



Testimony

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Committee on Veterans' Affairs, House
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VA DISABILITY EXAMS

Better Planning Needed as Use of Contracted Examiners Continues to Grow

Statement of Elizabeth Curda, Director,
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GAO@100 Highlights

Highlights of [GAO-21-444T](#), a testimony before the Subcommittee on Disability Assistance and Memorial Affairs, Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

VBA reported that the number of disability medical exams completed by contractors rose from about 180,000 to nearly 1.1 million from fiscal years 2012 through 2020. According to VBA officials, VA awarded new contracts in 2018 worth up to \$6.8 billion over 10 years' duration to private sector disability medical exam providers.

GAO was asked to review VBA's planning and oversight related to contracted disability exams. This testimony examines (1) VBA's plans for allocating exam workloads in the future, and (2) how VBA assesses the quality of contractors' exams for selected complex claims. GAO reviewed VBA exams data and documents and interviewed officials from VBA, VHA, and exam contractors, as well as staff in three VHA medical centers and VBA regional offices, selected for a range of exam workloads and experience with complex exams. GAO assessed VBA efforts against sound planning practices and internal control standards.

What GAO Recommends

GAO is recommending that VBA (1) develop plans for its allocation of disability medical exam workloads that incorporate sound planning practices, and (2) assess the quality of exam reports completed by contractors for selected complex claims.

View [GAO-21-444T](#). For more information, contact Elizabeth Curda at (202) 512-7215 or curdae@gao.gov.

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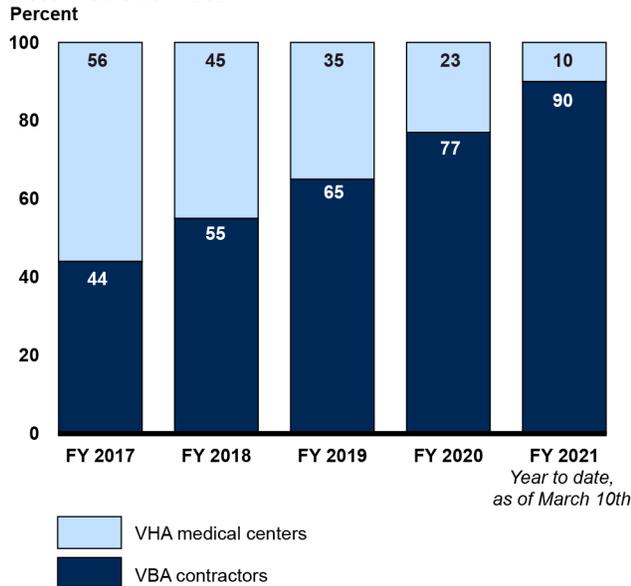
VA DISABILITY EXAMS

Better Planning Needed as Use of Contracted Examiners Continues to Grow

What GAO Found

In recent years, the Department of Veterans Affairs (VA) has significantly expanded the Veterans Benefits Administration's (VBA) use of contractors to perform disability medical exams instead of relying on Veterans Health Administration (VHA) medical centers (see figure). According to VBA officials, VA's policy is to continue using contractors for most exams. GAO previously identified sound practices agencies can use to plan for significant programmatic changes. However, VBA has not applied several of these practices to its plans for allocating workloads among its contractors and VHA medical centers. For example, VBA has not assessed potential risks to capacity and exam quality in allocating the bulk of exams to contractors. Employing such practices could help VBA identify potential risks stemming from this long-term program change and better plan for addressing future workload needs.

Percent of Disability Exams Performed by VBA Contractors and by VHA Medical Centers, Fiscal Years 2017-2021



Source: GAO analysis of Veterans Benefits Administration (VBA) and Veterans Health Administration (VHA) data. | GAO-21-444T

Over time, VA has also permitted contractors to complete exams for more complex disability claims—such as Gulf War Illness—according to VBA officials, but VBA does not conduct targeted reviews specifically to assess the quality of the exam reports completed for these exams. VBA data show that exam reports for selected complex claims were returned to examiners for correction or clarification at about twice the rate that exam reports were returned overall. Disability medical examiners told GAO that these types of exams can be challenging. Without specifically assessing how well contractors perform on exams for complex claims, VBA is missing an opportunity to identify actions that could help ensure veterans receive high quality exams and that exam reports are completed correctly.

Chair Luria, Ranking Member Nehls, and Members of the Subcommittee:

I am pleased to be here today to discuss our review of the Department of Veterans Affairs' (VA) planning and oversight efforts related to its disability medical exam workloads. As you know, VA issued new contracts worth up to \$6.8 billion over 10 years to private disability medical exam providers in 2018, according to Veterans Benefits Administration (VBA) officials. These exams help VBA evaluate claims from veterans seeking disability benefits for service-connected and other disabilities.

