



US DEPARTMENT OF VETERANS AFFAIRS OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

VETERANS BENEFITS ADMINISTRATION

Delays Occurred in Some Veterans' Benefits Claims While Awaiting Decision

BE A
VOICE FOR
VETERANS

REPORT WRONGDOING
vaoig.gov/hotline | 800.488.8244

OUR MISSION

To serve veterans and the public by conducting meaningful independent oversight of the Department of Veterans Affairs.

CONNECT WITH US



Subscribe to receive updates on reports, press releases, congressional testimony, and more. Follow us at @VetAffairsOIG.

PRIVACY NOTICE

In addition to general privacy laws that govern release of medical information, disclosure of certain veteran health or other private information may be prohibited by various federal statutes including, but not limited to, 38 U.S.C. §§ 5701, 5705, and 7332, absent an exemption or other specified circumstances. As mandated by law, the OIG adheres to privacy and confidentiality laws and regulations protecting veteran health or other private information in this report.



Executive Summary

The Veterans Benefits Administration (VBA) administers a wide range of benefits to veterans, including VA's compensation and pension programs.¹ In 2016, VBA began centralizing management and distribution of benefit claims through the National Work Queue (NWQ) division. The NWQ division, part of the Office of Field Operations (OFO), uses the NWQ tool to prioritize and distribute claims across VBA's regional offices that process the claims.

The VA Office of Inspector General (OIG) conducted this review after discovering that some claims at the NWQ division had been awaiting decisions for extended periods of time, sometimes over one year. All development steps for these claims had generally been completed, and the claims were waiting to be distributed to VBA's regional offices so a decision could be made. The OIG conducted this review to assess OFO's internal controls for routing claims awaiting decision at the NWQ division.²

What the Review Found

VBA completed about 433,000 claims from May through July 2022, most of which were done in 125 days or less.³ However, the OIG team identified 10,541 claims aged 365 days or older that, on August 1, 2022, were at the NWQ division awaiting decision but were not distributed to regional offices. The age of the claim is measured from when VA received the claim and increases each day until the claim is completed. The OIG team found that 7,782 of the 10,541 claims had been awaiting a decision at the NWQ division for at least six months, with some of them waiting over 15 months. Over 99 percent of the 10,541 claims required routing to specialized teams that process special mission herbicide-related claims.⁴ These specialized teams were primarily responsible for Blue Water Navy claims, Blue Water Navy–Nehmer claims, and Fiscal Year 2021 National Defense Authorization Act–Nehmer claims; however, other herbicide-related claims were also being routed to these teams.

¹ Unless otherwise noted, the term "veterans" used throughout this report includes other affected beneficiaries such as a surviving spouse.

² For this review, the OIG team focused on a group of claims, referred to as the rating bundle, which VBA uses to measure its claims inventory and backlog, the subset of its inventory aged over 125 days. This group includes claims for compensation or pension, both original and supplemental, that normally require a rating decision, a document detailing the formal determination made regarding benefit entitlement. Unless otherwise noted, the term "claims" used throughout this report refers to this group of claims. For more information about the review's scope and methodology, see appendix A.

³ A claim enters VBA's backlog when it becomes 126 days old, an important metric reported by VBA.

⁴ Unless otherwise noted, the term "herbicide" used throughout this report refers to chemicals used in support of US and allied military operations in the Republic of Vietnam from January 9, 1962, through May 7, 1975: 2,4-D; 2,4,5-T and its contaminant TCDD; cacodylic acid; and picloram. 38 C.F.R. § 3.307 (a)(6)(i) (2023).

The OIG team found that staffing decisions related to the specialized teams contributed to delays of special mission herbicide-related claims. Because the NWQ tool's distributions are based on the number of claims a regional office or specialized team can process, the staffing allocated by OFO leaders directly affects how many claims the NWQ tool can send to each office and team. OFO leaders told the OIG team that they limited the staffing for these specialized teams to control quality and manage other claims. OFO leaders were generally aware of and, based on this limited staffing, had in fact expected the delays for special mission herbicide-related claims. OFO had also developed timelines for completing some of the special mission claims, and because these targets were being met, OFO leaders decided not to increase staffing for these specialized teams.

VA's strategic goals include improving veterans' experiences and delivering timely benefits to meet the unique needs of veterans.⁵ VBA has reported that its workload management strategy was to complete claims from veterans who have been waiting longest and that it would leverage the NWQ tool to finalize claims based on age once all necessary processing steps had been completed.⁶ The deputy director of the NWQ division noted, however, that distributing claims in order of how long they had been waiting was a guiding principle, not a requirement. He also acknowledged that there was no age at which the NWQ division was required to send claims that were ready for distribution to a regional office for action.

The OIG also found that the NWQ division's ranking rules unintentionally contributed to delays in some of the oldest claims. To determine the order in which a claim should be distributed, the NWQ tool uses (1) a *priority ruleset* that generally accounts for VBA's priority processing programs and (2) a *ranking ruleset* based on rules implemented by the NWQ division.⁷ Each claim receives a *priority score* and a *ranking score*. Generally, the NWQ tool determines distribution order based on the claim's priority score first and ranking score second. The OIG team identified two scenarios in which ranking rules unintentionally contributed to delays.

The first scenario involved ranking rules specific to special mission herbicide-related claims. The NWQ division implemented these rules to balance the workloads assigned to the specialized teams, but the rules did not cover all these claims. This caused some claims that did not meet the rules to be prioritized lower than those that did, despite many being much older. For example, only 180 of the 1,071 special mission herbicide-related claims the NWQ tool distributed on August 1, 2022, were aged 365 days or more. Meanwhile, there were 10,448 of these claims aged 365 days or more that were not distributed. As evidence, a 566-day-old herbicide-related claim that had been awaiting decision with the NWQ division for 488 days was not ranked

⁵ VA, *Department of Veterans Affairs Fiscal Years 2022-28 Strategic Plan*.

⁶ VA, *FY 2021/FY 2019 Annual Performance Plan and Report*.

⁷ The NWQ tool uses several different rulesets that function together to help standardize the distribution of claims. A ruleset is one or more rules that may be based on claim details. For example, some rulesets group claims into categories, whereas others determine claims' priority.

highly enough to be distributed since it did not meet any of the rules specific to special mission herbicide-related claims. In September 2022, the NWQ division changed its rules to prioritize claims more closely based on age for distribution to specialized teams.

The second scenario involved rules based on claim age assigning the same ranking value to claims aged from 126 to 364 days, which would prioritize younger claims over older claims if they met additional lower rules. NWQ employees agreed the significant gap between the age rules unintentionally provided too much prioritization for claims meeting lower rules. In March 2023, the NWQ division implemented additional age rules for claims aged 156 days, 216 days, 271 days, and 321 days, which should prevent lower-ranking rules from causing younger claims to be scored higher than significantly older claims going forward.

The team also found that the NWQ tool assigned an incorrect ranking score for some claims, which can affect whether the claims are distributed. For example, the tool undercounted the age of claims by one day, which could have made the difference for meeting a higher age rule. The tool also did not always accurately identify the claimed conditions for rules based on this attribute. Therefore, some claims received ranking scores either too high or too low, which affected their distribution order. The deputy director of the NWQ division stated the tool was fixed in January 2023 to accurately count the age of claims, and corrective actions for the claimed conditions were in progress.

NWQ employees told the OIG team they look for claims that are sitting too long at the NWQ division to determine if rule adjustments are needed; however, stronger monitoring could have identified instances where ranking rules were not operating as intended. An assistant deputy under secretary for field operations noted OFO was analyzing each day's workload but believed it should probably step back and systematically review how it manages the workload. The deputy director of the NWQ division said the division would conduct an annual review of each of its rulesets, and the first reviews were completed in February 2023.

