtime data will also be used to support VBA's projections of future workforce needs to address its claims inventory. We consider the planned actions acceptable and will follow up on their implementation.

Finding 3 New Employee Integration Practices Vary and Most New Employees Are Meeting VBA's Performance Standards

Efforts to integrate new employees into claims processing activities varied across the VAROs we visited. VBA's Claims Processing Improvement (CPI) model recommends a rotation plan for newly hired claims processors at the GS-7 level. The VAROs we visited rotated only those employees that were perceived as being the strongest performers during the first 2 years of employment. In some cases, new employees were also rotated to address shifts in a VARO's claims workload. According to VBA managers, rotating employees is at the discretion of the local VARO managers (despite CPI model guidance to do so) because managers should have flexibility to use their workforce to respond to their office's workload needs. Managers at one VARO told us that rotating employees might reduce rather than increase their office's productivity because employees would often be required to develop new areas of expertise and learn new skills. Despite differences in the integration of new employees into VBA's C&P workforce, we found that most of the claims processors hired in the third quarter of FY 2007 were meeting VBA's productivity and accuracy standards by their second year on the job, according to self-reported data that VBA managers are responsible for verifying.

VBA Reassessing CPI Model

VBA is currently reassessing the CPI model. A report with recommendations on how to improve the CPI model was issued by a consulting firm in July 2009. The report included several recommendations to VBA on how to reduce the amount of time it takes to develop a C&P claim. Specific recommendations include developing claims processing "pods" that reflect the flow of the claims process from triage to post-determination and aligning claims processor performance measures with team and VARO performance goals. VBA is piloting recommendations on reengineering its claims processing model at the VARO Little Rock. The pilot was initiated in July 2009. According to an OFO official, the VARO Little Rock pilot will continue until May 2010 at which time VBA will determine whether the reengineered claims process will be implemented across all VAROs.

Supervision of New Employees Varied by VARO

Supervision of new employees also varied across the VAROs we visited. Until new employees become proficient at their assigned tasks, senior claims processors must review 100 percent of new employees' completed work. We found that VAROs use various criteria to determine when newly hired claims processors are considered fully proficient and no longer require 100 percent supervisory review of their work.

- At one VARO, supervisors only reviewed work products produced by employees in topic areas in which the new employee is not yet fully proficient. VARO supervisors told us that once an employee gains proficiency in a given area, the employee is given single signature authority, indicating a level of proficiency no longer requiring supervisory review.
- At another VARO, a new employee's work is no longer 100 percent reviewed once the employee is able to consistently demonstrate a 92 percent accuracy rate across 100 claims. According to VARO managers, it takes the average new employee about 90 days on the job and 150 claims processed to demonstrate this level of proficiency.

Influx of New Hires Creates Supervisory Challenges

The influx of new ARRA-funded employees creates additional challenges for VARO managers to ensure proper supervision and training. According to the CPI model, the optimal supervisor to employee ratio is 1 to 15. At VAROs we visited in June 2009—even before the majority of newly hired ARRA-funded employees started working—the supervisor to claims processor ratio was in excess of this target.

- At one VARO, the ratio varied depending on the team. According to managers at this VARO, most new hires are assigned to the Pre-Determination team that assembles supporting evidence, such as medical and service records, to prepare a claim for adjudication by the Ratings team. The ratio was 1–19 staff for the Pre-Determination team and 1–17 staff for the Post-Determination team. The Post-Determination team processes rating decisions for payment and notifies veterans or their dependents about claims decisions.
- At another VARO, the supervisor to employee ratio ranged from 1–15 to as high as 1–20 depending on the team.
- At the third VARO, the supervisor to employee ratio ranged from as low as 1–11 on some teams to as high as 1–26 on other teams.

As recommended by the CPI Model, when the supervisor to employee ratio was in excess of the desired 1 to 15 ratio, regional office managers at the VAROs we visited assigned an assistant coach to provide supervision in addition to that provided by the team coach.

At the VAROs we visited, we found that new employees working at the office with the lower supervisor to employee ratio had slightly higher productivity and accuracy rates for FY 2009 than the new employees working at the VAROs with higher supervisor to employee ratios. However, most new employees from all three VAROs were meeting VBA's performance standards.