VA has increasingly relied on contracted examiners to perform disability exams—instead of staff at Veterans Health Administration (VHA) medical centers. In the process, various restrictions have been eliminated regarding the types of exams that contractors may perform, according to VBA officials.¹ Accordingly, the number of exams completed by VBA contract examiners increased from roughly 180,000 to 1.1 million annually from fiscal years 2012 through 2020. This total represented more than three-quarters of the 1.4 million exams completed in fiscal year 2020. At the same time, GAO reported in 2018 and 2019 on issues with VBA's oversight of contract medical examiners, and VBA has not yet fully implemented our recommendations.² GAO was asked to examine VA's planning for allocating disability medical exam workloads and VBA's efforts to assess exams for selected complex claims.

My statement today is based on our analyses of (1) the extent to which VBA's plans for managing its disability exam workload reflect sound planning practices and (2) the extent to which VBA's contract exam quality review process is designed to assess exams for selected complex claims.

To determine the percentage of VBA's disability exam workload completed by VBA contractors and VHA medical centers, we used VBA

¹For example, as discussed in more detail below, VBA now permits contractors to perform exams for complex claims such as those for Gulf War Illness.

²For example, GAO reported that VBA did not have data to reliably verify whether contractors charged the correct amount for exams completed. See GAO, *VA Disability Exams: Improved Performance Analysis and Training Oversight Needed for Contracted Exams*, [GAO-19-13](#) (Washington, D.C.: Oct. 12, 2018) and GAO, *VA Disability Exams: Opportunities Remain to Improve Oversight of Contracted Examiners*, [GAO-19-715T](#), (Washington, D.C.: Sept. 19, 2019).

and VHA data to calculate the percentages completed by each from fiscal years 2017 through 2021.³

To evaluate VBA's planning practices, we reviewed VBA and VHA documents and guidance on efforts to manage the disability exam workload since the contract exam program's expansion in fiscal year 2017, as well as assessed how VBA coordinates with VHA and contractors regarding exam needs and capacity. We also interviewed officials from VBA's Medical Disability Examination Office, VBA's three contract exam providers, VHA's Office of Disability and Medical Assessment, and selected VHA medical centers and associated Veterans Integrated Service Network oversight offices—including officials and staff who oversee and operate disability exam programs—regarding VBA's management of disability exam workloads.⁴ We compared VBA's planning activities with GAO-identified sound planning practices.⁵ In particular, we focused on whether VBA has (1) identified goals and a strategy for achieving them, (2) developed activities and timelines, (3) coordinated and communicated with stakeholders, and (4) conducted a risk assessment.⁶

To evaluate the extent to which VBA's contract exam quality review process is designed to assess the quality of exams for selected complex claims—traumatic brain injury (TBI), military sexual trauma (MST), and

³We determined that VBA's and VHA's data were sufficiently reliable for this purpose.

⁴In selecting the three VHA medical centers for interviews, we considered variation in the size of their disability exam programs (i.e., number of exams completed) as well as variation with respect to changes in their exam workloads from fiscal year 2017 to fiscal year 2019 (i.e., workload increased/remained the same size versus decreased). Two medical centers we selected had discontinued their disability exam programs and transferred their workloads to VBA contractors by the time we conducted our interviews. In those cases, we interviewed former VHA disability exam program directors, medical examiners, and administrative staff.

⁵See, for example, GAO, *VA Disability Compensation: Actions Needed to Address Hurdles Facing Program Modernization*, [GAO-12-846](#), (Washington, D.C.: Sept. 10, 2012) and GAO, *VA Disability Benefits: Improved Planning Practices Would Better Ensure Successful Appeals Reform*, [GAO-18-352](#), (Washington, D.C.: March 22, 2018).

⁶We focused our evaluation on four of six GAO-identified sound planning practices that may be especially relevant to VA's transfer of much of the disability exam workloads from VHA medical centers to VBA contractors. Given that VA followed a process to award contracts to allocate financial resources for contractors and that we previously reported on how VBA measures contractor performance (see [GAO-19-13](#)), we chose not to focus on two other factors: identifying resources and evaluating performance.

Gulf War Illness (GWI)—we reviewed fiscal year 2019-2020 VBA data on the types of exams completed by contractors that have been subject to quality reviews. We selected these types of claims and associated exams because they have been previously identified by GAO or VA's Office of Inspector General as challenging for VBA claims processors and disability medical examiners.⁷ While many claim types and exams may be challenging, we focused on exams for TBI, MST, and GWI as being especially challenging because VA requires examiners to take specialized courses to be prepared to perform these exams. Where possible, we determined how many exam reports for these complex claims have been subject to quality reviews as a percentage of the total number of exam reports reviewed.⁸ We evaluated VBA's efforts to assess the quality of disability exams for complex claims against federal standards for internal control.⁹ Specifically, we assessed whether VBA collects information on exams for selected complex claims and conducts reviews that would allow it to identify and respond to risks, design control activities, and conduct appropriate monitoring of these exams.