Lastly, the OIG team found OFO's fiscal year 2022 internal controls assessment did not evaluate claims prioritization and distribution and did not mention the NWQ division or tool. Each executive agency must assess and report on internal controls annually, which includes a statement of assurance regarding the overall adequacy and effectiveness of internal controls.⁸ VBA executive directors and directors sign a statement of assurance to provide the under

⁸ Federal Managers' Financial Integrity Act of 1982, Pub. L. No. 97-255, 96 Stat. 814 (1982). See also Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government*, GAO-14-704G, September 2014, and Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, July 15, 2016. Internal control is a process that provides reasonable assurance that an organization's objectives will be achieved. Organization leaders are responsible for implementing internal controls and evaluating whether internal control systems are effective. Leaders and managers in the federal government are responsible for implementing management practices that identify, assess, respond to, and report risks. Agency managers are responsible for establishing and maintaining internal controls to achieve specific internal control objectives related to operations, reporting, and compliance.

secretary for benefits with assurance that management and internal controls are adequate. The results of the annual assessments serve as supporting documentation for VBA's statement of assurance, which in turn supports the VA Secretary's statement of assurance.

OFO's fiscal year 2022 internal controls assessment found all internal control components and principles were effective with no deficiencies, and OFO accordingly provided an unmodified statement of assurance.⁹ The deputy under secretary for field operations believed leaving out an assessment of the NWQ division and tool was an unintentional oversight, and an OFO representative stated OFO's internal controls assessment focused on oversight of regional and district offices based on past practice. The deputy under secretary for field operations agreed that if OFO had included the NWQ division in the statement of assurance process, some of the issues discovered by the OIG team may have been found earlier.

What the OIG Recommended

The OIG made the following recommendations to the under secretary for benefits:

1. Implement a plan to strengthen the National Work Queue division's monitoring of claims awaiting decision at its own location to ensure its rules are operating as intended and make adjustments as needed.
2. Ensure the Office of Field Operations includes the National Work Queue division's functioning in its annual internal controls assessment and statement of assurance.

VA Management Comments and OIG Response

The under secretary for benefits concurred with the recommendations, detailed actions taken, and requested closure of both recommendations. The actions taken by VBA were responsive to the recommendations. Based on the information provided, the OIG considers the recommendations closed. The full text of the VA management comments, except for attachments, is in appendix B.¹⁰



LARRY M. REINKEMEYER
Assistant Inspector General
for Audits and Evaluations

⁹ An unmodified statement of assurance means there were no material weaknesses or material noncompliance to report.

¹⁰ In appendix B, VA refers to this report using the original report title (*Delays Occurred in Some Veterans' Benefits Claims While Awaiting Decision in VBA's National Work Queue*) in its management comments, but the report title later changed to *Delays Occurred in Some Veterans' Benefits Claims While Awaiting Decision*; both titles refer to the same report.

Contents

Executive Summary	i
Abbreviations	vi
Introduction.....	1
Results and Recommendations	6
Finding: VBA's OFO Should Strengthen the NWQ Division's Monitoring of Claims Awaiting Decision at Its Location	6
Recommendations 1-2.....	16
Appendix A: Scope and Methodology.....	18
Appendix B: VA Management Comments	20
OIG Contact and Staff Acknowledgments	24
Report Distribution	25

Abbreviations

FY	fiscal year
NWQ	National Work Queue
OFO	Office of Field Operations
OIG	Office of Inspector General
PACT Act	Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022
VBA	Veterans Benefits Administration



Introduction

The Veterans Benefits Administration (VBA) administers a wide range of benefits, including VA's compensation and pension programs, to veterans.¹¹ As part of that effort, VA's strategic goals include improving veterans' experiences and delivering timely benefits to meet the unique needs of veterans.¹²

The Office of Field Operations (OFO) oversees operations and facilitates workload management for VBA's regional offices which carry out the functions of VBA, such as processing claims for benefits. VBA began centralizing management and distribution of benefits claims through the National Work Queue (NWQ) division within OFO in 2016. This is accomplished through the NWQ tool in the Veterans Benefits Management System, a web-based, electronic claims-processing application. The purpose of the NWQ tool is to centrally manage the national claims workload by prioritizing and distributing claims across VBA's network of regional offices to maximize resources, improve processing timeliness, and better serve veterans.

As part of ongoing oversight of VBA operations, the VA Office of Inspector General (OIG) team identified claims at the NWQ division that had been awaiting decision for extended periods of time. On August 1, 2022, the OIG team identified 221,364 claims that were awaiting decision at the NWQ division but were not distributed to regional offices for action—10,541 of these claims were aged 365 days or more.¹³ The age of a claim is measured from when VA received the claim. The OIG team focused on claims categorized as "awaiting decision," which generally means all development actions have been completed; however, these claims were sitting at the NWQ division, waiting to be distributed to regional offices for decisions so any resulting payments could be made to veterans. The OIG conducted this review to assess OFO's internal controls for distributing these claims.

VBA Claims Process

When a veteran submits a claim, the claim generally goes through several processing steps. First, during the development step, regional office employees help veterans obtain any necessary evidence. When all required development has been completed, the claim proceeds to the rating step for a decision—this generally determines what benefits, if any, the veteran will receive.

¹¹ Unless otherwise noted, the term "veterans" used throughout this report includes other affected beneficiaries such as a surviving spouse.

¹² VA, *Department of Veterans Affairs Fiscal Years 2022–28 Strategic Plan*.

¹³ For this review, the OIG team focused on a group of claims, referred to as the rating bundle, which VBA uses to measure its claims inventory and backlog, the subset of its inventory aged over 125 days. This group of claims includes claims for compensation or pension, both original and supplemental, that normally require a rating decision, a document detailing the formal determination made regarding benefit entitlement. Unless otherwise noted, the term "claims" used throughout this report refers to this group of claims.

Once the decision is made, the claim is completed in the award step where VBA employees implement the decision, prepare and release the decision notice to the veteran, and authorize payment if required.

VBA's Workload Management Strategy and Reporting

One of VA's strategic goals is to deliver timely, accessible, and high-quality benefits, care, and services.¹⁴ VA issues several reports about the timeliness of claims processing. For example, VBA issues a weekly, public report that identifies the average age of its claims inventory, the number of claims in the backlog, and the average days it took to complete claims.¹⁵ A claim enters the backlog when it becomes 126 days old. Further, in VA's Annual Performance Plan and Report, VA reports the percentages of compensation and pension rating claims completed in less than 126 days. These measures were introduced in the February 2020 annual report. At that time, VA stated VBA's workload management strategy for the compensation claims was to complete claims from veterans who have been waiting longest by leveraging the NWQ tool to finalize claims—based on the age of the claim—once all necessary processing steps have been completed. VA also noted its pension centers had transitioned to the NWQ tool, resulting in an expectation that the oldest pension rating claims would also be prioritized.¹⁶ However, as context, the deputy director of the NWQ division told the OIG team that distributing claims in order of how long they had been waiting was not a requirement but rather a guiding principle. He said VA generally prioritized claims that had been waiting the longest, along with other factors. Further, he acknowledged that VBA did not define an age at which the NWQ division was required to send claims that were ready for distribution to a regional office for action.

NWQ's Claims Prioritization and Distribution

The NWQ division generally uses the NWQ tool to manage a claim's progress through the claims-processing steps. As part of this management, the NWQ tool determines when to distribute the claim to a regional office for action. The NWQ tool also decides when to recall the claim to the NWQ division, where it remains until it is distributed again. A claim can be recalled to the NWQ for a number of reasons, generally based on changes to a claim's status. Depending on the actions needed, the NWQ tool may distribute a claim to a regional office and recall it to the NWQ division several times throughout the life of the claim.

Every day, the NWQ tool distributes claims to each regional office. The number of claims the NWQ tool distributes is limited by the number of claims a regional office, or a specialized team within the regional office, can process. As such, the number of employees allocated by OFO

¹⁴ *Department of Veterans Affairs Fiscal Years 2022–28 Strategic Plan.*

¹⁵ "Detailed Claims Data" (web page), Veterans Benefits Administration Reports, accessed May 15, 2023, https://www.benefits.va.gov/REPORTS/detailed_claims_data.asp.