According to an OFO official, VBA will need approximately 200 experienced claims processors to supervise, train, and review the work of the ARRA-funded employees. ARRA funds can be used to pay the additional salary the temporarily promoted supervisors earn in their new positions. Training for temporary employees is left to the discretion of VARO managers. While VARO managers are responsible for training temporary employees, they are not required to provide temporary employees with the same type of training provided to permanently hired employees.

**Limited Training
Expected for
Temporary
Supervisors**

Temporary supervisors may not receive the same VBA training that other permanent supervisors receive. Generally, newly promoted supervisors attend VBA's 2-week standardized supervisory training. According to a letter issued by the Associate Deputy Under Secretary for Field Operations, VBA increased the class size of its leadership training to 50 participants to accommodate the training of new supervisors. However, an OFO official noted that training temporarily promoted supervisors, including whether an employee will be sent to VBA's leadership training, is being left to the discretion of individual VARO directors. While some of VBA's supervisor training is available online, accessible at each VARO, VBA does not require temporarily promoted supervisors to complete a core curriculum of supervisory training. This approach may result in supervisors with inadequate training being responsible for coaching and reviewing the work of new, inexperienced employees.

Supervisors perform quality reviews and provide feedback to new employees on how to correct and prevent claims processing errors, as well as identify the need for additional employee training. Without adequate training, these temporary supervisors may not conduct quality reviews with the appropriate rigor to detect and prevent claims processing errors. As a result, VBA is at increased risk for claims processing delays because of inaccurate or incomplete work produced by inadequately supervised newly hired claims processors. As VBA increases its workforce, it will continue to be challenged to maintain the desired level of supervision required to ensure that new employees meet productivity and accuracy standards.

**Most New Hires
Meeting VBA
Performance
Standards**

Most newly hired claims processors are meeting VBA's performance standards. We analyzed FYs 2008 and 2009 (through April 30, 2009) performance data for employees that were hired as part of VBA's special hiring initiative in the third quarter of FY 2007. These employees were hired and placed in VAROs across the nation. (See Appendix E.) VBA hired the majority (90 percent) of these claims processors at the GS-7 level. When claims processors meet or exceed the minimum accuracy and productivity standards over a period of time, they are eligible to be promoted to the next grade level. After less than 2 years on the job, 94 percent of the GS-7 employees were promoted to the GS-9 level, with two-thirds being promoted after 1 year on the job.

VBA evaluates claims processors against negotiated national performance standards that include targets for productivity and accuracy by pay grade. (See Exhibit 6 below.) VBA assigns points—referred to as weighted actions—to specific tasks completed during the processing of a claim. A task that is complex is scored as a higher weighted action than a less complex task. For example, making a telephone call to obtain clarification from the veteran is measured as a .01 weighted action because this task is not complex. In comparison, evaluating a veteran’s medical documentation for support and identifying required follow-up medical examinations is measured as 1.5 in weighted actions because this task is more complex and requires more time to complete. A claims processor at the GS-7 pay grade is expected to complete work that is 80 percent accurate and produce at least four weighted actions per day. Minimum performance goals for a claims processor at the GS-9 pay grade are 83 percent accuracy and seven weighted actions per day.