To examine the extent to which exams for complex claims may be more challenging than other exams, we reviewed fiscal year 2019-2020 VBA data and compared the rates at which VBA claims processors returned exam reports for correction or clarification for different exam types. We

⁷For example, see GAO, *Gulf War Illness: Improvements Needed for VA to Better Understand, Process, and Communicate Decisions on Claims*, [GAO-17-511](#), (Washington, D.C.: June 29, 2017) and Veterans Affairs' Office of Inspector General, *Healthcare Inspection Review of Montana Board of Psychologists Complaint and Assessment of VA Protocols for Traumatic Brain Injury Compensation and Pension Examinations*, Report No. 15-01580-108 (Washington D.C.: Feb. 27, 2018).

⁸We found the data on exams subject to quality reviews sufficiently reliable for our purposes of assessing the frequency of reviews for the selected exam types.

⁹GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014), principles 7, 10, and 16. We assessed VBA's quality review process against standards for internal control. Specifically, the monitoring component of internal control—assessing the quality of performance over time and promptly resolving the findings of audits and other reviews—was significant to our objective. Also significant is the related principle of control activities—the actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system. We reviewed VBA's methodology for selecting exams for quality reviews and assessed VBA's statements regarding the selection process. In addition, the risk assessment component of internal control—the actions management takes to assess the risks facing the entity as it seeks to achieve its objectives—is significant to this review. We assessed the extent to which exams for complex claims can be more challenging than other exams and assessed VBA statements regarding these exams.

found these data to be sufficiently reliable for our purpose of identifying differences in exam report return rates. We interviewed VHA disability medical examiners about the challenges performing exams for each of these claim types compared to more routine exams (e.g., exams that do not require specialized VA training courses). We also interviewed VBA claims processors regarding any issues they see when reviewing exam reports completed by VHA examiners and VBA contract examiners, including reasons claims processors may need to send reports back to examiners for corrections.¹⁰

We conducted this performance audit from January 2020 to March 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

VBA's Use of Contractors to Perform Disability Exams

VBA has used contract medical examiners to perform disability exams in some capacity for more than 20 years. In 2014, federal law authorized VBA to expand its pilot program to use contractors for disability exams across all of its regional offices starting in fiscal year 2017.¹¹ Since then, VBA's contract exam program has grown in terms of both the number and types of exams that contractors may perform, according to VBA officials. For example, in VBA's November 2018 contracts, restrictions were removed that previously excluded contract examiners from performing disability exams related to claims for exposures to environmental hazards and some exams related to GWI, according to VBA officials. Further, according to VHA, nearly half (62 out of 140) of VHA medical centers received provisional approval from VHA to transfer some of their disability

¹⁰In selecting three VBA claims processing offices for interviews, we focused on relatively large offices (i.e., offices that rated more than the median number of claims in fiscal year 2019), included variation in geographic location, and ensured that a sizable share of the office's workload consisted of TBI, MST, and GWI claims relative to other offices.

¹¹Pub. L. No. 113-235, div. I, tit. II, § 241, 128 Stat. 2130, 2568. Prior to this authorization under federal law, VBA's contract exam pilot program allowed 10 VBA claims processing offices to order exams from contractors.

exam workloads to VBA contractors between the start of fiscal year 2017 and March 2021.¹²

VBA's Quality Review Process for Contract Disability Exams

VBA conducts quality reviews on a statistically valid random sample of completed exam reports for each contract, according to VBA officials.¹³ Based on the results of these reviews, VBA determines quality scores for each contract on a quarterly basis, according to VBA officials. VBA reviews the selected exam reports using a checklist that prompts the reviewer to ensure that the examiner completed components of the exam reports correctly. For example, the checklist includes a question that prompts the reviewer to assess whether the exam report provides and sufficiently addresses the clinical exam findings for the condition the examiner assessed.

Prior GAO Reporting on VBA's Oversight of the Contract Exam Program

In 2018, we reported on issues with VBA's oversight of contract examiners. We also testified before this subcommittee on these issues in 2019.¹⁴ VBA has taken steps to address the issues we identified but has not yet fully implemented our recommendations. We will continue to monitor VBA's progress in the following areas:

- To improve its oversight of contractor performance, we recommended that VBA:
 - Develop and implement a plan for using data from its new medical exam management system to (1) assess contractor timeliness, (2) monitor time spent correcting exams, and (3) verify proper exam invoicing.
 - Regularly monitor and assess aggregate performance data and trends over time to identify higher-level trends and program-wide challenges.