¹⁶ VA, *FY 2021/FY 2019 Annual Performance Plan and Report.*

leaders to a regional office or a specialized team directly affects how many claims the NWQ tool can distribute. In particular, the NWQ tool will stop distributing claims to a regional office or a specialized team once that office's or team's capacity is filled; however, the tool will continue to distribute claims to other locations with remaining capacity.

The NWQ tool typically determines the order in which a claim should be distributed based on the claim's scores for two different rulesets.¹⁷ First, the VA *priority ruleset* generally accounts for VBA's priority processing programs, such as those for veterans with a terminal illness or those experiencing homelessness.¹⁸ Second, a *ranking ruleset* scores claims based on rules implemented by the NWQ division.¹⁹ Claims that do not qualify under the *priority ruleset* are ordered based on their score under the *ranking ruleset* only.

VA priority and ranking rules are listed in numerical order, starting with the most important rule as number 1. The rules in each of these sets are individually valued, with the last rule being valued at 1 and each higher rule being doubled. Table 1 illustrates what the rule values would be for a ruleset with four rules.

Table 1. Example of Rule Numbers with Corresponding Values

Rule number	Rule value
1	8
2	4
3	2
4	1

Source: VA OIG presentation of VBA's example of how rules are valued in VA priority and ranking rulesets.

Claims are assigned an overall score for each ruleset based on the total value of all rules the claim meets within the ruleset. The order in which claims are distributed to regional offices is usually based on the claims with the highest overall scores, with claims that meet a VA priority rule taking precedence over those that do not. The deputy director of the NWQ division stated that the ranking ruleset prioritized claims primarily based on the age of the claim. The OIG team confirmed the NWQ division's ranking ruleset had several rules based on the age of claims. However, the age of the claim is not a sole determinate, as several rules based on other factors

¹⁷ The NWQ tool uses several rulesets that function together to help standardize the distribution of claims. A ruleset is one or more rules that may be based on claim details. For example, some rulesets group claims into categories, whereas others determine claims' priority.

¹⁸ VA Manual 21-1, "Priority Processing Programs and Special Requirements," updated November 9, 2022, sec. X.i.1 in *Adjudication Procedures Manual*.

¹⁹ The NWQ division has separate ranking rulesets depending on which department (such as development, rating, or award) will receive the claims. Unless otherwise noted, the term "ranking ruleset" used throughout this report refers to the rating ranking ruleset.

also affected how claims were ranked. For example, some rules focused on the type of claims, such as pre-discharge or pension.²⁰ Other rules addressed specific conditions, such as those related to military sexual trauma or traumatic brain injury. Finally, some rules applied to claims that could generally be completed quickly, such as certain claims for fewer conditions.

Special Mission Claims

The NWQ tool's routing rules determine which regional office a given claim can be sent to. Some claims can be distributed to any regional office, while others that are related to special missions, such as certain claims related to herbicide exposure, have to be routed to specific regional offices with teams that have received specialized training.²¹

In 1991, Congress passed the Agent Orange Act, which granted veterans who had served in the Republic of Vietnam a presumption of having been exposed to herbicide agents, such as Agent Orange.²² Based on the Agent Orange Act, claimants could then receive benefits for specific conditions presumed to be related to that exposure.²³ Beginning in January 2020, VBA centralized some of these claims to specialized teams at specific regional offices, as herbicide exposure benefits underwent a series of expansions. At the time of this review, the deputy director of the NWQ division reported these specialized teams were primarily responsible for three workloads:

- **Blue Water Navy claims.** The Blue Water Navy Vietnam Veterans Act of 2019 extended the presumption of herbicide exposure to veterans who served within 12 nautical miles of Vietnam.²⁴ At that time, VBA recognized 14 conditions as presumptively related to herbicide exposure.²⁵
- **Blue Water Navy–Nehmer claims.** In November 2020, the US District Court of the Northern District of California determined that the May 20, 1991, consent decree between VA and the certified class in the court case *Nehmer v. US*

²⁰ A pre-discharge claim is a claim accepted from a service member who is still on active duty. VA Manual 21-1, "General Description of a Pre-Discharge Claim," updated March 7, 2022, sec. X.i.6.A in *Adjudication Procedures Manual*, topic 1.

²¹ Unless otherwise noted, the term "herbicide" used throughout this report refers to chemicals used in support of the US and allied military operations in the Republic of Vietnam from January 9, 1962, through May 7, 1975: 2,4-D; 2,4,5-T and its contaminant TCDD; cacodylic acid; and picloram. 38 C.F.R. § 3.307 (a)(6)(i) (2023).

²² Agent Orange Act of 1991, Pub. L. No. 102-4, 105 Stat. 11 (1991).

²³ 38 C.F.R. § 3.309 (e) (2023).

²⁴ Blue Water Navy Vietnam Veterans Act of 2019, Pub. L. No. 116-23, 133 Stat. 966 (2019).

²⁵ The 14 conditions presumptively related to herbicide exposure were amyloid light-chain amyloidosis; chloracne or other acneform disease consistent with chloracne; all chronic B-cell leukemias; diabetes mellitus, type 2; Hodgkin lymphoma; multiple myeloma; non-Hodgkin lymphoma; early-onset peripheral neuropathy; porphyria cutanea tarda; prostate cancer; cancers of the lung, bronchus, larynx, or trachea; soft-tissue sarcoma (other than osteosarcoma, chondrosarcoma, Kaposi's sarcoma, or mesothelioma); ischemic heart disease; and Parkinson's disease. 38 C.F.R. § 3.309 (e) (2023).

Department of Veterans Affairs required VA to automatically re-adjudicate Blue Water Navy claims that had previously been denied.²⁶ As such, the court ordered VA (1) to provide replacement decisions in cases where it previously denied compensation on the grounds that the veteran was not entitled to the presumption of herbicide exposure because they did not set foot on the landmass of Vietnam or serve in its inland waterways and (2) to determine the amount of retroactive compensation warranted, if any.²⁷ As a result, VBA reported establishing about 60,500 of these claims in April 2021.

- **Fiscal Year (FY) 2021 National Defense Authorization Act–Nehmer claims.** The National Defense Authorization Act for FY 2021 added Parkinsonism, bladder cancer, and hypothyroidism to the list of conditions presumptively associated with herbicide exposure.²⁸ VBA determined the May 20, 1991, Nehmer consent decree also required VBA to provide replacement decisions for previously denied claims for these conditions. As a result, VBA reported establishing about 68,200 of these claims in June 2021.

On August 1, 2022, of the 221,364 claims awaiting decision that were at the NWQ division but not distributed to regional offices, 30,238 required routing to specialized teams that process special mission herbicide-related claims. These claims included some herbicide-related claims outside of the three primary workloads described above that were also being routed to these teams. For example, some claims had attributes related to the National Defense Authorization Act but not to Nehmer or Blue Water Navy. Others had attributes related to Nehmer but not specifically to Blue Water Navy or the National Defense Authorization Act.

²⁶ The District Court certified the class members of the civil action as “all current or former service members, or their next of kin (a) who are eligible to apply to, who will become eligible to apply to, or who have an existing claim pending before the Veteran's Administration for service-connected disabilities or deaths arising from exposure during active-duty service to herbicides containing dioxin or (b) who have had a claim denied by the VA for service-connected disabilities or deaths arising from exposure during active-duty service to herbicides containing dioxin.” *Nehmer v. US Veterans' Admin.*, 118 F.R.D. 113, 116 (N.D. Cal. 1987) (order certifying class). A consent decree (also known as a consent order) is a decree made by a judge with the consent of all parties. It is not strictly a judgment but rather a settlement agreement approved by the court. The agreement is submitted to the court in writing after the parties have reached a settlement, and once approved by the judge, the agreement is binding and enforceable on all parties.

²⁷ *Nehmer v. US Department of Veterans Affairs*, “Order Granting 460 Motion to Enforce Judgement,” No. C 86-06160 WHA (N.D. Cal. Nov. 5, 2020).

