



DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

VETERANS BENEFITS ADMINISTRATION

Greater Consistency Study
Participation and Use of
Results Could Improve
Claims Processing
Nationwide

REVIEW

REPORT 19-07062-255

SEPTEMBER 29, 2020



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Executive Summary

Making accurate and consistent decisions on disability compensation claims is vital to ensuring that veterans receive the benefits for which they are eligible. The need for additional quality assurance was reflected in the passage of the Veterans' Benefits Improvement Act of 2008, in which Congress amended the law requiring an assessment of "the consistency of disability ratings among regional offices of the Veterans Benefits Administration [VBA], based on a sample of specific disabilities."¹

VBA's Compensation Service oversees the delivery of disability compensation benefits to veterans. Its quality assurance programs are designed to make sure that claims processing is accurate and timely. The Quality Review and Consistency Program (consistency study program) is one aspect of the Compensation Service's quality assurance review program.² The VA Office of Inspector General (OIG) conducted this review to determine whether VBA managed this program to improve nationwide consistency in processing veterans' disability benefits claims. This review is one in a series of five VA OIG reports regarding VBA's quality assurance program.

The consistency study program identifies error trends found during local and national quality reviews. The program then creates a study based on errors found in veterans' claims to assess processors' knowledge of disability compensation claims-processing topics.³ Program staff deliver training to close identified knowledge gaps. The consistency study begins with a pretest. If employees score less than 100 percent on the pretest, they are required to take the training and the posttest until they score 100 percent.

This report discusses the OIG's findings regarding whether VBA: (1) developed and administered consistency studies as required by law, (2) used the results to improve claims processing, and (3) conducted sufficient follow-up to achieve the intended mission of the consistency study program to close knowledge gaps that undermine uniformity.

What the Review Found

The program completed 60 consistency studies from October 1, 2015, through April 30, 2019, and conducted training as required by the Veterans' Benefits Improvement Act of 2008.

¹ Veterans' Benefits Improvement Act of 2008, Pub. L. No. 110-389, § 224 (2008), amending Pub. L. No. 106-117, 113 Stat. 1585 (1999). The 1999 law established the quality assurance program requirement.

² After this review began, the quality assurance program was restructured. The Quality Review and Consistency Program was replaced with the Advisory and Special Review Team. This change had no significant effect on the findings and recommendations in this report.

³ Processors include veterans service representatives, who gather evidence to support the veteran's claim, and rating veterans service representatives, who review the evidence and make the eligibility determination.

However, VBA missed some opportunities with its consistency study program to drive nationwide uniformity in how veterans’ disability benefits claims are processed. For example, the Compensation Service could have shared more readily accessible information with regional offices.

VBA’s Office of Employee Development and Training provides the Compensation Service with an in-depth report including details of the study results and findings. For example, the detailed report includes information on knowledge gaps identified at regional offices and recommendations based on study results that could be helpful if shared with the Office of Field Operations and all regional office managers. However, as shown in figure 1, which presents VBA’s organizational structure and the flow of study data, the Compensation Service has not shared the detailed report with the Office of Field Operations or regional offices.

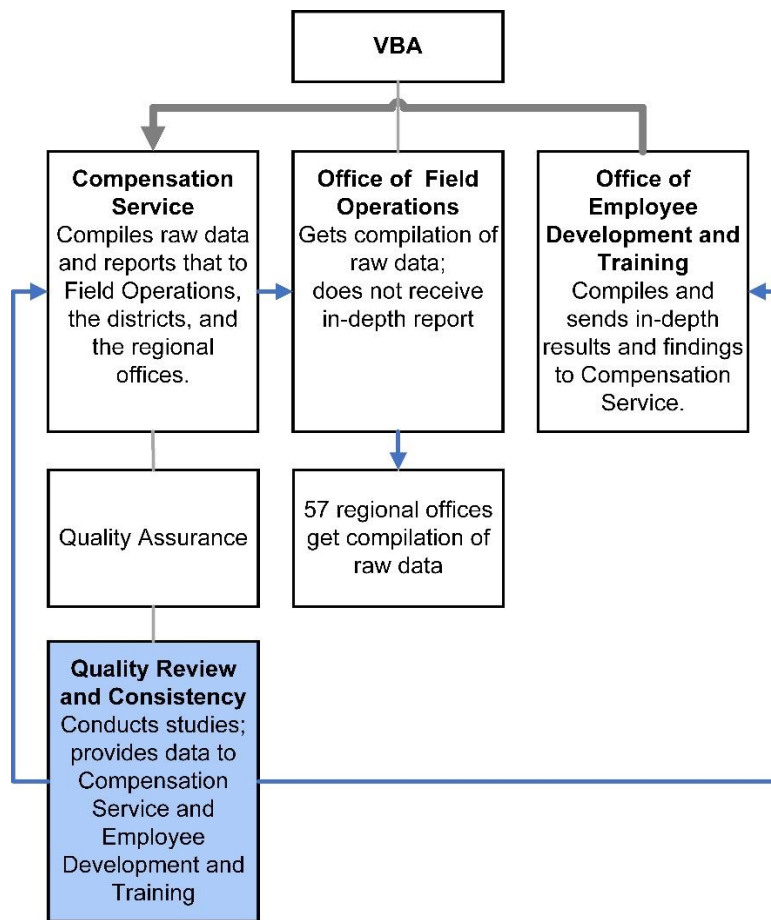


Figure 1. Organizational structure and flow of study data.