VBA has not fully resolved issues regarding how it oversees the quality and timeliness of and invoicing for disability medical exams that contract examiners complete. In November 2020, VBA outlined improvements in the information collected through its exam management system and its ongoing technical efforts to align its

¹²According to VHA officials, VHA requires medical centers to maintain at least some capacity to conduct disability exams, including for exams that are excluded from the contracts or that VHA is required to conduct.

¹³In this testimony, we use the term "exam reports" to refer to disability benefits questionnaires completed by medical examiners.

¹⁴[GAO-19-13](#) and [GAO-19-715T](#).

system with contractors' systems and stated that VBA is testing a mechanism to validate exam invoices submitted by contractors. VBA also noted that, once the technical issues with the exam management system are fixed, it will use information from the system to identify error trends, monitor performance, and assess program-wide challenges.

- To improve its oversight of contractor training, we recommended that VBA:
 - Document and implement a plan and processes to verify that contract examiners have completed required training.
 - Collect information from contractors or examiners on training and use this information to assess training and make improvements as needed.

VBA has taken some steps to address issues GAO identified with VBA's oversight of contract examiner training requirements. In November 2020, VBA stated that it plans to develop an online training system to enhance its verification of all examiner training. VBA said that it will also use the new system to obtain feedback and enhance training content. In the meantime, VBA stated that it will continue to perform periodic audits of a sample of examiner training records.

According to VBA officials, the agency is on track to implement our recommendations this year.

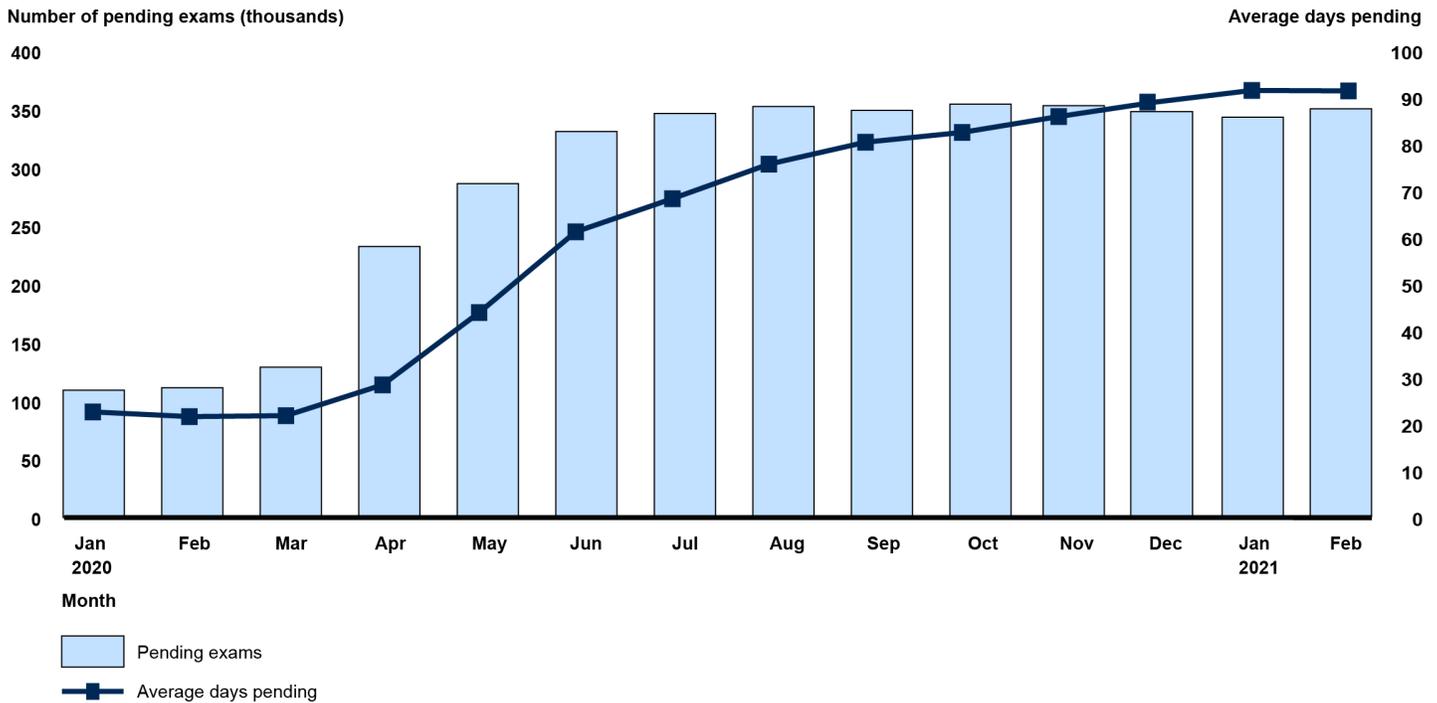
Effect of the Coronavirus 2019 (COVID-19) Pandemic on VBA Contract Exam Workloads