²⁸ The National Defense Authorization Act annually authorizes funding levels and provides authorities for the US military and other critical defense priorities. Throughout this report, “National Defense Authorization Act” refers to only the William M. (Mac) Thornberry National Defense Authorization Act for FY 2021, Pub. L. No. 116-283, 134 Stat. 3388 (2021) § 9109.

Results and Recommendations

Finding: VBA's OFO Should Strengthen the NWQ Division's Monitoring of Claims Awaiting Decision at Its Location

The OIG team found that some claims remained at the NWQ division awaiting decision for extended periods of time, sometimes over one year. The “awaiting decision” categorization generally means all development steps for the claim have been completed; however, these claims were sitting at the NWQ division, waiting to be distributed for decisions.

Of the nearly 433,000 claims VBA completed from May through July 2022, about 60 percent took 125 days or less. However, the team identified 10,541 claims aged 365 days or older that were at the NWQ division awaiting decision but were not distributed to regional offices on August 1, 2022. Of the 10,541 claims, 7,782 had been awaiting a decision at the NWQ division for at least six months, with some of them waiting over 15 months. Nearly all these 10,541 claims (over 99 percent) were related to herbicide exposure and needed to be distributed to specialized teams. OFO had provided limited staffing for these specialized teams, which restricted the number of claims that could be distributed by the NWQ tool and contributed to significant delays for some of these claims.

Further, some of the NWQ division's ranking rules were not functioning as intended, contributing to delays for some of VBA's oldest claims. Also, the NWQ tool scored some claims incorrectly, which may have affected whether they were distributed to regional offices for further action. OFO told the OIG team that the NWQ division continuously monitors all workloads for timeliness; however, with stronger monitoring, VBA could have identified and addressed these issues earlier. Finally, OFO's FY 2022 internal controls assessment did not evaluate claims prioritization and distribution and did not discuss the NWQ division or the NWQ tool.

What the OIG Did

The team reviewed data for 232,621 claims that, on August 1, 2022, were at the NWQ division waiting to be distributed to regional offices for decision. These pending claims provided a snapshot of VBA's workload at the NWQ division, which is constantly changing. The team also reviewed data for 432,620 claims completed from May 1 through July 31, 2022. The completed claims data add context by showing what VBA completed in the three-month period leading up to August 1, 2022.

The review team focused on claims that were awaiting decision since this generally signified that all development actions were complete, and the claims were waiting for the NWQ tool to

distribute them to a regional office so a decision could be made.²⁹ The team limited the scope of the review to this part of the claims process because some aspects of claims-processing timeliness are outside of VBA's control. For example, veterans can add additional conditions to existing claims, or delays can occur while VBA staff are assisting veterans with obtaining evidence to support their claims.³⁰

The following determinations formed the basis for this finding and led to the OIG's recommendations:

- VBA generally completed claims in a timely manner, but significant delays occurred for some claims related to herbicide exposure.
- The NWQ division could have strengthened monitoring of the ranking rules to ensure claims were prioritized as intended.
- OFO's FY 2022 internal controls assessment and statement of assurance did not address the function of the NWQ division.

VBA Generally Completed Claims in a Timely Manner, but Significant Delays Occurred for Some Claims Related to Herbicide Exposure

VBA reported completing almost 433,000 claims from May through July 2022 at an average of about 166 days per claim. About 174,000 of these claims (40 percent) took more than 125 days to complete. Notably, VA reported processing veteran benefits claims at the fastest rate in VA history in 2022, breaking the previous year's record for completed claims by 12 percent.

However, some claims at the NWQ division on August 1, 2022, were taking significantly longer. Of the 221,364 undistributed claims at the NWQ division that were awaiting decision, 10,541 were aged 365 days or more. Figure 1 shows how long these claims were sitting at the NWQ division, waiting to be distributed for decisions. For example, the OIG team identified 7,782 claims that were at least 365 days old and had been awaiting a decision at the NWQ division for at least six months.

²⁹ Although a claim is typically sent to an employee for a rating decision after all development actions are complete, the decision maker could determine that additional actions are needed.

³⁰ For more information about the review's scope and methodology, see appendix A.

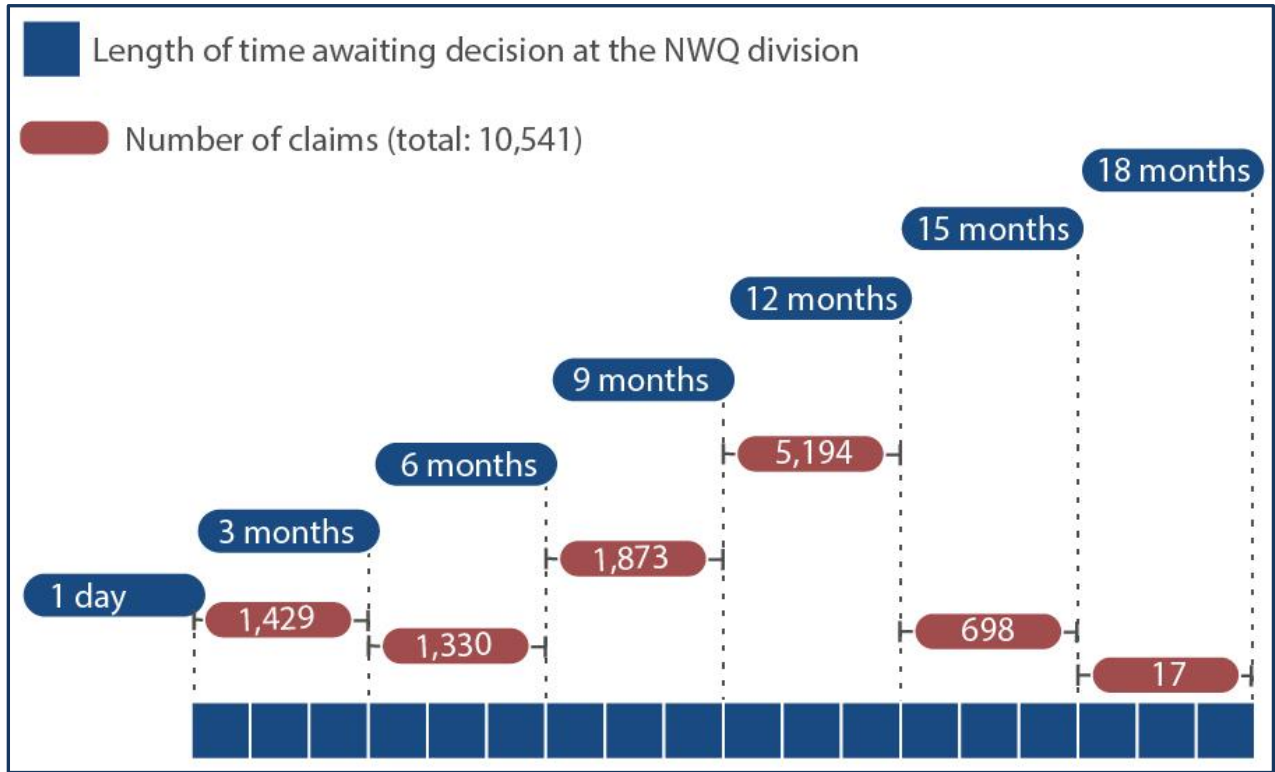


Figure 1. Length of time the 10,541 claims were awaiting decision at the NWQ division.

Source: VA OIG analysis of the 10,541 claims awaiting decision at the NWQ division that were aged 365 days or more but were not distributed on August 1, 2022.

Of the 10,541 claims awaiting decision at the NWQ division, 10,448 claims (over 99 percent) required routing to teams that process special mission herbicide-related claims. Although most of these 10,448 claims were less than 15 months old, 1,248 were aged 15 months or older, with the oldest being over two years old. Although the NWQ division assigned these claims some of the highest value ranking rules, limited staff on the specialized teams restricted how many of these claims the NWQ tool could distribute.

Initially, VBA centralized the processing of Blue Water Navy claims to specialized teams at eight regional offices. Over time, the types of claims assigned to these teams expanded to include Blue Water Navy–Nehmer and National Defense Authorization Act–Nehmer claims, as shown in figure 2.