Exhibit 6. National Performance Standards for Claims Processors

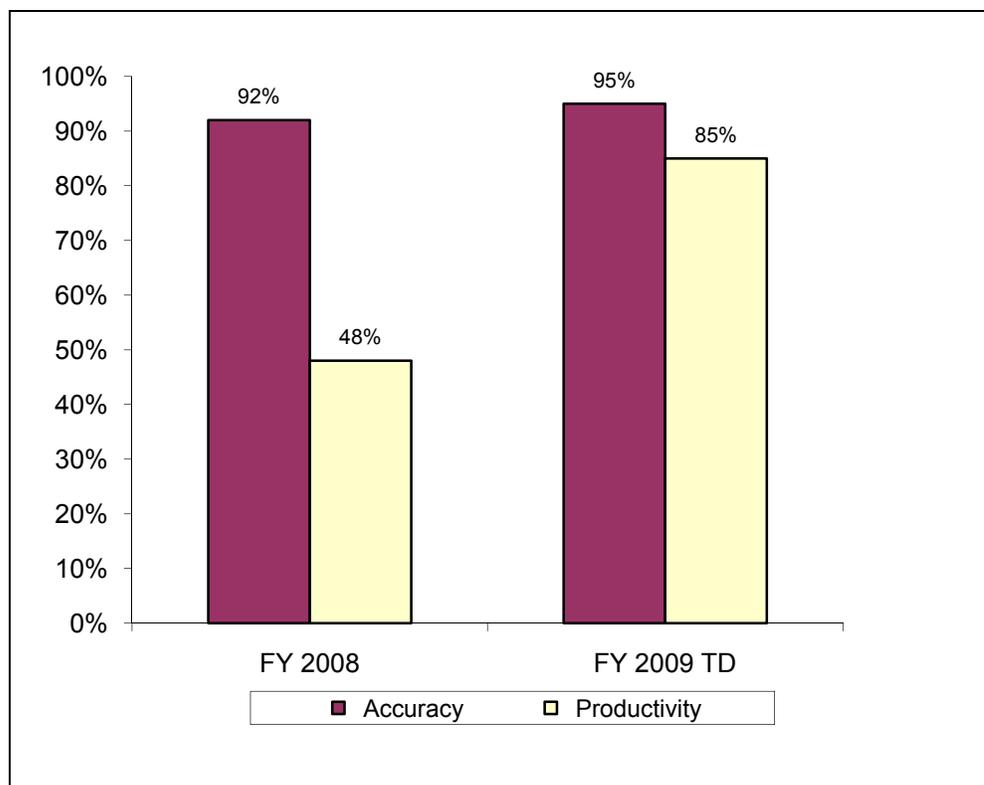
Grade	Minimum Accuracy Rate	Minimum Productivity
GS-7	80 percent	4 weighted actions/8 hour
GS-9	83 percent	7 weighted actions/8 hour
GS-10	85 percent	8 weighted actions/8 hour
GS-11	85 percent	8 weighted actions/8 hour

Source: VSR National Performance Plan—Revised December 5, 2005

VBA employees self-report their completed tasks in the Automated Standardized Performance Elements Nationwide (ASPEN) database. This database is used by VARO managers to monitor claims processors’ daily productivity. Supervisors and assistant coaches also review a sample of work products for accuracy and report the results in ASPEN.

Most claims processors hired in the third quarter of FY 2007 met VBA’s productivity and accuracy goals by their second year on the job. We found that these employees more frequently met VBA’s accuracy goals than its productivity goals during FY 2008—their first full fiscal year on the job. Specifically, 92 percent met or exceeded VBA’s accuracy goals; while slightly less than half (48 percent) met VBA’s productivity goals in FY 2008. Productivity increased significantly in FY 2009 as of April 30, 2009. Our analysis of VBA’s FY 2009 productivity data indicated that 85 percent of these newly hired claims processors were meeting or exceeding VBA’s goals. On average, newly hired claims processors exceeded their productivity goals by 2.15 weighted actions. Accuracy increased slightly in FY 2009, with 95 percent of claims processors meeting or exceeding VBA’s accuracy goals (See Exhibit 7 on the next page.)

**Exhibit 7. ASPEN Productivity and Accuracy Analysis
(FY 2008 and FY 2009 through April 30, 2009)**



Source: OIG analysis of ASPEN data

Data on Local Performance Standards Not Tracked

VBA does not track information on locally negotiated performance standards. VARO managers may negotiate performance standards for claims processors with local unions that are higher than national standards. At two VAROs we visited, claims processor performance standards were increased. Employees at these locations were evaluated and promoted based on the local standards.

- At one VARO, productivity standards increased from 8 to 10 weighted actions per day for GS-10 employees. An official from this VARO told us that productivity standards increased for these staff members because more experienced employees should be more productive than the less experienced employees below the GS-10 pay grade. Accuracy standards, however, remain at the national standard of 85 percent.
- The other VARO increased both performance and accuracy standards for all claims processor staff. For example, a GS-10 claims processor is expected to complete at least 9.3 weighted actions per day with a 92 percent accuracy rate; while a GS-7 claims processor is expected to complete at least 5.3 weighted actions per day with a minimum accuracy rate of 89 percent.

OFO does not collect information on locally negotiated performance standards. As a result, it is difficult for VBA to fully assess the overall production potential of its claims processor workforce. With more complete information on local performance standards and how employees are performing in relation to these standards, VBA could better determine its current workforce capacity as well as its future workforce needs to address its claims workload.