In our January 2021 report on the CARES Act, we reported on VBA's temporary suspension of in-person disability exams, which started in April 2020 and continued for 2 to 6 months (depending on geographic location and exam requirements).¹⁵ The suspension of in-person exams, among other COVID-19-related challenges, resulted in an increase in pending exam workloads that VBA continues to address. Specifically, average

¹⁵GAO, *COVID-19: Critical Vaccine Distribution, Supply Chain, Program Integrity, and Other Challenges Require Focused Federal Attention*, [GAO-21-265](#): (Washington, D.C.: Jan. 28, 2021).

days pending for contract exams nearly quadrupled from about 23 days in January 2020 to 91 days in February 2021 (see fig. 1).¹⁶

Figure 1: Number of Pending Disability Medical Exams and Average Days Pending Completion by VBA Contractors, January 2020–February 2021



Source: GAO analysis of Veterans Benefits Administration (VBA) data. | GAO-21-444T

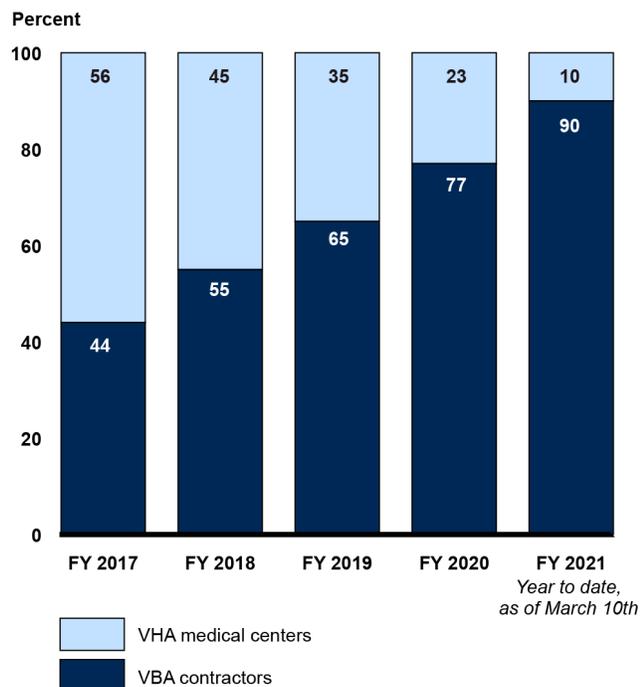
¹⁶Average days pending is a measure of the number of days that exam requests have been pending completion by contractors. Delays in disability medical exams can contribute to backlogs in disability claims more broadly. VBA had made significant progress in addressing its initial claims backlog prior to the pandemic. See GAO, *High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas*, [GAO-21-119SP](#), (Washington, D.C.: March 2, 2021). Since the pandemic, the backlog has started to grow.

VBA Has Not Conducted Sound Planning in Allocating Its Disability Exam Workload

VBA Contractors Have Replaced VHA Medical Centers as the Primary Providers of Disability Exams

VBA contractors' share of the disability exam workload increased each year from about 44 percent in fiscal year 2017 to about 90 percent in fiscal year 2021, as of March (see fig. 2).¹⁷

Figure 2: Percent of Disability Exam Workload Completed by VBA Contractors and VHA Medical Centers, Fiscal Years 2017-2021



Source: GAO analysis of Veterans Benefits Administration (VBA) and Veterans Health Administration (VHA) data. | GAO-21-444T

Note: Contractors completed a small number of VHA exams in fiscal year 2017 under VHA-managed contracts, according to VHA data.

¹⁷Contractors completed a small number of VHA exams in fiscal year 2017 under VHA-managed contracts, according to VHA data.

VBA officials stated that it was a VA policy decision to use contract examiners as the primary providers of disability exams. VBA and VHA officials stated in January 2021 that both agencies had been working for several years toward a goal of using contractors as the primary providers of disability exams. While officials noted that contractors now serve as the primary providers, local VHA medical center directors have been permitted to make their own decisions about whether to transfer workloads to contractors, according to VHA headquarters and medical center officials. Transferring their disability exam workloads to VBA contractors allows VHA medical centers to prioritize their resources toward providing direct patient care to veterans, according to VHA headquarters officials.¹⁸

Officials we interviewed at three VHA medical centers—including medical center and disability exam program directors—said they value providing disability exams to veterans. For example, officials from all three VHA medical centers agreed that providing disability exams can facilitate referring the veteran to other health services within the facility. VHA medical center officials also noted that medical center directors' decisions about whether to maintain disability exam workloads in-house or transfer them to VBA contractors have been affected by budgetary and space constraints as well as VA's decision to use contract examiners.¹⁹

Going forward, VBA, in coordination with VHA, intends to proceed with transitioning much of VHA's exam workload to VBA contractors following the COVID-19 pandemic. For the immediate future, however, VHA plans to continue performing some disability exams, in part, because COVID-19 has led to a new backlog of exams. In particular, VHA plans continue to perform about 10 to 15 percent of the disability exam workload in calendar year 2021. VHA medical centers have been focused on performing telehealth exams and Acceptable Clinical Evidence reviews (e.g., reviews of electronic medical records) during the pandemic, according to VHA officials. VBA and VHA officials stated in March 2021

¹⁸GAO did not assess whether medical centers shifted disability medical exam resources to provide more direct patient care.