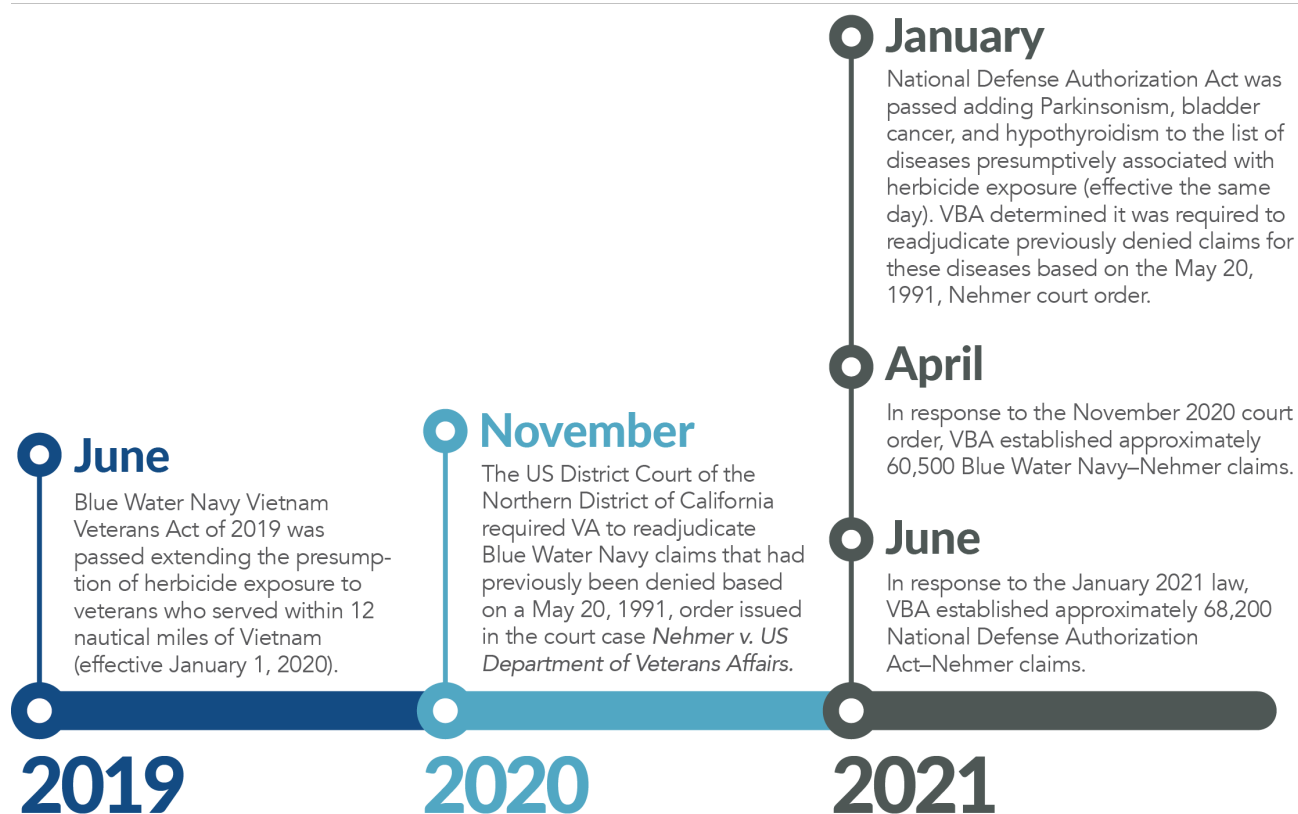


Figure 2. The expansion of types of special mission herbicide-related claims.

Source: VA OIG analysis of VBA's special mission herbicide-related claims.

As the types of special mission herbicide-related claims expanded, specialized teams at six additional regional offices were added. In July 2021, OFO increased the staffing of the 14 specialized teams. OFO's senior management advisor told the OIG team that OFO had not considered further increasing the number of rating staff assigned to these teams since July 2021. The senior management advisor acknowledged that many of these claims were awaiting decision; however, she indicated that OFO needed to balance workloads and ensure all veterans had a path to receive benefits.

OFO leaders, including the deputy under secretary for field operations and an assistant deputy under secretary for field operations, stated that they were generally aware of and expected the delays for these claims based on the limited staff they assigned to these specialized teams. They noted this was an organizational decision made to control the quality of processing for these complex claims and balance resources to manage other claims.

The assistant deputy under secretary for field operations also stated that OFO knew that it would take a long time to complete the large groups of claims resulting from the expanded Nehmer eligibility based on Blue Water Navy service as well as the new presumptive conditions added by the National Defense Authorization Act. He indicated that OFO had developed projections,

including targets and timelines, for completing these Nehmer workloads and noted they were meeting these targets. As such, OFO leaders decided to stick to the timelines and not increase staffing. He also told the review team that OFO did not create a similar projection for other claims being routed to the specialized teams since they were typical claims that can be filed at any time and are not a fixed population like the Nehmer workloads.

The NWQ Division Could Have Strengthened Monitoring of the Ranking Rules to Ensure Claims Were Prioritized as Intended

An OFO representative told the OIG team that the NWQ division continuously monitors all workloads for timeliness, including outliers and areas for improvement, and makes recommendations or adjustments as needed. However, the OIG team identified instances in which the NWQ division's ranking rules unintentionally contributed to delays and in which the NWQ tool incorrectly ranked some claims. Stronger monitoring could have allowed the NWQ division to identify these issues earlier and make adjustments to ensure claims were appropriately prioritized.

Ranking Rules Contributed to Delays in Some of VBA's Oldest Claims

The OIG team reviewed claims aged 365 days or more that were not distributed by the NWQ tool on August 1, 2022, and identified two scenarios where the NWQ division's ranking rules contributed to delays. First, the rules specific to special mission herbicide-related claims did not encompass all claims being routed to the specialized teams, causing claims that did not meet any of the rules to be ranked below those that did. Second, the rules assigned the same ranking value to claims aged from 126 days to 364 days, allowing other rules to prioritize some younger claims over much older claims.

Ranking Rules for Special Mission Herbicide-Related Claims Did Not Cover All These Claims

NWQ managers described their efforts to balance the workloads assigned to the specialized teams and ensure that claims in the Blue Water Navy, Blue Water Navy–Nehmer, and National Defense Authorization Act–Nehmer categories could be distributed to the teams for processing. They reported that the Blue Water Navy–Nehmer claims were their top priority due to a court-mandated deadline; however, they had also previously prioritized the National Defense Authorization Act–Nehmer claims, which led to Blue Water Navy claims not being distributed in a timely manner. To address this, the NWQ division introduced rules to incrementally distribute the oldest Blue Water Navy claims weekly by ranking them higher than the National Defense Authorization Act–Nehmer claims. As a result, the NWQ division's ranking ruleset in effect on August 1, 2022, included several rules related to Blue Water Navy, Blue Water Navy–Nehmer, and National Defense Authorization Act–Nehmer claims.

On the basis of the capacity of the specialized teams, the NWQ tool distributed 1,071 special mission herbicide-related claims that did not involve VBA's priority processing programs on August 1, 2022. Of these 1,071 claims, 180 (about 17 percent) were aged 365 days or more. As mentioned earlier, the OIG team identified 10,448 special mission herbicide-related claims aged 365 days or more that were awaiting decision at the NWQ division and had not been distributed to regional offices for further action.

The OIG team found that one of the NWQ division's rules designed to prioritize Blue Water Navy and Blue Water Navy–Nehmer claims excluded claims that were also associated with the National Defense Authorization Act. The deputy director of the NWQ division stated that the rule was meant to exclude only National Defense Authorization Act–Nehmer claims. However, the rule excluded claims associated with the National Defense Authorization Act in general. The deputy director of the NWQ division acknowledged that this may have unintentionally held back some claims. Further, there was no specific rule for the other claims being routed to the specialized teams outside of the three primary workloads. Special mission herbicide-related claims that did not meet any of the NWQ division's rules related to Blue Water Navy, Blue Water Navy–Nehmer, or National Defense Authorization Act–Nehmer claims were often prioritized below claims that did meet these rules, despite many being much older. In September 2022, the NWQ division changed its rules to prioritize claims more closely based on age for distribution to specialized teams.