Source: VA OIG analysis of consistency study standard operating procedures and various reports during the review period.

Note: In September 2019, after the period of this review, the Office of Employee Development and Training became the Office of Talent Management. This has no significant effect on the findings and recommendations of this report.

The Office of Field Operations is responsible for overseeing regional offices and directing managers' actions in response to consistency study results. The OIG determined the office did not make certain that all claims processors were participating in the studies as required, nor did staff follow up on consistency study results to ensure claims-processing improvements were made. The office did not take follow-up action on consistency studies because the office's primary focus reportedly was on productivity standards, or output, of disability compensation benefits claims rather than overall accuracy.

The OIG concluded that with VBA's emphasis on production, which can undermine overall accuracy, it is especially important for the Office of Field Operations to require regional office managers to follow up on the results of consistency studies taken by their personnel and take corrective action as needed. By not following up on the consistency study results, the Office of Field Operations has not taken advantage of available options to improve staff performance.

The limited distribution of detailed results and lack of follow-up action occurred because VBA lacked strong processes for sharing and monitoring the results of consistency studies. VBA could capitalize on information it already collects to help close knowledge gaps and improve the consistency of decisions on veterans' disability compensation claims.

What the OIG Recommended

The OIG recommended the Compensation Service make certain the detailed report for each consistency study is provided to the Office of Field Operations and to managers at all regional offices. The OIG also recommended the Office of Field Operations develop a process to monitor regional offices to maximize employee participation in consistency studies and require regional office managers to review consistency study results and plan corrective action based on their offices' performance. The final OIG recommendation calls on the Office of Field Operations to develop a follow-up process to confirm all corrective actions identified are completed by regional office managers.

Management Comments

The under secretary for benefits concurred or concurred in principle with all four recommendations and provided acceptable action plans for their implementation. The comments are provided in full in appendix B. The OIG will monitor VBA's progress and follow up on the implementation of the recommendations until all proposed actions are completed.



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Introduction

Making accurate and consistent decisions on disability compensation claims is vital to ensuring veterans receive the benefits for which they are eligible. The Veterans Benefits Administration (VBA) processed an average of 1.3 million disability compensation claims from fiscal year (FY) 2017 through FY 2019. VBA's quality assurance programs are designed to make sure that claims processing is accurate and timely. The Quality Review and Consistency Program (consistency study program) is one aspect of VBA's quality assurance review program. This review is one in a series of five VA Office of Inspector General (OIG) reports regarding VBA's quality assurance program.

VBA developed consistency studies for its employees who process disability compensation claims and for those who conduct quality reviews of those claims decisions. The program developed studies based on identified error trends found during local and national quality reviews. The program administers the consistency studies to assess staff knowledge of disability compensation claims-processing topics and delivers training to minimize identified knowledge gaps.⁴

Because processing claims accurately is critical to ensuring veterans receive the benefits they are entitled to, the OIG conducted this review to determine whether VBA

- developed and administered consistency studies as required by law,
- used the results to improve claims processing, and
- conducted sufficient follow-up to achieve the consistency study program's intended mission to close knowledge gaps that undermine uniformity.

These issues are addressed in the section of this report on the review team's findings. The following section describes the program and related offices that put those results in context.

VBA Offices Associated with the Consistency Study Program

VBA's Compensation Service and its Office of Field Operations are responsible for the oversight, management, and delivery of disability compensation benefits. The VBA chief of staff's Office of Employee Development and Training also provides learning opportunities for VBA employees to help increase their efficiency and effectiveness in serving veterans. These three offices are linked in VBA's organizational structure as shown in figure 2.

⁴ The quality assurance program was restructured in June 2019, after this review began. The Quality Review and Consistency Program has been replaced with the Advisory and Special Review Team. This change had no significant effect on the findings and recommendations in this report.