¹⁹Officials from two medical centers said the level of financial resources allocated by VHA for disability exams was too low for their disability exam programs to be viable. In its written notification to VHA, one medical center referred to the allocation for disability exams, as part of the reason for requesting to transfer its disability exam workloads to VBA contractors. Additionally, officials from one medical center stated that VHA lowered its allocation rate for disability exams after VBA expanded its contract exam program in fiscal year 2017.

that they are also exploring options to have VHA medical centers conduct more in-person exams until VBA's pending disability exams return to their pre-pandemic level.

VHA expects to continue performing a small number of exams following the pandemic but did not provide an estimate of its anticipated workload. Instead, VHA provided a list of six exam types and situations in which it will continue performing exams. For example, VHA indicated that it will continue performing certain exams that VHA is required to perform (e.g., certain exams for former prisoners of war).²⁰

VBA Has Not Applied Sound Planning Practices to Its Increased Use of Contract Examiners

VBA has not fully applied sound planning practices to its increased use of contract disability medical examiners. Specifically, VBA has not fully applied sound planning practices for (1) identifying goals and establishing a strategy, (2) developing activities and timelines, (3) coordinating and communicating with stakeholders, and (4) conducting a risk assessment.²¹ VBA officials stated that they do not believe developing a formal plan that would incorporate these practices is necessary because VBA is following a long-standing VA policy to primarily use contractors for disability exams. They also noted that they have been conducting various planning activities, in coordination with VHA and VBA contractors, to address the current COVID-19-related exam backlog. Nonetheless, as discussed below, applying sound planning practices could help resolve uncertainty about future disability exam workload allocations and help ensure that VBA is prepared to manage any potential risks related to its increased reliance on contract examiners. Sound planning practices could also help VBA prepare for potential future disruptions to disability exam operations.

Goals and strategy. VBA officials have stated the agency's intention, as of March 2021, is to continue to use contractors to meet most of its disability exam needs while also maintaining some level of exam capacity at VHA medical centers. However, VBA has not documented a strategy related to achieving this balance. Additionally, VBA has not yet determined the extent to which it will be able to rely on existing VBA contractors to meet future capacity needs versus needing to increase

²⁰Beyond 2021, VHA expects to continue performing predominately Acceptable Clinical Evidence reviews and telehealth exams following the pandemic. Officials said VHA medical centers may also perform some in-person exams when necessary for a special circumstance.

²¹For more information on these GAO-identified sound planning practices, see [GAO-12-846](#).

capacity by identifying additional contractors who can perform disability exams.

Further, it is unclear the extent to which VBA's exam allocation decisions are based on an agency-wide strategy versus individual VHA medical center preferences. For example, VBA contract exam program officials and VBA contractor officials told us they change how they allocate exam workloads in response to changes in VHA exam capacity. However, staff at two VHA medical centers told us that when they performed exams, VBA was sending them fewer exam requests than their potential capacity.²² Having a clear, documented strategy could help address such uncertainty and ensure that entities across VA are unified in a common goal.

Activities and timelines. In 2016, VBA and VHA developed a transition plan that outlined a month-to-month timeline and a target date of July 2017 for transferring VHA exam workloads to VBA contractors. Officials said they were not aware of any reassessment of the plan to establish new planned activities and timelines, which could help inform agency and disability exam provider actions going forward. A VBA official said that developing a timeline during the pandemic is challenging, but that following the pandemic this is something they could consider. Without a timeline, it may be challenging for VBA to ensure that all disability exam providers are operating with the same expectations regarding the allocation of disability exam workloads.

Coordination and communication. VBA and VHA officials meet weekly to discuss disability exam workloads, according to officials. However, though VBA and VHA officials indicated in January 2021 that they had been working together since 2016 to transfer VHA exam workloads to contractors, most officials we interviewed from VHA medical centers and VBA regional claims processing offices stated that they were not aware of an official plan to transfer the bulk of VHA's exam workloads to contractors. VBA officials stated that they do not believe it is necessary to formally communicate the agency's intention to increase its use of

²²A VBA official noted that exam requests may not have been sent to VHA medical centers for a number of reasons and decisions that may not be based on capacity.

contract examiners because this has been a long-term shift, going back to VBA's use of contract examiners in some capacity since the late 1990s.²³

VBA officials also stated that they meet monthly with contractors to discuss ongoing operations and performance. Contractor officials acknowledged that these meetings are helpful, but also stated that, in some instances, having longer-term projections or more advance notice from VBA regarding workloads would be beneficial.²⁴ At the same time, contractor officials acknowledged that VBA has needed to react in real time to changes in individual VHA medical center capacity and noted that, over time, VBA has increased the amount of notification it provides.