Example 1 describes a 566-day-old special mission herbicide-related claim that was not distributed on August 1, 2022.

Example 1

On January 13, 2021, a veteran filed a claim for bladder cancer and diabetes mellitus type II due to herbicide exposure. The claim was awaiting a decision at the NWQ division as of April 1, 2021. As of August 1, 2022, this claim was 566 days old and had been awaiting decision with the NWQ division for 488 days. However, the claim details did not meet the conditions for any of the NWQ division's rules related to Blue Water Navy, Blue Water Navy–Nehmer, or National Defense Authorization Act–Nehmer claims, and regardless of its age, it was not ranked highly enough to be distributed. The claim was ultimately distributed on August 4, 2022.

Ranking Rules Based on Claim Age Did Not Increase Ranking Values for Backlogged Claims Until They Were 365 Days Old

The NWQ division also had several ranking rules based on the age of the claims. However, once a claim became 126 days old and entered VBA's backlog, the next rule that would increase the claim's priority based on age was at 365 days. Under these rules, claims aged from 126 days to 364 days would have received the same ranking value for their age. Then, newer claims that met

additional, lower-ranked rules would be scored higher than older claims that did not. This effect was most clearly demonstrated in claims involving military sexual trauma. For example, 48 of such claims were counted as 364 days old on August 1, 2022, but they were not distributed. These claims were scored lower than other claims counted as only 126 days old that met additional rules.

NWQ employees agreed with the review team's analysis showing the dramatic effect of the large gap in age rules from 126 days to 365 days. The deputy director of the NWQ division stated that the idea had been for the lower rules to provide additional prioritization, but the significant gap between these age rules unintentionally provided too much prioritization to the lower rules. In March 2023, the NWQ division implemented additional age rules for claims aged 156 days, 216 days, 271 days, and 321 days. These additional rules should prevent lower-ranking rules from causing younger claims to be scored higher than significantly older claims going forward, particularly given VBA's expected increase in claims inventory and backlog associated with the PACT Act.³¹

The NWQ Tool Did Not Always Score Claims Properly

The OIG team compared the ranking scores the NWQ tool assigned to claims on August 1, 2022, with the NWQ division's ranking rules and found the NWQ tool did not always accurately assess some rule attributes. The tool undercounted claim age by one day when applying rules based on age. There were also instances in which the tool did not accurately recognize the claimed conditions when applying condition-specific rules. As a result, the tool assigned incorrect ranking scores to some claims, which may have affected whether those claims were distributed to regional offices for further action.

The NWQ Tool Undercounted Claim Age by One Day

The NWQ division's ranking ruleset included several rules on the age of claims. However, the OIG team discovered that the NWQ tool did not assign some claims the proper value based on the rules they should have met for their age. After the team notified the NWQ division of this concern, an NWQ supervisor confirmed the tool was undercounting the age of claims by one day. As a result, some claims received a lower-ranking score with a corresponding lower distribution order. The deputy director of the NWQ division told the OIG team that the NWQ tool had been undercounting the age of claims since it was implemented in 2016, though he had assumed that the tool had been counting correctly. Although the tool undercounted claim age by only one day, this could have a significant effect when it made the difference for meeting—or not meeting—a higher age rule. For example, the NWQ tool distributed all military sexual

³¹ Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022, Pub. L. No. 117-168 (2022). According to VA, this law, which expanded and extended eligibility for veterans and survivors related to toxic exposures, is possibly the largest benefit expansion in VA history.

trauma claims that it recognized as meeting the 365-day age rule on August 1, 2022. The OIG identified 48 military sexual trauma claims aged 365 days that were not distributed; however, they were all distributed the next day, when the tool presumably recognized them as meeting the 365-day rule. The deputy director of the NWQ division stated that the tool was fixed in January 2023 to accurately count the age of claims.

The NWQ Tool Did Not Always Accurately Identify Veterans' Claimed Conditions

The NWQ division's ranking ruleset also had some rules that either included or excluded claims for certain conditions. However, the OIG team determined the NWQ tool did not assign some claims the proper value based on the rules they should have met for their claimed conditions. After the team notified the NWQ division of this concern, an NWQ supervisor confirmed this attribute was not always recognized by the tool. As a result of the error, some claims received ranking scores that were either too high or too low, which affected their distribution order. The deputy director of the NWQ division stated they were unable to determine how long this had been occurring since the attribute had not always been used. However, he noted that this only happened in certain instances. Proper functioning of this attribute is critical to ensure claims are appropriately prioritized, particularly since the NWQ division intended to use this attribute to expedite processing of cancer claims under the PACT Act.³² The deputy director of the NWQ division told the OIG team that the division had developed a manual workaround to ensure cancer claims under the PACT Act were appropriately prioritized and distributed and that corrective actions for this attribute were completed in October 2023.

Stronger Monitoring Could Have Identified Opportunities to Adjust Ranking Rules and Ensure Claims Were Appropriately Prioritized

Stronger monitoring of claims awaiting decision at the NWQ division could have identified instances where the ranking rules were not operating as intended. The NWQ division has a team responsible for writing rules for the NWQ tool. NWQ division managers noted that the process of implementing rule changes includes simulating the new rules, validating the results, and obtaining approval from a manager. The NWQ division also has teams that manage the workload for specific types of claims, including one that is responsible for claims at the NWQ division. NWQ employees stated that they review reports, analyze the inventory, and look for claims that are sitting too long at the NWQ division to determine if rule adjustments are needed.

In its review of VBA's oldest pending claims, the OIG team identified scenarios in which the NWQ division's ranking rules unintentionally contributed to delays. By comparing the ranking

³² In November 2022, VA announced it would begin expediting claims in January 2023 for certain cancers that the PACT Act added to the list of conditions presumptively associated with toxic exposure.

scores that the NWQ tool assigned with the NWQ division's ranking rules, the OIG team found instances in which the NWQ tool did not accurately assess some basic rule attributes. Stronger monitoring could have provided opportunities for the NWQ division to identify these issues earlier and make adjustments to ensure claims were appropriately prioritized. An assistant deputy under secretary for field operations noted that OFO was analyzing each day's workload but believed that they should probably step back and systematically review how they manage the workload. The deputy director of the NWQ division stated that the division would conduct an annual review of each of its rulesets, and the first reviews were completed in February 2023.

The OIG's first recommendation is to strengthen monitoring of claims awaiting decision at the NWQ division to ensure the rules are operating as intended.

OFO's FY 2022 Internal Controls Assessment and Statement of Assurance Did Not Address the Function of the NWQ Division

Each executive agency must assess and report on internal controls annually, which includes a statement of assurance regarding the overall adequacy and effectiveness of internal controls.³³ The VA Secretary's annual assurance statement is a report to Congress on the health of VA's internal controls and is included in the Agency Financial Report. Managers across VA evaluate internal controls in their areas of responsibility to provide a basis for the VA Secretary's assurance statement. VBA is one of the 16 administrations and staff offices within VA responsible for submitting an internal controls assessment and signing a statement of assurance. VBA is required to assess internal controls over operations, reporting, and compliance with laws and regulations within its responsibility and submit a fully documented and supported annual assessment. VBA executive directors and directors sign statements of assurance to provide the under secretary for benefits with assurance that management and internal controls are adequate. The results of the annual assessments serve as supporting documentation for VBA's statement of assurance, which in turn supports the VA Secretary's statement of assurance.