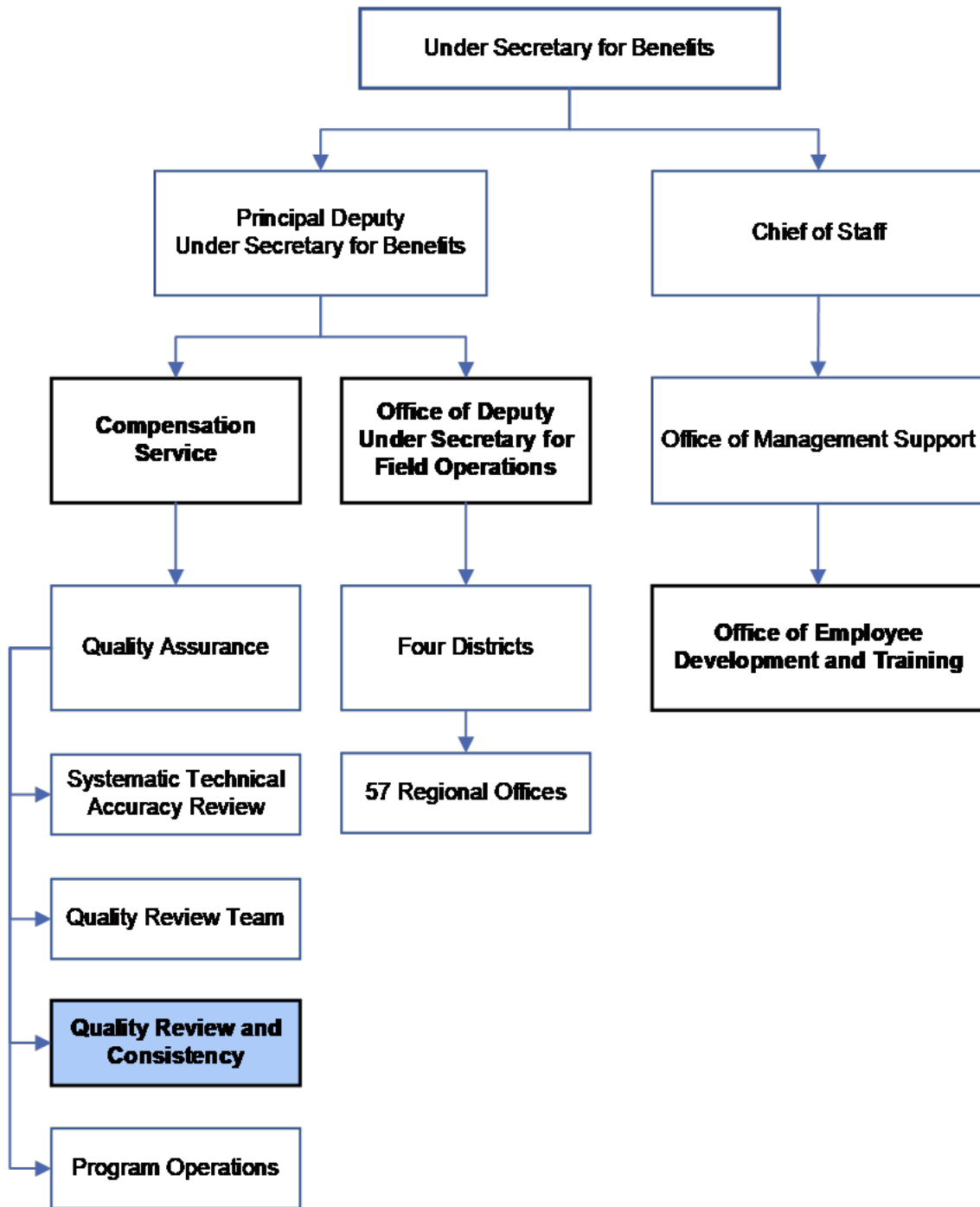


Figure 2. Organization of VBA offices that support the consistency study program.

Source: VA OIG interpretation of various VBA organization charts as of March 2019.

Note: In September 2019, after the period of this review, the Office of Employee Development and Training became the Office of Talent Management. This change had no significant effect on the findings and recommendations of this report.

Compensation Service

The Compensation Service provides oversight of the delivery of disability compensation benefits to veterans. During the OIG review period, the quality assurance program consisted of four components:

1. **Systematic Technical Accuracy Review**—VBA uses this program to measure the accuracy with which disability compensation claims are processed nationwide. Results from these evaluations determine the quality statistics VBA reports to the public and are used in trend analyses to identify training needs. The reviews affect regional office quality metrics but do not affect employees' individual performance assessments.
2. **Quality Review Team Program**—Staff conduct quality reviews of regional office employees and perform error trend analyses to identify areas for training and mentoring. The purpose of the program is to enhance quality in every VBA facility that processes compensation claims. Per the Compensation Service executive director, quality results are not made available to the public.
3. **Quality Review and Consistency Program**—This program assesses regional office variance in disability ratings for the most frequently rated disabilities, conducts studies to evaluate the consistency of raters across regional offices, and provides guidance to quality review teams.
4. **Program Operations (the site visit program)**—Staff conduct site visits to review veterans service center operations, maintain the quality assurance manual, review and approve changes to controls for pending workload, and provide special assistance to regional offices and other stakeholders regarding disability compensation benefits.

The Quality Review and Consistency Program has eight employees: one chief and seven employees called consultants, including a lead consultant. They are Compensation Service employees who serve as reviewers, key technical advisers, and liaisons to the quality review teams in regional offices. The nature of their duties requires an in-depth knowledge of laws, regulations, and procedures regarding disability compensation claims processing. The consultants are required to have at least one year of specialized experience and are responsible for analyzing the quality and accuracy of case files and developing and implementing training programs.

The Office of Field Operations

The Office of Field Operations oversees VBA's district offices, regional offices including veterans service centers, and other field offices to ensure they deliver benefits and services effectively and efficiently.

Furthermore, the Office of Field Operations is responsible for

- developing achievable performance measures that ensure timeliness, quality, and consistency of benefits,
- evaluating the performance of regional offices and other field offices, and
- determining the performance standards for claims processors.⁵ These standards include a training element that requires participation in consistency studies.

Office of Employee Development and Training

The Office of Employee Development and Training's core mission is to provide learning opportunities for employees, increasing VBA's efficiency and effectiveness in serving our nation's veterans.⁶ To support that mission, the office provides leadership for VA employee development and training activities throughout VBA. The Office of Employee Development and Training ensures that VBA develops, implements, and evaluates learning programs and practices that promote a systematic and comprehensive approach to training, and develops VBA employees to provide quality, seamless service to veterans.

Quality Review and Consistency Program History

Following VBA's implementation of the Systematic Technical Accuracy Review system in October 1998, Congress enacted a provision in the Veterans Millennium Health Care and Benefits Act that required VBA to establish a quality assurance program.⁷ This quality assurance program had to meet applicable government standards for independence and internal controls for the performance of quality reviews.