Conclusion

VBA will experience challenges integrating a large number of ARRA-funded new employees at some VAROs because of a limited number of experienced supervisors and limited training for temporary supervisors. Despite increasing the capacity of its centralized training program, VBA is leaving the training of temporary supervisors to the discretion of VARO managers. VBA should require VAROs to provide temporary supervisors with a core curriculum of training available through VA's online learning system to ensure that these supervisors have the skills to provide new employees with appropriate supervision and training. Without proper supervision of ARRA-funded new employees, VBA is at increased risk for claims processing errors and delays. Although VAROs can negotiate performance standards for claims processors that are higher than national standards, VBA does not collect information on increased standards implemented at some VAROs. As a result, VBA's ability to accurately assess the capacity of its current claims processor workforce is limited. VBA should collect information on locally increased performance standards in order to better assess the full capacity of its claims processor workforce.

Recommendations

2. We recommended that the Under Secretary for Benefits issue guidance to regional offices requiring that temporarily promoted supervisors complete a standardized core curriculum of supervisory training.
3. We recommended that the Under Secretary for Benefits collect information on the extent to which performance standards for claims processors are being increased by regional offices and how staff are performing in relation to these standards.

**Management
Comments and
OIG Response**

The Acting Under Secretary for Benefits concurred with our finding and recommendations. VBA will issue guidance to VAROs requiring temporarily promoted supervisors to complete a core curriculum of training it developed. VBA will also require that all VAROs submit current performance standards as well as report the percentage of claims processors that are able to meet these performance standards. This data will be consolidated by VBA to allow for nationwide analysis. We consider the planned actions acceptable and will follow up on their implementation.

Appendix A Scope and Methodology

Scope

We assessed VBA's progress in filling about 2,300 ARRA-funded claims processing positions from April to September 2009. We also assessed the performance of selected C&P employees hired during VBA's FYs 2007 to 2008 special hiring initiative. We measured the performance of all claims processors hired during the third quarter of FY 2007. We identified a total of 285 claims processors that were hired during this period from April 1 to June 30, 2007. We selected claims processors hired during this period because these employees were employed the longest compared to others hired during this initiative, which allowed us to include more performance data in our analysis. We measured employee productivity and accuracy for FYs 2008 and 2009 (through April 30, 2009) against VBA's National Performance Plan for VSRs.

Methodology

From April 1, 2007, to March 31, 2009, we analyzed computerized data from VA's Payroll and Accounting Integrated Data (PAID) system to identify employees hired between April 1 and June 30, 2007 (the third quarter of FY 2007) and to obtain information on employee promotions.

To assess employee productivity and accuracy, we analyzed data from VBA's local-level ASPEN system. The number of employees for which performance data was available varied by each quarter in FYs 2008 and 2009. We included an average of 173 employees in our analysis from FY 2008 to FY 2009 (through April 30, 2009). ASPEN records are not available for individuals who are no longer employed by VBA because the system does not have the capacity to archive records. Similarly, ASPEN records may not be created at the local level for employees on details, in extended training, or newly promoted employees who are still in training. We compared each employee's aggregated accuracy and productivity scores against VBA's pay-grade specific national performance standards for claims processors and then calculated the proportion of employees that were meeting, exceeding, or failing to meet these standards.

To assess how long it takes VBA to fill an ARRA-funded position, we used data collected by VBA from the VAROs on the date the job vacancy announcements closed, the date the certificates were issued, the date interviews were completed, and the report date for the employee. Some data, however, was missing for some ARRA-funded positions. Due to missing data, we were not able to include information on all ARRA-funded positions filled as of August 3, 2009. Our analysis of the average number of days elapsed to fill an ARRA-funded position was based on data for 1,438 positions.

To learn about VARO practices integrating newly hired employees and VARO plans to hire and utilize ARRA-funded employees, we conducted site visits to three VAROs—Roanoke, Cleveland, and Milwaukee. Site selection criteria

included the number of employees hired during the third quarter of FY 2007, geographic location, and the overall size of the VARO. We also conducted telephone interviews with managers from VARO Philadelphia and VARO St. Paul.