OFO's FY 2022 internal controls assessment found all internal control components and principles were effective with no deficiencies, and OFO accordingly provided an unmodified

³³ Federal Managers' Financial Integrity Act of 1982, Pub. L. No. 97-255, 96 Stat. 814 (1982). See also Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government*, GAO-14-704G, September 2014, and Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, July 15, 2016. Internal control is a process that provides reasonable assurance that an organization's objectives will be achieved. Organization leaders are responsible for implementing internal controls and evaluating whether internal control systems are effective. Leaders and managers in the federal government are responsible for implementing management practices that identify, assess, respond to, and report risks. Agency managers are responsible for establishing and maintaining internal controls to achieve specific internal control objectives related to operations, reporting, and compliance.

statement of assurance.³⁴ The internal controls assessment indicated that OFO obtained sufficient input from all its sub-offices. Although OFO's internal controls assessment stated that OFO controls when and with what priority work will be accomplished, the assessment did not evaluate claims prioritization and distribution. In fact, the assessment did not mention the NWQ division or the NWQ tool. The deputy under secretary for field operations believed this was an unintentional oversight, and an OFO representative stated that OFO's internal controls assessment focused on oversight of regional and district offices based on past practice. The deputy under secretary for field operations agreed that if OFO had included the NWQ division in the statement of assurance process, some of the issues discovered by the OIG team may have been found earlier.

The OIG's second recommendation is to ensure OFO includes the NWQ division's functioning in its annual internal controls assessment and statement of assurance.

Conclusion

During the review period, OFO's workload management generally resulted in claims being completed in a timely manner. However, some claims were delayed for several months while awaiting decision at the NWQ division. Most of these were special mission herbicide-related claims for which OFO generally expected delays based on the limited staff assigned to the specialized teams. However, by reviewing VBA's oldest pending claims, the OIG team identified instances in which the NWQ division's ranking rules contributed to delays, including for some special mission herbicide-related claims. The OIG team also determined that the NWQ tool did not accurately assess some basic rule attributes, which affected how some claims were prioritized.

By strengthening the NWQ division's monitoring of this workload, VBA can better ensure the NWQ division's rules are functioning as intended. Further, VBA can reduce wait times for some veterans who have been waiting the longest for their claims to be completed. In addition, by including the NWQ division and the NWQ tool in OFO's annual internal controls assessment and statement of assurance, VBA could have greater assurance that its internal controls are effective in helping achieve VA's goals to improve veterans' experiences and deliver timely benefits.

³⁴ An unmodified statement of assurance means there were no material weaknesses or material noncompliance to report.

Recommendations 1–2

The OIG made the following recommendations to the under secretary for benefits:

1. Implement a plan to strengthen the National Work Queue division's monitoring of claims awaiting decision at its own location to ensure its rules are operating as intended and make adjustments as needed.
2. Ensure the Office of Field Operations includes the National Work Queue division's functioning in its annual internal controls assessment and statement of assurance.

VA Management Comments

The under secretary for benefits concurred with both recommendations. VBA detailed actions taken to address both recommendations and requested that the recommendations be closed. A summary of the under secretary for benefits' responses to the recommendations follows, and the full text of the responses, except for the attachments, appears in appendix B.³⁵

For recommendation 1, the under secretary for benefits reported VBA has implemented a process for testing changes to the NWQ environment to ensure all claims in the inventory are reviewed as quickly as possible. Proposed adjustments to the NWQ division's rulesets are simulated in a virtual environment to validate that they work as intended. Once validated, updated rulesets are reviewed and approved by a second, more senior individual prior to implementation. In FY 2023, the NWQ division also began conducting a comprehensive annual review of its rulesets and implemented a weekly report to identify potential outliers for claims pending in NWQ. VBA requested closure of this recommendation.

For recommendation 2, the under secretary for benefits reported the NWQ division assessed its internal controls, and the NWQ function is now included in VBA's internal controls assessment and statement of assurance for FY 2023. VBA requested closure of this recommendation.

OIG Response

The under secretary provided responsive action plans and requested closure of both recommendations. Based on the documentation provided, the NWQ division strengthened its monitoring of claims awaiting decision at its own location by supplementing its existing internal controls with a comprehensive annual review of its rulesets and a weekly report to identify potential outliers. Further, VBA updated its FY 2023 annual internal controls assessment and

³⁵ In appendix B, VA refers to this report using the original report title (*Delays Occurred in Some Veterans' Benefits Claims While Awaiting Decision in VBA's National Work Queue*) in its management comments, but the report title later changed to *Delays Occurred in Some Veterans' Benefits Claims While Awaiting Decision*; both titles refer to the same report.

statement of assurance to include an assessment of the NWQ division's functioning. As a result, the OIG considers both recommendations closed.

Appendix A: Scope and Methodology

Scope

The review team conducted its work from August 2022 through January 2024. The review covered 432,620 rating bundle claims completed by Veterans Benefits Administration (VBA) staff from May 1, 2022, through July 31, 2022, and 232,621 rating bundle claims that were awaiting decision at the National Work Queue (NWQ) division on August 1, 2022.

Methodology

To accomplish the review objective, the VA Office of Inspector General (OIG) team identified and reviewed applicable laws, policies, procedures, and guidelines related to internal controls. The team interviewed and obtained information from VA staff as well as staff from VBA's central office including the Office of Field Operations (OFO) and their NWQ division.

The team analyzed 232,621 rating bundle claims awaiting decision at the NWQ division on August 1, 2022, using spreadsheet data from the deputy director of the NWQ division. Additionally, the team analyzed 432,620 rating bundle claims completed from May 1, 2022, through July 31, 2022, using data from a VBA Tableau report.³⁶ Lastly, the team obtained and reviewed copies of OFO's fiscal year 2022 internal controls assessment and statement of assurance.

Internal Controls

The review team assessed the internal controls significant to the review objective. This included an assessment of the five internal control components: control environment, risk assessment, control activities, information and communication, and monitoring.³⁷ The team also reviewed the principles of internal controls as associated with the objective. The team identified the following component and principle as significant to the objective:³⁸

- Component: Monitoring
 - Principle 16: Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.

³⁶ Tableau is a visual analytics platform.

³⁷ Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government*, GAO-14-704G, September 2014.

³⁸ Since the review was limited to the internal control components and underlying principles identified, it may not have disclosed all internal control deficiencies that may have existed at the time of this review.

Additionally, the team identified internal control weaknesses during this review and proposed recommendations to address the control deficiencies for the component and principle listed above.

Fraud Assessment

The OIG team assessed the risk that fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, significant within the context of the review objectives, could occur during this review. The team exercised due diligence in staying alert to any fraud indicators by

- completing the fraud indicators and assessment checklist and
- soliciting the OIG Office of Investigations for indicators.

The OIG did not identify any instances of fraud or potential fraud during this review.

Data Reliability

The OIG team used spreadsheet data for claims pending on August 1, 2022, from VBA's Corporate and Veterans Benefits Management System databases to identify a population of 232,621 rating bundle claims that were awaiting decision at the NWQ division. This data was provided to the OIG team from the deputy director of the NWQ division. To test for reliability, the team determined whether any data were missing from key fields, included any calculation errors, or were outside the time frame requested. The team also assessed whether the data contained alphabetic or numeric characters in incorrect fields, or illogical relationships among data elements. The team reviewed 30 samples of the pending claims data, and compared workload control numbers, dates of claim, claim lifecycles, claim locations, and the number of days a claim was in its lifecycle or at a given location with information from the electronic claims folder and additional computer-processed data from VBA's Corporate database. Comparison of the data did not disclose any problems with data reliability. The team determined this data to be sufficiently reliable for the purpose of this review and report.

The OIG team also used data from VBA's Corporate database to identify the population of 432,620 rating bundle claims completed by VBA from May 1, 2022, through July 31, 2022. This data was from one of VBA's Tableau server reports. This data was used for background purposes only, so the team did not determine the reliability of the data.

Government Standards

The OIG conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

Appendix B: VA Management Comments

Department of Veterans Affairs Memorandum

Date: February 23, 2024

From: Under Secretary for Benefits (20)

Subj: Office of Inspector General (OIG) Draft Report - Delays Occurred in Some Veterans' Benefits Claims While Awaiting Decision in VBA's National Work Queue [Project No. 2022-03463-AE-0146] — [VIEWS 11316054]

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

1. Thank you for the opportunity to review and comment on the OIG draft report: Delays Occurred in Some Veterans' Benefits Claims While Awaiting Decision in VBA's National Work Queue. The Veterans Benefits Administration (VBA) provides the attached response to the draft report.