On May 19, 2005, the OIG issued a report on a *Review of State Variances in VA Disability Compensation Payments*. The results showed variances in VA disability compensation ratings among regional offices. The report recommended the under secretary for benefits pursue a scientific study to further understand the influences of these variances on disability compensation payments.

VA officials contracted with the Institute for Defense Analyses, a nonprofit research organization, to undertake the study. The institute's report, issued in December 2006, *Analysis of Differences in Disability Compensation in the Department of Veterans Affairs*, showed

⁵ Claims processors include veterans service representatives, who gather evidence to support the veteran's claim, and rating veterans service representatives, who review the evidence and make the eligibility determination.

⁶ In September 2019, after the period of this review, the Office of Employee Development and Training became the Office of Talent Management. This change had no significant effect on the findings and recommendations of this report.

⁷ Veterans Millennium Health Care and Benefits Act, Pub. L. No. 106-117, 113 Stat. 1585 (1999).

insufficient processes to ensure rating consistency among regional offices and recommended VA standardize training for rating specialists, increase oversight and review of rating decisions, and develop and implement metrics to monitor consistency.

VBA's deputy under secretary for benefits testified before the House Veterans' Affairs Subcommittee on Oversight and Investigations in October 2007 about VBA's response to the Institute for Defense Analyses' report recommendations. The deputy under secretary testified that VBA had established an aggressive, comprehensive program of quality assurance and oversight to assess compliance with VBA claims-processing policy and procedures, assuring consistent application. VBA would, according to the deputy, conduct analyses to identify unusual patterns of variance in claims, and then review selected variances to assess decision consistency among regional offices. VBA would use these studies to identify where regional offices' staff require additional guidance and training to improve consistency and accuracy, as well as to drive procedural or regulatory changes.

With the passage of the Veterans' Benefits Improvement Act of 2008, Congress amended the law to require an assessment of "the consistency of disability ratings among regional offices of the Veterans Benefits Administration, based on a sample of specific disabilities."⁸

The 2009 OIG report *Audit of Veterans Benefits Administration Compensation Rating Accuracy and Consistency Reviews* identified systemic deficiencies in the consistency study program. In that audit, the OIG found the program had not fully implemented plans to ensure veterans receive consistent ratings. The OIG recommended the under secretary for benefits develop an annual consistency review schedule, dedicate sufficient staff to conduct consistency reviews, and include interrater reliability reviews as a permanent component of the consistency review program. VBA provided sufficient documentation to satisfy OIG's concerns, and all recommendations were resolved as of March 2010.

This report details the OIG's current assessment of the consistency study program and what VBA could do to improve claims processing nationwide.

⁸ Veterans' Benefits Improvement Act of 2008, Pub. L. No. 110-389, § 224 (2008).

Results and Recommendations

Finding: VBA Missed Some Opportunities with Its Consistency Study Program to Drive Nationwide Improvements in Claims Processing

The program administers consistency studies to employees to assess their knowledge of disability compensation claims-processing topics and then delivers training to close claims processors' identified knowledge gaps. Consistency studies engage employees who perform specific claims-processing functions, such as development or quality review.⁹ The Compensation Service is responsible for developing, administering, and communicating the results of consistency studies. Directing regional offices to take actions based on the study results is the responsibility of the Office of Field Operations.

From reviewing 60 consistency study reports completed from October 1, 2015, through April 30, 2019, the OIG determined the Compensation Service developed and administered these studies as required by the Veterans' Benefits Improvement Act of 2008. However, the Compensation Service shared only limited information about consistency study results with regional offices because the prior quality assurance director decided in 2013 that detailed results were only intended to be used by Compensation Service personnel to improve the consistency study program. The OIG determined that sharing this detailed information would help improve claims processing uniformity nationwide.

The OIG determined the Office of Field Operations did not follow up to confirm that all claims processors were participating in the studies as required. This office also did not use consistency study results to ensure claims-processing improvements were made. Without following up on the results of consistency studies, the Office of Field Operations did not hold accountable employees who did not successfully complete the studies.

The limited distribution of detailed results and lack of follow-up action occurred because VBA did not have strong controls for sharing and monitoring the results of consistency studies. By not improving these controls, VBA did not capitalize on consistency study results to close knowledge gaps and ensure consistent decisions on veterans' disability compensation claims.

What the OIG Did

During the review period from October 1, 2015, through April 30, 2019, the Compensation Service developed and conducted 60 consistency studies. The OIG team reviewed reports containing the detailed results for 51 of the 60 consistency studies.¹⁰ The team reviewed the

⁹ Development is the identification and gathering of all evidence pertinent to the completion of a claim.

¹⁰ VBA had a different contractor for the FY 2017 consistency study reports; those nine reports did not include the additional detailed results. For more on the scope and methodology of the OIG review, see appendix A.

participation and pretest pass rates for those reports. The OIG team also reviewed the performance standards for claims processors. To discuss the consistency study program with regional office managers and staff, the team made site visits to Phoenix, Arizona; Denver, Colorado; and Wilmington, Delaware.

Finding details appear in the following sections:

- The Compensation Service developed and administered consistency studies as required by law.
- The Compensation Service could share more detailed consistency study results with the Office of Field Operations to help improve claims processing.
- The Office of Field Operations did not adequately follow up on consistency study results.

The Compensation Service Developed and Administered Consistency Studies as Required by Law

The OIG team’s examination of 60 consistency studies conducted during the review period confirmed that the Compensation Service developed and administered all consistency studies as required by law.¹¹ This law requires an assessment of “the consistency of disability ratings among regional offices of the Veterans Benefits Administration, based on a sample of specific disabilities.”