Though officials from all three VBA contractors said they could continue to expand their exam capacity, better coordination and communication—including providing contractors with more information about future workload expectations—could help ensure that contractors can meet VBA's needs without diminishing contractors' ability to meet VBA's performance targets.²⁵

Risk assessment. VBA has not conducted a risk assessment related to its increased use of contract examiners. Instead, VBA officials said the agency has managed potential risks by pursuing a slow transition and that, following the pandemic, VBA will assess the risk of transferring VHA workloads to contractors.

However, VBA's present lack of a risk assessment is concerning given that we previously identified issues with VBA's contract exam program oversight, and VBA previously identified contractor performance issues that resulted in the termination of two of its five contractors. Moreover, nearly half of VHA medical centers have received provisional approval to transfer disability exam workloads to VBA contractors, according to VHA.

²³See Pub. L. No. 104-275, § 504, 110 Stat. 3322, 3341 (1996). In 2003, VA was given additional, temporary authority to use contractors to conduct disability exams. Pub. L. No. 108-183, § 704, 117 Stat. 2651, 2672. This temporary authority originally ran through December 31, 2009, but the expiration date has been extended numerous times.

²⁴VBA officials noted that, during the pandemic, it has provided detailed information to contractors about its workload given that all VHA medical centers' exam capacity is limited at this time. Thus, VBA has been relying on contractors to complete the vast majority of exams.

²⁵We reported in 2018 that contractors experienced challenges meeting VBA's quality and timeliness performance targets. See [GAO-19-13](#).

It may be challenging for such facilities to ramp up their programs in the future if VHA decides to reprioritize veterans' access to VHA exams or if VBA contractors experience performance or capacity issues. Former disability exam program staff we interviewed at two VHA medical centers stated that some of their colleagues had opted to retire or pursue other opportunities rather than accept positions they were offered after their facilities transferred all of their exam workloads to contractors.²⁶ The pandemic has placed unexpected demands on the capacity of current VBA and VHA disability examiners to complete exams, according to officials.²⁷ A risk assessment could help VBA identify and manage potential risks before they cause disruptions to disability exam operations and, thus, VBA's ability to process veterans' claims in a timely manner.

VBA's Contract Exam Quality Review Office Does Not Focus on Exams for Complex Claims, Which VBA Data Suggest Are Challenging

VBA's quality review office for contract exams does not assess potential challenges of completing exams for certain complex claims. Specifically, VBA does not focus on assessing the quality of exam reports for traumatic brain injury (TBI), military sexual trauma (MST), and Gulf War Illness (GWI). Though VBA assesses the overall quality of each contractor's workload, officials noted that they have the capability to do more targeted reviews, as needed, and provide additional guidance to contractors if they see recurring issues.

VBA has conducted special reviews for certain claims in the past, but has not conducted additional reviews or analysis to specifically assess the quality of exams for TBI, MST, and GWI claims completed by contractors.²⁸ VBA officials stated that they do not believe contract examiners experience more challenges with exams for TBI, MST, or GWI,

²⁶According to medical center officials, though examiners were reassigned to positions in other departments, some of those staff remain prepared to perform disability exams, if needed.

²⁷VBA has also faced a surge in workloads related to changes in eligibility for certain claims, such as Blue Water Navy claims.

²⁸VBA officials told us they had previously planned to conduct a special focus review of GWI exams because contract examiners had only started performing Gulf War general medical exams in 2019. However, they later said they needed to shift focus due to the COVID-19 pandemic.

but they also do not conduct specific reviews to be able to determine whether they are more prone to have errors than other exams.²⁹

Nonetheless, available data from VBA's claims process suggest that exams related to TBI, MST, and GWI may be more challenging to perform than more routine exams.³⁰ In particular, we assessed available VBA data on the frequency that claims processors returned exam reports to examiners for correction or clarification and found that claim processors returned reports for TBI, MST, and GWI more frequently than exam reports overall. More specifically, claims processors returned exam reports for TBI and MST claims for correction or clarification at about twice the rate as for exam reports overall. In fiscal year 2020, almost 10 percent of MST and more than 10 percent of TBI exam reports were returned as compared to over 5 percent of all exam reports.³¹ Claims processors also returned exam reports for GWI claims at a higher rate than exam reports overall—at 9 percent.³² In fiscal years 2019 and 2020, similar to other exams, exam reports for TBI, MST, and GWI were returned most often because the contract examiner had included conflicting information in different parts of the medical report. The other most frequent reasons exams were returned were because the examiner failed to provide requested or required information or failed to provide a medical opinion.³³

VHA medical examiners we interviewed described several challenges that examiners could face in completing exams for TBI, MST, and GWI. Specifically, they told us the following:

²⁹VBA uses its quality review process to identify any errors made by contract examiners in completing exam reports, regardless of exam type. For example, an error could include missing, ambiguous, or incomplete clinical information in the exam report.