**Reliability of
Computer-
Processed Data**

To address our review objectives, we used computer-generated data from the PAID, ASPEN, and VBA's Distribution of Operational Resources (DOOR) and Monthly Operating Workload reports. We conducted limited testing of PAID data because we recently conducted a comprehensive test of the reliability of this system as reported in *Audit of the Impact of Veterans Benefits Administration's Special Hiring Initiative* (08-01559-193, September 5, 2008). We concluded no weaknesses existed in the underlying system operations that would affect the reliability of PAID data as related to our review objectives. We tested the ASPEN data we used in our analysis to determine if there were any inaccuracies in the calculated fields created by VAROs to measure employees' daily productivity rates. Productivity data is entered daily into ASPEN by employees. We did not independently verify this data; however, ASPEN data is locally reviewed and verified for accuracy by VARO claims processor supervisors. We were not able to test the reliability of data reported in VBA's DOOR and Monthly Operating Workload reports because there is no independent data source to compare these reports against. We were unable to assess the reliability of VBA's hiring data because this data is self-reported by VAROs. Given the nature of our review, we determined that the data was sufficiently reliable for the purposes of our review.

**Compliance with
Government
Review Standards**

We conducted our review work from March 30, 2009, through October 23, 2009. The review focused on controls related to the review objectives. The review was not intended to form an opinion on the adequacy of VBA's controls overall, and the report does not render such an opinion. We conducted the review in accordance with the *President's Council on Integrity and Efficiency Quality Standards for Inspections*.

Appendix B Background

VBA has experienced challenges ensuring that its claims processor workforce could meet the growth in the number and complexity of veterans' benefits claims. In FYs 2007 and 2008, Congress passed legislation appropriating VBA \$185 million to increase its claims processing workforce. With these funds, VBA hired about 3,250 additional claims processors in FYs 2007 and 2008.

VBA also received \$150 million through ARRA to hire and train temporary and permanent claims processors to assist in claims development. Funding for temporary claims processors will expire at the end of FY 2010. Temporary employees will assist in expediting claims development and perform other administrative activities to free decision-makers to complete more complex tasks.

The C&P Service processes two major types of claims, rating and non-rating claims. Disability compensation claims—referred to as rating claims by VBA—are reviewed by a rating specialists trained to evaluate medical evidence. The number of rating claims VBA received has increased in the last 5 years from 771,115 for FY 2004 to 887,807 for FY 2008. Non-rating claims do not require rating decisions and include, for example, dependency claims or burial claims. The number of non-rating claims received has varied over the past 5 years, with 761,162 received in FY 2008. VBA captures data on the number of rating and non-ratings claims received, completed, and those still awaiting a decision. In FY 2008, VBA paid \$30.7 billion in cash benefits to nearly 3 million veterans with service-connected disabilities.

VBA Organizational Structure

VA's Under Secretary for Benefits provides centralized program direction and oversees all VBA activities. OFO is the program management office for VBA's special hiring initiative and ARRA hiring. OFO is responsible for the management of the 57 VAROs that administer VA benefits programs. Almost all VAROs operate a Veterans Service Center (VSC), which is responsible for the development and processing of rating claims. The VSC is primarily staffed by claims processors and Rating Veterans Service Representatives. Other VSC staff includes managers, coaches, claims assistants, legal instrument processors, and file clerks.

Claims Processing Model

VSC staff is typically assigned to one of six specialized teams that process claims using a production line approach known as the CPI Model. The CPI Model was implemented in 2005. These six specialized teams are briefly described below.

1. Triage Teams review and manage all mail.
2. Pre-Determination Teams assemble supporting evidence, such as medical and service records, to prepare claims for the Rating Team.
3. Rating Teams make decisions on claims that require consideration of medical evidence.
4. Post-Determination Teams process rating decisions for payment and notifies veterans or their dependents about claims decisions.
5. Public Contact Teams handle personal interviews and telephone inquiries.
6. Appeals Teams process appeals of VBA decisions.

C&P Performance Tracking Systems

Productivity and accuracy are locally tracked at the VARO. Claims processors enter information on work performed into the ASPEN system daily and this information is verified by supervisors. Accuracy reviews of a claims processor's work is also performed at the local level and the results are entered into the ASPEN system. Local accuracy reviews are conducted by supervisors. An accuracy score is averaged over a period of time, and a claims processor's scores are compared against pay-grade specific performance goals for accuracy.