According to Compensation Service, they annually review errors found during local and national quality reviews to identify patterns of variance in both claims processing and decisions made on veterans’ claims (error trends). According to the Compensation Service quality assurance director, the consistency study program uses error trends, as well as stakeholder feedback and updates to VBA’s procedures manual, to identify potential consistency study topics. In addition, the quality assurance director stated that the information presented in the consistency study comes from errors identified in veterans’ claims. Examples of prior consistency study topics include developing claims for posttraumatic stress disorder and requesting medical opinions.

According to the consistency study standard operating procedures, the study begins with a pretest. If an employee scores 100 percent on the pretest, no further action is required. However, employees who score less than 100 percent are required to take the training and the posttest until they score 100 percent. The process for conducting consistency studies is shown in figure 3.

¹¹ 38 U.S.C. §7731 (c)(2)(D).

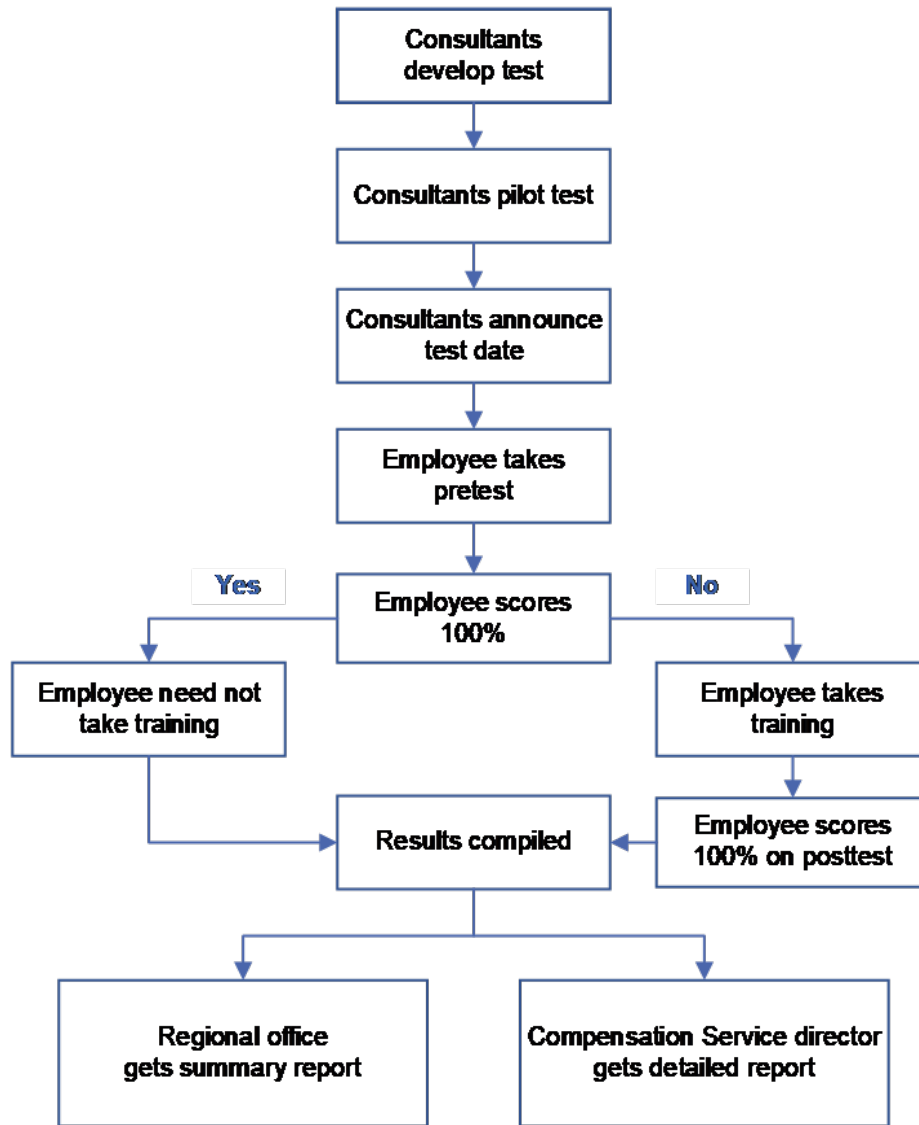


Figure 3. Consistency study process.

Source: VA OIG analysis of consistency study standard operating procedures.

The Compensation Service Could Share More Detailed Consistency Study Results with the Office of Field Operations to Help Improve Claims Processing

Based on the decision of a prior quality assurance director, the Compensation Service shared only limited information with regional offices regarding the results of consistency studies even though it had detailed information to help improve claims processing nationwide. The OIG determined that sharing the detailed results report with the Office of Field Operations and with

managers from all regional offices would help close knowledge gaps and support consistent decisions on veterans' disability compensation claims.

Once a consistency study is finalized, the following reports are completed.

1. **Compliance Report**—spreadsheet that details consistency study participation for individual employees at each regional office.
2. **National Rollup Report**—spreadsheet that details consistency study participation and individual employee performance results for each regional office.
3. **Administration Results Summary**—document that summarizes administrative details of a consistency study, such as dates of the study, total number of employees who took it nationwide, and the questions used in the study.
4. **Administration Results Report**—report that presents in-depth information associated with a consistency study, including administrative details of the study, findings, and recommendations.