³⁰These data track the number of exam reports claims processors returned to contract medical examiners because the reports were in need of correction or clarification. They are not collected or reviewed as part of VBA's quality review process for contract exams.

³¹The return rate for MST and TBI exams was about double that of exam reports overall in fiscal year 2019 as well, with 11 percent and over 10 percent returned respectively as compared to over 5 percent of exam reports overall.

³²Almost 8 percent of GWI exam reports were returned in fiscal year 2019.

³³VBA officials noted that exam reports may also be sent back because claims processors find rating the claims challenging and not because the examiner did something wrong.

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- TBI exams can be challenging due to potential overlap between TBI and post-traumatic stress disorder symptoms, according to medical examiners we interviewed from two of the three VHA medical centers.³⁴
 - MST exams can be challenging because examiners may have difficulty identifying supporting evidence in veterans' records, according to medical examiners we interviewed from two of the three VHA medical centers.³⁵ VHA examiners also stated that having experience performing MST exams as well as with serving veterans is important given the exam's sensitive nature.
 - GWI exams can be challenging because examiners must assess a wide variety of potential symptoms that may have an unknown cause and may go undiagnosed, according to medical examiners we interviewed from two of the three VHA medical centers. VHA examiners at two VHA medical centers observed that the challenges related to determining whether symptoms are undiagnosed could lead to a denial of benefits for the veteran because those symptoms are not attributed to GWI.

Federal standards for internal control state that management should design their control activities to respond to risks and establish monitoring activities to evaluate the results.³⁶ By conducting more targeted reviews of exams for selected complex claims, VBA could, for example, identify potential training needs for contract examiners and better ensure that veterans receive high quality exams with fewer corrections needed. Improvements in exam report quality could also lead to more timely and accurate decisions on veterans' claims for disability benefits.

Conclusions

VBA continues to implement VA's policy of shifting its reliance from VHA medical center examiners to contractors to complete disability medical exams without a documented plan in place that outlines its strategy for its use of contractors and ensures that stakeholders share a common set of expectations about the timelines and potential challenges of this significant change. By implementing sound planning practices, VBA could help ensure that those implementing the program and those responsible for completing exams are working toward a common goal. Further, it

³⁴Medical examiners we interviewed at one VHA medical center did not have experience performing exams for TBI.

³⁵Medical examiners we interviewed at one VHA medical center did not have experience performing post-traumatic stress disorder exams for MST.

³⁶[GAO-14-704G](#).

could better position those completing exams to effectively plan for and manage their workloads and help VA and contractors be prepared for potential risks to completing future workloads, such as changes to benefits eligibility resulting in increased workloads.

VA has loosened restrictions on the types of exams that contractors may perform, according to VBA officials. However, VBA's quality review office for contract exams does not focus on exams for complex claims, such as those for TBI, MST, and GWI. Yet our analysis of VBA data on exam report return rates indicate that these exams may be more challenging to perform than other types of exams. By conducting targeted reviews of exams for selected complex claims, VBA could identify potential training needs for contract examiners and better ensure that veterans receive high quality exams no matter the veteran's condition.

Recommendations for Executive Action

We are making the following two recommendations to VBA:

The Under Secretary for Benefits, in consultation with the Under Secretary for Health, should develop and document plans for the allocation of disability medical exam workloads among VHA medical centers and VBA contractors. Such plans should incorporate sound planning practices such as (1) identifying goals and establishing a strategy, (2) developing activities and timelines, (3) coordinating and communicating with stakeholders, and (4) conducting a risk assessment. (Recommendation 1)

The Under Secretary for Benefits should develop a process to assess the quality of exam reports for complex claims completed by contractors. For example, VBA could periodically conduct special focus reviews of exam reports completed by contractors for complex claims such as traumatic brain injury, military sexual trauma, and Gulf War Illness. (Recommendation 2)

Agency Comments

We requested comments on the contents of this statement, including our recommendations, from VA. VA provided technical comments, which we incorporated as appropriate.

Chair Luria, Ranking Member Nehls, and Members of the Subcommittee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

GAO Contact and Staff Acknowledgments

If you or your staff have any questions about this testimony, please contact Elizabeth Curda, Director, Education, Workforce, and Income Security, at (202) 512-7215 or curdae@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement.

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