**Appendix C VBA Progress Filling Allocated ARRA-Funded Positions
(As of September 28, 2009)**

VBA Facility Location	Allocated Positions	Filled Positions	Allocated Positions Filled %
Columbia, SC	164	164	100
St. Petersburg, FL	137	137	100
Philadelphia, PA	104	104	100
Muskogee, OK	102	102	100
St. Louis, MO ^a	95	95	100
St. Louis, MO	93	93	100
St. Paul, MN	87	87	100
Buffalo, NY	85	85	100
Milwaukee, WI	84	84	100
San Diego, CA	74	74	100
Cleveland, OH	60	60	100
Seattle, WA	52	52	100
Houston, TX	51	51	100
Jackson, MS	47	47	100
Lincoln, NE	46	46	100
Oakland, CA	44	44	100
Atlanta, GA	41	41	100
Salt Lake City, UT	41	41	100
Indianapolis, IN	40	40	100
Des Moines, IA	38	38	100
Little Rock, AR	38	38	100
Baltimore, MD	37	37	100
Roanoke, VA	35	35	100
Phoenix, AZ	35	35	100
Montgomery, AL	34	34	100
Los Angeles, CA	34	34	100
New Orleans, LA	27	27	100
Louisville, KY	25	25	100
New York, NY	24	24	100
Newark, NJ	24	24	100
Detroit, MI	22	22	100
Nashville, TN	21	21	100
Denver, CO	21	21	100
Pittsburgh, PA	16	16	100

VBA Facility Location	Allocated Positions	Filled Positions	Allocated Positions Filled %
Manila, PI	16	16	100
Providence, RI	13	13	100
Togus, ME	13	13	100
Wichita, KS	13	13	100
Boise, ID	13	13	100
Boston, MA	12	12	100
Manchester, NH	12	12	100
Ft. Harrison, MT	10	10	100
Albuquerque, NM	8	8	100
Portland, OR	8	8	100
Reno, NV	7	7	100
Honolulu, HI	6	6	100
Hartford, CT	5	5	100
Anchorage, AK	5	5	100
Sioux Falls, SD	4	4	100
Fargo, ND	3	3	100
Wilmington, DE	1	1	100
Waco, TX	91	86	95
Huntington, WV	19	17	89
Chicago, IL	15	13	87
Winston-Salem, NC	52	41	79
White, River, VT	3	2	67
Washington, DC ^b	25	16	64
San Juan, PR	4	2	50
Totals	2,236^c	2,204	

Source: OIG analysis of VBA data

^aVBA operates a Records Management Center in St. Louis, MO. This facility is part of the C&P Service and maintains veterans' claims folders.

^bVBA operates an Appeals Management Center in Washington, DC that is part of the C&P Service and processes VBA remands from the Board of Veterans Appeals.

^cAccording to an OFO official, VBA is in the process of allocating about 50 more ARRA positions to the field. These positions were initially intended to be used to staff a VBA pilot project; however, the project is still in the early development phase.

Appendix D Methodology for Projecting Rating and Non-Rating Claims Inventory

To estimate VBA's future claims workload (rating and non-rating) and workforce capacity for FYs 2009 through 2011, we analyzed information from VBA's DOOR and Monthly Operating Workload reports. We then developed three scenarios using a range of expected increases in VBA's new claims workload and expected employee productivity.²

To estimate the productivity of newly hired claims processors, we applied VBA's productivity benchmark. According to VBA officials, the average newly hired claims processor becomes 25 percent more productive every 6 months on the job, resulting in 100 percent full productivity after 2 years on the job. We calculated a production rate for a fully productive claims processor based on FY 2006 production data. VBA completed 1,423,901 claims in FY 2006 comprised of both rating and non-rating claims. This number represents the production capacity of a fully trained workforce before the introduction of a significant number of newly hired (and less experienced) claims processors. We divided the number of claims completed by the average number of C&P Service FTE, which was about 8,056 in FY 2006. A fully productive claims processor should complete 177 claims per year based on VBA's FY 2006 data. Our claims completed calculations for each of the scenarios we developed takes into account the expected productivity of VBA's C&P workforce. For example, our FY 2010 claims completed calculation of 2 million claims is based on the assumption that about 11,000 FTE will be 100 percent productive, about 40 FTE will be 75 percent productive, and about 340 FTE will be 50 percent productive. We also included in our claims completed calculations for FY 2010 VBA's estimate that the approximately 2,300 ARRA funded new hires will result in an additional 10,000 completed claims for the year. (See Exhibit 8, Column B.)