The Compensation Service issues three of the reports—the Compliance Report, National Rollup Report, and Administration Results Summary—and uploads them to a VBA internal SharePoint site. The Office of Field Operations, district directors, and regional office managers are then notified that these reports are available for review.

The Office of Employee Development and Training issues the fourth report, the detailed Administration Results Report, and does not upload it to the SharePoint site. According to the chief of the Quality Review and Consistency Program, the quality assurance director in 2013 decided that the report was only intended for the Compensation Service to improve the consistency study program. Therefore, the Administration Results Report has not been shared outside the Compensation Service.

Table 1 details the information available in each of the four reports. As highlighted in the gray-shaded rows of the table, the Administration Results Report contains valuable information that has the potential to help improve claims processing nationwide by detailing how regional offices performed in comparison to other regional offices across the country. The OIG determined the reports available to the regional offices present raw data, making it difficult for their staff to draw the conclusions and comparisons found in the Administration Results Report on their own.

Table 1. Consistency Study Information in Each Report

Information	Compliance Report	National Rollup Report	Administration Results Summary	Administration Results Report*
1. Demographic information				
a. Results by individual employee by job title		✓		
b. Results by employee by job title (regional office)		✓		
c. Results by job title (national)				✓
d. Results by years of experience (individual)		✓		
e. Results by years of experience (regional office)		✓		
f. Results by years of experience (national)				✓
2. Pre- and posttest data				
a. Test questions		✓	✓	✓
b. Manual references that apply to each question			✓	
c. Scores (by employee)		✓		
d. Scores (regional office)		✓		
e. Scores (national)				✓
f. Questions and answers (by employee)		✓		
g. Percentage of employees who got each question correct			✓	✓
h. Employees who passed the pretest		✓		
i. Employees who failed the pretest		✓		
j. Percentage of employees passing the pretest (regional office)				✓

Information	Compliance Report	National Rollup Report	Administration Results Summary	Administration Results Report*
k. Percentage of employees who passed/failed the pretest (national)				✓
l. Regional offices that were most and least knowledgeable of the consistency study topic				✓
m. Regional offices most improved after training				✓
3. Participation data				
a. Total number of employees assigned the study	✓	✓		✓
b. Total number of employees who completed the study	✓	✓	✓	✓
c. Employees who completed the study	✓	✓		
d. Employees who did not complete the study	✓	✓		
e. Participation percentage by regional office				✓
f. Commended regional offices with the highest participation percentage				✓
g. Regional offices with the lowest participation percentage				✓
h. National participation percentage				✓
4. Additional data/analysis				
a. Employees' requests for additional training		✓		✓
b. Participant feedback about training				✓
c. Recommendations				✓

Source: VA OIG analysis of various consistency study reports during the review period.

*This report is only available to the Compensation Service.

The following are examples of information contained in the Administration Results Report that could be helpful if shared with the Office of Field Operations and all regional office managers.

Example 1—Knowledge Gaps at Regional Offices

The Administration Results Report provides a list of regional offices that were least knowledgeable on a topic before the consistency study (2.1 in table 1). The regional offices scoring in the bottom 10th percentile for the consistency study are listed in this report. For example, on the November 2018 consistency study on insufficient VA examinations and medical opinions, four regional offices scored in the bottom 10th percentile. Since this report was not shared outside the Compensation Service—meaning those in the field got only summary data, not a national average or any comparison to other offices—managers at regional offices in the bottom 10th percentile were unaware how they compared to other offices. This information could have assisted the Office of Field Operations and regional office managers in quickly determining what additional training was needed on a particular topic at low-performing regional offices.

Example 2—Recommendations Based on Study Results

The Administration Results Report provides specific recommendations based on the results of the consistency study (4.c in table 1). For example, the May 2018 consistency study found rating veterans service representatives had a substantial knowledge gap regarding when a routine future exam is appropriate. The study stated that rating quality review specialists with more years of experience tended to have higher mean pretest scores.¹² As a result, the Office of Employee Development and Training recommended using experienced rating quality review specialists to cross-train other rating veterans service representatives on how to determine when routine future exams are needed. However, because this report was not shared outside of the Compensation Service, the Office of Field Operations and regional office managers were not aware of the recommendation. The recommendation could have helped regional office managers decide if and how to implement cross-training.

Recommendation 1 addresses the need for the Compensation Service to make certain that the detailed Administration Results Report for each consistency study is provided to the Office of Field Operations and to managers at all regional offices.

¹² The rating quality review specialist is an integral contributor to the regional office's quality assurance program and is a key technical adviser to decision review officers and rating veterans service representatives in the regional office.

The Office of Field Operations Did Not Adequately Follow Up on Consistency Study Results

Once the Compensation Service posts the results of a consistency study to VBA's internal SharePoint, the Office of Field Operations is responsible for overseeing regional offices and directing managers' actions in response to the results. For example, the Office of Field Operations could tell regional offices to monitor employee participation on consistency studies and direct them to follow up with employees who do not participate. The Office of Field Operations had information about who did and did not take the study (3.c-d in table 1) from both the Compliance Report and the National Rollup Report. In addition, the Office of Field Operations had information about who passed and who failed the pretest (2.h-i in table 1) from the National Rollup Report. The Office of Field Operations should have used the information available in these reports to determine whether additional training was needed for specific employees or regional offices and ensure employee participation in consistency studies. The OIG determined through interviews that the Office of Field Operations did not follow up on results to ensure claims-processing improvements were made, or that all claims processors were participating in the studies as required.

