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As VA struggles, delays and errors greet returning warriors

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WASHINGTON -- The processing time for disability claims at the Department of Veterans Affairs worsened in a majority of its regional offices last year, and the VA has struggled with its much-anticipated plan to correct its problems, according to two recent audits and a review of department data.

The result for veterans is longer waits – often for disability decisions that are incorrect.

The declining performance came in a year the VA was working to boost its performance, hoping to meet long-standing department goals to decide veterans' claims faster and more accurately. Office by office, the department is switching to a new processing system designed to eliminate paper records, curtail pointless shuffling of files and speed decision-making. The VA plans to move all offices to the new system by the end of the year.

In recent months, however, performance has been slipping. Beyond that, two recent audits call into question the VA's ability to transform the department as planned.

The department's inspector general, in a report dated last week, said it was too early to know whether the new system would help the VA reached its goals.

The problems "have made the claims process more difficult, rather than improving efficiency as intended," the report concluded. Users found that documents sometimes took three or four minutes to open. The system repeatedly crashed, and one VA worker told the inspector general it took two hours to process a key part of a claim in the new system – twice as long as in the old system.

The Government Accountability Office, which functions as Congress' investigative arm, said the VA is proceeding without a clear, comprehensive plan.

"The agency risks spending limited resources on initiatives that may not speed up disability claims and appeals processes," it concluded. "This may, in turn, result in forcing veterans to continue to wait months and even years to receive compensation for injuries incurred during their service to the country."

In response to both reports, the VA said much of the criticism was outdated and that the phase-in of its new system allows the department to correct problems along the way. The department said it's optimistic about hitting its speed and accuracy goals by 2015.

The VA's disability benefits are awarded to veterans who suffer physical or mental injuries during their military service. They range from $129 a month to $2,816 a month for a single veteran.

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The VA has tried for years to reduce the waiting times, even as both younger and older veterans have sent claims skyrocketing to more than 1 million a year.

According to a McClatchy review of department data, the performance at regional offices deteriorated throughout 2012. The department's long-term goals are that no disability claim is pending more than 125 days and that errors occur in just 2 percent of claims.

From fiscal 2011 to fiscal 2012, the VA's processing speed jumped from an average of 188 days complete a claim to 262 days, according to the VA. The error rate went down slightly, from 16 percent to 14 percent.

In the Wichita, Kan., regional office, which began using the new system for some claims in March, the percentage of claims pending for more than 125 days was 58 percent in January 2012 – and 59 percent in December.

Wichita saw a slight improvement in its error rate, although it remained well above the VA's goal. Its error rate improved from 12 percent to 11 percent during the year.

Wichita's performance was better than some, easily topping the nation's worst regional office, in Baltimore, which at the end of the year had a 26 percent error rate. The regional office that came closest to the VA's goal was Lincoln, Neb., with an error rate of 4 percent.

In an interview last week, the VA said its ongoing transformation should eliminate many of the delays and errors veterans face.

Beth McCoy, who oversees 14 regional offices in the center of the country, said one part of the new system would allow a VA worker processing a claim to see all the necessary information on one computer dashboard rather than toggling among eight or 10 screens.

Another aspect of the reorganization involves routing certain types of claims into specialized "lanes" to move them through with dedicated reviewers.

Finally, the new paperless claims system will allow regional offices to share information quickly with other offices or VA medical centers. A lot of the problems the GAO identified "go away – the shipping files back and forth or between us and the hospital," said Tom Murphy, the director of the VA's compensation service. "A lot of the time that now goes to transporting files simply disappears."

The first regional offices experimented with the new system in 2010 and 2011, and by the end of 2012, 18 offices were on it. By the end of this year, all 56 regional offices are expected to be using the new system.

Regional offices that switched over the earliest basically served as guinea pigs.

"We have phone calls daily with stations that are on" the new system," McCoy said. "You fix one thing and something else comes up. . . . We have seen a lot of improvement. The system is operating faster, more reliably."

While the GAO report said some of the VA's processing problems were outside its control, some stem from staff shortages or inefficiency:

– The huge increase in Agent Orange claims sapped many regional offices. Officials in one office told the GAO that all claims-processing staff members were assigned solely to developing and rating Agent Orange claims for four months in 2011, meaning that no other new and pending claims were processed during that time.

– While nearly 2,000 new workers had been hired since 2009, about 50 percent of claims-processing staffers are green – on their current jobs less than two years, and often not yet fully proficient.

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– Collecting medical and other records from the Department of Defense – particularly for National Guard and Reserve members – is a "systemwide challenge."

– The paper-based claims processing system involves multiple handoffs, which may lead to misplaced and lost documents and may cause unnecessary delays.

– The lack of an integrated system requires staff to enter claim information multiple times and search through multiple systems for claim information.

McCoy said the GAO had reviewed the system when it was still being developed.

"We are really looking to fiscal year 2014 to turn the tide, to turn the corner, to make real gains," she said.

The VA added in a statement that the new system is "constantly evolving to meet end-user needs, business requirements and performance benchmarks."

One version of the system was released on Dec. 3, 2012, for example, but prompted concerns about its performance. Those concerns were addressed in a software patch two weeks later, and an updated version of the program deployed in late January "contained no critical defects," the VA said.

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