The OIG removed point of contact information prior to publication.

(Original signed by)

Joshua Jacobs

Attachments

Veterans Benefits Administration (VBA) Comments on OIG Draft Report Delays Occurred in Some Veterans' Benefits Claims While Awaiting Decision in VBA's National Work Queue

The Veterans Benefits Administration (VBA) concurs with OIG's findings and provides the following comments.

In response to the OIG statements regarding resources dedicated to Nehmer claims processing, VBA is committed to providing decisions to all Veterans who file claims, including those related to Nehmer. Nehmer claims may have been previously denied and require review of an extensive amount of historical information to establish service connection and evaluation with correct effective dates. This process requires specialized training, and VA intensively reviews each of these claims pursuant to Court requirements and agreements with class counsel. VA estimates that each of these claims takes approximately four times longer to complete due to the extensive and complex review process. Given the complexity of these claims, Nehmer processing is centralized to designated regional offices to ensure high quality.

In Fiscal Year (FY) 2022, VBA had the capacity to review or generate approximately 10,400 decisions per day, and approximately 6,000 of those would result in a completed claim. As OIG indicates, VBA established approximately 130,000 claims in two days in FY 2022, representing a significant influx to normal receipts, which were approximately 4,700 claims per day. Thus, delays to claims awaiting decision were anticipated.

VBA maintains that it appropriately managed herbicide-related claims, including Nehmer review claims, through all cycles. While VBA did not wish to have any claims pending for prolonged periods of time, this was not possible because of its workforce capacity to complete these claims. VBA requested additional resources to support processing of Agent Orange related claims in the FY 2022 President's Budget Submission, however, additional resources take more than a year to hire and train. Second, the new entitlements for herbicide-related claims, and the Nehmer review of many of them, was not expected to be a recurring event, so large additions of new government staff would not have been fiscally responsible. Therefore, VBA dedicated approximately 25% of existing national rating capacity to process these claims, while the remaining workforce processed other work, thereby ensuring that Nehmer claims received a thorough review, while simultaneously serving all other Veterans and survivors filing claims. These Nehmer claims advanced through the VBA claims process from their initial receipt through evidence development, decision, and then to final promulgation. The decision stage, which is the most resource intensive due to required review of years- or decades-worth of medical records, was particularly prone to a backlog of claims awaiting decision, as observed by OIG. While claims related to herbicide exposure were delayed, they were appropriately distributed to the dedicated VBA team responsible for processing them by the National Work Queue, following standing workload management principles.

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

Recommendation 1: Implement a plan to strengthen the National Work Queue division's monitoring of claims awaiting decision at its own location to ensure its rules are operating as intended and make adjustments as needed.

VBA Response: Concur. VBA has implemented a rigorous process for testing changes to rules in the National Work Queue (NWQ) environment to ensure all claims in the inventory are reviewed as quickly as possible. Prior to the OIG review, NWQ had a number of internal controls in place to ensure rules were operating as intended. One such control was the systematic process for implementing any adjustments to the NWQ ruleset collection. Proposed rule changes are simulated in a virtual environment within the NWQ

tool to analyze the impact and validate the desired changes work as intended. Once validated, the updated rule collection is reviewed and approved by a second, more senior individual prior to implementation. These layers of simulation, validation, and review have frequently identified unintended consequences of rule changes that are identified and resolved before being implemented in the production environment. NWQ has continued to build upon this process by improving the tools used for validation to identify unintended changes more easily in claim distribution and/or recall activity. As evidence of this control, VBA submits an email dated November 3, 2023 (Attachment A), which documented changes made during the validation process. Redline comments in this email document instances where the simulated collection change may not have provided the optimal outcome, and all necessary templates are included in the collection.

As further evidence of NWQ's internal controls, VBA submits the NWQ's FY 2024 NWQ Ruleset Review (Attachment B). This package includes a standard operating procedure (SOP), schedule, tracker, and completed reviews. This annual process began in FY 2023 and consists of a comprehensive review of all rulesets on an annual basis. Although recently implemented, NWQ will continuously refine this process, with the plan to conduct a systematic review of the more than 1,000 rules contained within the 16 ruleset templates on an annual basis. Rules are assessed to determine whether they are still necessary, appropriate, and effective following standard 2-level review and validation protocol, similar to the daily reviews conducted on all adjustments to rules.

Beginning in August 2023, NWQ implemented a weekly report to identify potential outliers for claims that have been pending in NWQ. A copy of the initial report from August 1, 2023, is provided (Attachment C). Claims that are considered to be potential outliers are identified each week and reviewed by NWQ staff. If specific claim updates or rule adjustments are needed, the management analysts take the appropriate actions to ensure claims are not pending in NWQ improperly.

NWQ also continues to perform the daily analysis of current day claim distributions for each workload (i.e., Rating and Non-rating workloads for Compensation, Pension, and Decision Review across all claim cycles) to assess effectiveness. Through regular course of operations, NWQ personnel may identify outliers and make manual adjustments to distribute claims for processing. Each NWQ Command Center setting is reviewed for adjustment on a daily basis to maximize capacity for the following day's distribution.

Based on the documentation of a robust internal controls framework and demonstrated commitment to continuous improvement, VBA requests closure of this recommendation.

Recommendation 2: Ensure the Office of Field Operations includes the National Work Queue division's functioning in its annual internal controls assessment and statement of assurance.

VBA Response: Concur. The attached VBA FY 2023 Internal Controls Assessment (ICA) and Statement of Assurance (SOA) includes NWQ functions in its assessment (Attachment D). NWQ addressed each of the 17 principles of the ICA to formally document, assess, and improve upon the internal controls for NWQ. As NWQ refines its internal controls through daily, weekly, and annual reviews noted in VBA's response to Recommendation 1, they will be updated in the agency's ICA and SOA documentation and fully available for any future audits.

VBA is committed to thorough and appropriate internal controls for all program operations. In September 2023, the Office of Field Operations, Operations Management (OFO-OM) leadership, which includes NWQ, completed a two-day off-site training led by a Government Accountability Office (GAO) trainer. All OFO-OM leadership learned GAO's Standards for Internal Control in the Federal Government (Green Book) framework and the applicability for the OFO-OM operations within VBA. This training enabled OFO-

OM to further refine and improve the ICA product for FY 2024 and beyond. Attached is a copy of the internal controls training material (Attachment E).

Based on the documentation provided showing that VBA and OFO have incorporated the NWQ's operations into its annual internal controls, VBA requests closure of this recommendation.

Attachments

For accessibility, the original format of this appendix has been modified to comply with Section 508 of the Rehabilitation Act of 1973, as amended.

OIG Contact and Staff Acknowledgments

Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
----------------	---

Review Team	Dana Sullivan, Director Stephanie Hubbard Richard Johnson Jeffrey Myers Gregory Nelson Michele Stratton
--------------------	--

Other Contributors	Trang Bui Kendal Ferguson Jill Russell Michael Soybel Ruoqing Wang-Cendejas
---------------------------	---

Report Distribution

VA Distribution

Office of the Secretary
Veterans Benefits Administration
Veterans Health Administration
National Cemetery Administration
Assistant Secretaries
Office of General Counsel
Office of Acquisition, Logistics, and Construction
Board of Veterans' Appeals

Non-VA Distribution

House Committee on Veterans' Affairs
House Appropriations Subcommittee on Military Construction, Veterans Affairs,
and Related Agencies
House Committee on Oversight and Accountability
Senate Committee on Veterans' Affairs
Senate Appropriations Subcommittee on Military Construction, Veterans Affairs,
and Related Agencies
Senate Committee on Homeland Security and Governmental Affairs
National Veterans Service Organizations
Government Accountability Office
Office of Management and Budget

OIG reports are available at www.vaogig.gov.