Lack of Follow-Up to Ensure Study Participation

After the Compensation Service lets employees know when a consistency study will be available online, it is up to the Office of Field Operations to ensure employees participate. The Compensation Service quality assurance director and the chief of the Quality Review and Consistency Program stated, and the OIG team confirmed, that participation in consistency studies is required as part of each employee's performance standards. Specifically, employee performance standards state that consistency studies are part of mandated training and should be used to identify training needs. The OIG determined, however, that regional office managers did not ensure full participation in consistency studies. The Office of Field Operations left the tracking of consistency study participation to managers at regional offices without establishing a process to oversee whether regional managers were successfully completing that task.

The OIG team learned during site visit interviews that various veterans service center managers paid little attention to participation in the consistency studies. One veterans service center manager said staff review the report to see who took the training but they do not take any additional follow-up action. Another veterans service center manager said VBA is production-driven, and while an incentive exists to meet production targets, none exists to complete training. The OIG also determined that employee participation generally declined over the review period, as shown in figure 4.

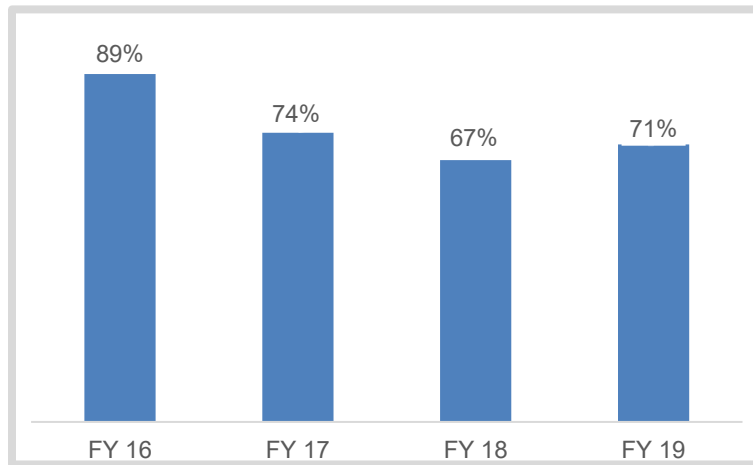


Figure 4. Consistency study participation rates by fiscal year.

Source: VA OIG analysis of national participation reported on consistency studies completed during the review period.

Some regional office managers interviewed said they did not believe the consistency studies were part of employees' mandated training. These managers indicated that participation was voluntary and were unaware of the performance standard requirement. Other regional office managers acknowledged that consistency studies were required but admitted they did not follow up with employees who did not take the studies.

The purpose of consistency studies is to close knowledge gaps through training. Employees who do not participate in consistency studies and the associated training miss the opportunity to gain expertise on that study topic. Additionally, without full employee participation, VBA cannot properly assess the consistency of disability claims processing among regional offices.

Recommendation 2 underscores the need for the Office of Field Operations to develop a process to monitor regional offices to ensure maximum employee participation in consistency studies.

Lack of Follow-Up to Improve Performance

The review team identified five regional offices as low-performing on at least 10 of the 51 consistency studies (20 percent) during the review period. This information is only provided in the Administration Results Report and therefore those regional offices may not be aware of their poor performance (2.1 in table 1).

In an interview, the deputy under secretary for field operations told the team he expects regional office managers to review consistency study reports to monitor how their office is doing. He said they should use the information provided to determine employee training needs and improve their own processes. However, he added that the Office of Field Operations does not micromanage the regional offices or dictate what to do and acknowledged that there is no policy in place requiring regional offices to follow up on consistency study results. Despite the deputy

under secretary's expectations, the Office of Field Operations did not direct regional office managers to take any action.

The OIG determined that the Office of Field Operations did not take an active role in ensuring regional offices used consistency study results to improve claims processing, nor did it take direct follow-up action itself on consistency study performance. The office reportedly has focused more on productivity standards, or output, of disability compensation benefits claims, which can undermine overall accuracy. In May 2019 while the OIG was conducting this review, the Office of Field Operations challenged rating claims-processing teams to complete 255,000 claims between May 6 and June 30. According to the deputy under secretary for field operations, "We asked them to complete nine full weeks of work in just eight weeks." For successfully completing the challenge, the claims processors were rewarded with a day off on July 5, 2019. The OIG concluded that with VBA's emphasis on production, it is especially important for the Office of Field Operations to require regional office managers to follow up on the results of consistency studies and take corrective action as needed. The Office of Field Operations did not take advantage of available options to improve staff accountability for documented poor performance. These options included directing regional office managers to review consistency study results and having managers create a plan for improvement as needed.

Recommendation 3 calls on the Office of Field Operations to establish a requirement for regional office managers to review consistency study results and develop a plan for corrective action based on the performance of their regional offices.

Recommendation 4 is for the Office of Field Operations to develop a follow-up process to confirm all corrective actions identified are completed by regional office managers.

Conclusion

VBA conducts consistency studies, as required by law, to assess "the consistency of disability ratings among regional offices of the Veterans Benefits Administration, based on a sample of specific disabilities." The OIG determined that the Compensation Service developed and administered consistency studies as required but did not fully share detailed information on study results. Additionally, the OIG determined that the Office of Field Operations did not ensure all claims processors were participating in the studies as required, or that managers followed up on consistency study results to improve claims processing. The limited distribution of detailed results and lack of follow-up action occurred because VBA lacks strong processes for sharing and monitoring the results of consistency studies. Without strengthening these processes, VBA will continue to miss opportunities to capitalize on information to close knowledge gaps and improve the consistency of decisions on veterans' disability compensation claims.