²In the OIG report, *Audit of the Impact of the Veterans Benefits Administration's Special Hiring Initiative* (08-01559-193, September 5, 2008), the same methodology was used to estimate VBA's claims inventories for FYs 2008 and 2009 and claims processors' productivity. We updated our calculations with data on VBA's FY 2009 claims workload that were not available when our September 2008 report was issued.

**Exhibit 8. Estimated VBA Rating and Non-Rating Claims Workload and Workforce Capacity
(FYs 2009 through 2011)**

	FY 2009	Scenario 1 Workload Increase 7.5%		Scenario 2 Workload Increase 10%		Scenario 3 Workload Increase 14%	
	A	B	C	D	E	F	G
Fiscal Year^a	2009	2010	2011	2010	2011	2010	2011
Estimated claims received (in millions)	1.91	2.05	2.20	2.09	2.30	2.17	2.48
Percentage increase in new claims received from prior FY	14%↑	7%↑	7%↑	10%↑	10%↑	14%↑	14%↑
Estimated claims completed (in millions)	1.80	2.00	2.03	2.00	2.03	2.00	2.03
Total FTE^b	11,454	13,753	11,454	13,753	11,454	13,753	11,454
Estimated year-end claims inventory	642,268	685,550	861,046	730,754	1.00 million	817,102	1.27 million
Percent change in year-end inventory from prior FY	21%↑	7%↑	26%↑	14%↑	37%↑	26%↑	55%↑

Source: OIG analysis

^aFiscal year 2009 data is based on actual year-end claims data from VBA; while data presented for FYs 2010 and 2011 are based on our estimates.

^bThe data on FTE are rounded up.

In scenario 1, we project that the number of claims submitted to VBA will increase by 7.5 percent each year for FYs 2010 and 2011. We applied VBA’s estimate that new employees hired with ARRA funds will increase the number of claims completed by 10,000 claims in FY 2010. In FY 2011, we expect there will be no ARRA-funded positions, so the workforce will remain at the June 2009 level of about 11,454 FTE and be 100 percent productive (Exhibit 8, Columns B and C).

In scenario 2, we project that the number of claims VBA will receive will increase by 10 percent each year for FYs 2010 and 2011. We applied VBA's estimate that new employees hired with ARRA funds will increase the number of claims completed by 10,000 claims in FY 2010, and in FY 2011, there will be no ARRA-funded positions. As a result, VBA's workforce will remain at the June 2009 level of about 11,454 FTE and be 100 percent productive (Exhibit 8, Columns D and E).

In scenario 3, we project that the number of claims submitted to VBA will increase by 14 percent—the rate experienced by VBA from June 2008 to June 2009—each year for FYs 2010 and 2011. We applied VBA's estimate that new employees hired with ARRA funds will increase the number of claims completed by 10,000 claims in FY 2010, and in FY 2011, there will be no ARRA-funded positions. As a result, VBA's workforce will remain at the June 2009 level of about 11,454 FTE and be 100 percent productive (See Exhibit 8, Column F and G.)

Appendix E Number of Employees Hired by VAROs in 3rd Qtr FY 2007

Station	Station Location	Number		Station	Station Location	Number
330	Milwaukee	26		313	Baltimore	5
329	Detroit	20		301	Boston	5
310	Philadelphia	20		320	Nashville	5
335	St. Paul	18		348	Portland	5
314	Roanoke	17		459	Honolulu	4
317	St. Petersburg	16		354	Reno	4
325	Cleveland	11		341	Salt Lake City	4
326	Indianapolis	10		347	Boise	3
327	Louisville	10		311	Pittsburgh	3
306	New York	9		346	Seattle	3
377	San Diego	9		452	Wichita	3
319	Columbia	8		307	Buffalo	2
321	New Orleans	8		362	Houston	2
323	Jackson	7		322	Montgomery	2
334	Lincoln	7		355	San Juan	2
345	Phoenix	7		463	Anchorage	1
349	Waco	7		315	Huntington	1
316	Atlanta	6		304	Providence	1
343	Oakland	6		405	White River	1
402	Togus	6		460	Wilmington	1

Source: OIG analysis of PAID data

Appendix F Agency Comments

Department of Veterans Affairs

MEMORANDUM

Date: January 29, 2010

From: Acting Under Secretary for Benefits (20)

Subj: OIG Draft Report—Veterans Benefits Administration: Review of New Hire Productivity and the American Recovery and Reinvestment Act Hiring Initiative (Project Number 2009-01814-R1-0189)—WebCIMS 447426

To: Assistant Inspector General for Audits and Evaluations (52)

1. Attached are VBA's comments regarding OIG Draft Report: Review of New Hire Productivity and the American Recovery and Reinvestment Act Hiring Initiative.
2. Questions may be referred to Nancy Holly, Program Analyst, at 461-9199.