Recommendations 1–4

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

1. Direct the Compensation Service to provide the Administration Results Report for each consistency study to the Office of Field Operations and to managers at all regional offices.
2. Ensure the Office of Field Operations develops a process to monitor regional offices to ensure maximum employee participation in consistency studies.
3. Make certain the Office of Field Operations establishes a requirement for regional office managers to review consistency study results and develop a plan for corrective action based on the performance of their regional office.
4. Require the Office of Field Operations to develop a follow-up process to confirm all corrective actions identified are completed by regional office managers.

Management Comments

The under secretary for benefits concurred or concurred in principle with all four recommendations.

To address recommendation 1, the Compensation Service will provide the Administration Results Report for each consistency study to the Office of Field Operations for distribution to managers at all regional offices. To address recommendation 2, VBA will develop a plan to ensure maximum employee participation in all consistency studies. To address recommendation 3, VBA will establish a requirement for regional office managers to review consistency study results as appropriate and, if warranted, take corrective actions based on the results of consistency studies. To address recommendation 4, the Office of Field Operations will ensure the implementation plan will include a follow-up process to confirm appropriate corrective actions identified are completed. The under secretary's comments are presented in full in appendix B.

OIG Response

The under secretary for benefits provided acceptable action plans for all four recommendations. The OIG will monitor VBA's progress and follow up on the implementation of the recommendations until all proposed actions are completed.

Appendix A: Scope and Methodology

Scope

The OIG team conducted its work from March 2019 through August 2020. The Compensation Service developed and conducted 60 consistency studies from October 1, 2015, through April 30, 2019. The OIG team reviewed the results reports for these consistency studies.

Methodology

In addition to reviewing the results reports for all 60 consistency studies, the team performed site visits at the regional offices in Phoenix, Arizona; Denver, Colorado; and Wilmington, Delaware. The team interviewed regional office managers and staff at those sites. The team discussed the findings with VBA officials and included their comments where appropriate in this report.

Fraud Assessment

The OIG team assessed the risk that fraud, violations of legal and regulatory requirements, and abuse could occur during this audit. The OIG team exercised due diligence in staying alert to any fraud indicators by doing the following:

- soliciting the OIG's Office of Investigations for indicators
- completing the Fraud Indicators and Assessment Checklist

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

Data Reliability

The OIG team did not obtain or rely on computer-processed data. The OIG team received consistency study result reports directly from VBA. The OIG team did not perform detailed fieldwork to verify the accuracy of information listed in the consistency study reports because that was not the focus of the review's objectives. As a result of these and other limitations, the OIG team cannot independently validate the Compensation Service consistency study results reports without a prohibitively resource-intensive review of all related underlying records, which might also be incomplete.

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: Management Comments

Department of Veterans Affairs Memorandum

Date: September 9, 2020

From: Under Secretary for Benefits (20)

Subj: OIG Draft Report – Greater Consistency Study Participation and Use of Results Can Improve
Claims Processing Nationwide [Project No. 2019-07062-DN-0363]

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

1. Attached is VBA's response to the OIG Draft Report: Greater Consistency Study Participation and Use of Results Can Improve Claims Processing Nationwide.

The OIG removed point of contact information prior to publication.

(Original signed by)

Paul R. Lawrence, Ph.D.

Attachment

**Veterans Benefits Administration (VBA)
Comments on the OIG Draft Report:
Greater Consistency Study Participation and Use of Results Can Improve Claims Processing
Nationwide**

**VBA concurs with OIG's findings and provides the following comments in response to the
recommendations in the OIG Draft report:**

Recommendation 1: Direct the Compensation Service to provide the Administration Results Report for each consistency study to the Office of Field Operations and to managers at all regional offices.

VBA Response: Concur in principle. Compensation Service will provide the Administrative Results Report for each consistency study to the Office of Field Operations (OFO) for distribution to managers at all regional offices. As VBA is in a constant state of continuous process improvement and modernization, Compensation Service will remain in close coordination with OFO to ensure findings are communicated and shared with regional office managers.

Target Completion Date: September 30, 2020

Recommendation 2: Ensure the Office of Field Operations develops a process to monitor regional offices to ensure maximum employee participation in consistency studies.

VBA Response: Concur. VBA will develop a plan to ensure maximum employee participation in consistency studies. OFO expects to develop and implement this plan by December 31, 2020.

Target Completion Date: December 31, 2020.

Recommendation 3: Make certain the Office of Field Operations establishes a requirement for regional office managers to review consistency study results and develop a plan for corrective action based on the performance of their regional office.

VBA Response: Concur in principle. As part of the implementation of Recommendation 2, VBA will establish a requirement for regional office managers to review consistency study results as appropriate and, if warranted, take corrective action based on the results of consistency studies. OFO expects to develop and implement this plan by December 31, 2020.

Target Completion Date: December 31, 2020.

Recommendation 4: Require the Office of Field Operations to develop a follow-up process to confirm all corrective actions identified are completed by regional office managers.

VBA Response: Concur. As part of the implementation of Recommendation 2, OFO will ensure the plan will include a follow-up process to confirm appropriate corrective actions identified are completed. OFO expects to develop and implement this plan by December 31, 2020.

Target Completion Date: December 31, 2020.

*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

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