(original signed by:)

Michael Walcoff

Attachment

Attachment

VBA COMMENTS TO OIG DRAFT REPORT
**Veterans Benefits Administration: Review of New Hire Productivity
and the American Recovery and Reinvestment Act Hiring Initiative**

VBA provides the following technical comments:

Page 3, second paragraph, first, second, and third sentences:

“VBA officials characterized their ARRA hiring plan as aggressive to make up for the fact that positions were not allocated to VAROs until almost 2 months after funds were made available to VBA. Questions about how ARRA funds could be spent created this delay. VBA’s hiring data indicates that 200 to 300 new employees were hired every 2 weeks from May 24-August 3, 2009.”

VBA Comment: We recommend the first, second, and third sentences be revised for clarity as shown below.

“In March 2009, VA issued the transfer of (funding) disbursement authority to VBA. Questions about how ARRA funds could be spent were resolved, and in April 2009, the Office of Field Operations (OFO) provided written guidance to VARO directors about ARRA FTE, payroll, non-payroll, and travel allowances and authorized hiring to begin. VBA’s bi-weekly hiring reports indicate the majority of the new ARRA employees were hired between May – August 2009.”

Page 6, third paragraph, third sentence, and Exhibit 3:

“As a result, VBA carried over an inventory of about 642,000 claims into

FY 2010—an increase of 21 percent from FY 2008.”

Exhibit 3 lists claims completed for FY 2009 to be 1,798,198.

VBA Comment: VBA has uses its rating inventory and rating claims completed as its primary workload and outcome measures. This paragraph states that an inventory of 642,000 claims was carried into FY 2010 and that the number of completed claims for FY 2009 is 1,798,198. These figures appear to represent both rating and non-rating work. This paragraph and Exhibit 3 should be revised to clarify

which claims are included since more than rating claims are considered.

Page 14, second paragraph, fifth sentence:

“While the majority of VBA’s supervisor training is available online, accessible at each VARO, VBA does not require temporarily promoted supervisors to complete a core curriculum of supervisory training.”

VBA Comment: We recommend that this sentence be revised as shown below:

“While some of VBA’s supervisor training is available online, accessible at each VARO, VBA does not require temporarily promoted supervisors to complete a core curriculum of supervisory training.”

The following comments are submitted in response to the recommendations in the OIG draft report:

Recommendation 1: We recommend that the Under Secretary for Benefits collect information on the number of overtime hours worked in order to better assess the capacity of its current claims processor workforce and to project future workforce needs to address the claims inventory.

VBA Response: Concur. VBA will collect information regarding the number of overtime hours worked at all field offices in order to assess capacity of its current claims processor workforce and to support workload and workforce need projections.

Target Completion Date: April 1, 2010

Recommendation 2: We recommend that the Under Secretary for Benefits issue guidance to regional offices requiring that temporarily promoted supervisors complete a standardized core curriculum of supervisory training.

VBA Response: Concur. VBA has developed a standardized core curriculum of supervisory training for temporarily promoted supervisors. VBA will issue guidance to all field stations regarding completion of this curriculum. Upon issuance of this guidance, field offices will be required to have all temporarily promoted supervisors begin the training.

Target Completion Date: March 1, 2010

Recommendation 3: We recommend that the Under Secretary for Benefits collect information on the extent to which performance standards for claims processors are being increased by regional offices and how staff are performing in relation to these standards.

VBA Response: Concur. VBA will require all field stations to submit current performance standards. Field stations will also be required to report the percentage of claims processors who are able to meet these standards. These reports will be consolidated to allow for analysis of nationwide data.

Target Completion Date: April 1, 2010

Appendix G **OIG Contact and Staff Acknowledgments**

OIG Contact	Nick Dahl, (781) 687-3120
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Acknowledgments	Irene J. Barnett Michael Cannata John Cintolo Jennifer Leonard Grace Terranova
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