**AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO**

**AND**

**THE AFGE NATIONAL VA COUNCIL**

**STATEMENT FOR THE RECORD**

**PENDING BENEFITS LEGISLATION**

**COMMITTEE ON VETERANS’ AFFAIRS**

**UNITED STATES SENATE**

**JUNE 12, 2013**

**Overview**

The American Federation of Government Employees and the AFGE National VA Council (hereinafter “AFGE”), the exclusive representative of employees processing disability claims at the Department of Veterans Affairs (Department) Veterans Benefits Administration (VBA) Regional Offices (ROs) support the Department’s Transformation efforts and appreciate the opportunity to

share our views on Section 101 of S.928, the Claims Processing Improvement Act of 2013, which would establish a working group to improve VBA’s employee work credit and work management systems. AFGE commends Chairman Sanders’ leadership in introducing legislation to create a new work credit system through collaboration between the Department, employee representatives, and veterans service organizations. Creating a more effective, scientifically designed, data based system for measuring the personnel hours and other resources required to accurately decide veterans’ claims the first time will help reduce VBA’s backlog of benefits claims and better serve our nation’s veterans. AFGE urges this Committee to provide ongoing oversight of the work group’s efforts to design and implement this new work credit system.

**Composition of the Working Group**

AFGE commends Chairman Sanders for proposing to increase collaboration among interested parties to fix the current, broken work credit system. AFGE also supports the provision in the bill for Congressional oversight of progress of the working group.

AFGE also supports the requirement in the bill to include frontline employees recommended by a labor organization in the working group. Frontline employees provide a unique perspective on workplace issues and the current work credit system, and will play a valuable role in identifying much needed improvements for a new work credit system. Their input will be especially critical during the current period of Transformation when many new processes are being implemented. It is critical that labor representatives are able to select these employees as well in order to ensure true collaboration with VA management and stakeholders.

AFGE supports requirements in S. 928 for regular oversight and reporting to Congress. The reports outlined in Section 101(e) are thorough and allow for several opportunities for Congressional oversight and adjustment. For example, the bill allows for implementation of changes following the first report after 180 days, which will allow positive changes to the work credit system to take place prior to the final report from the working group.

The mandate in Section 101(c) (3) to create a new resource allocation model will also make long overdue changes in the claims process. Currently, VBA deprives low performing offices of resources, rather than shifting resources to strengthen the capacity of these offices. VBA must change its resource allocation model to support struggling Regional Offices, and AFGE supports Chairman Sanders’ focus on this issue.

AFGE urges the Committee to include in Section 101(b)(2) specific language regarding the number of work group representatives from the Department, labor and veterans’ community to ensure effective collaboration in the work group.

AFGE also requests that work group’s duties be expanded to include consultation with an independent subject matter expert to design and conduct a scientific, data based, time motion study. This study will serve as the foundation of the new data based methodology. Under VBA’s current work credit system, Veteran Service Representatives (VSRs), Rating VSRs (RVSRs), and Decision Review Officers (DROs) complete numerous time consuming steps in the adjudication process for which they receive ***no credit,*** as discussed more fully below. These tasks are both critical to VBA’s ability to process claims and the agency’s customer service for veterans. Despite assertions made by VBA in the past, the agency has never completed a data driven time motion study to analyze the time needed for each of these tasks. Similarly, AFGE recommends incorporating an independent third party expert in the assessment phase of the workgroup in Section 101(c)(1). Finally, in order to ensure that the new work credit system is properly designed, this independent entity must be able to provide ongoing oversight and input, and have regular access to all work group participants.

**Current Work Credit System Problems**

As noted, VBA has never had a formal work credit system in place that is based on actual data reflecting the amount of time required to process specific types and components of claims. The current work credit system does not include an inventory of employees’ daily tasks. The agency has made a few perfunctory efforts to establish a more reliable set of measures over the years. However, AFGE has not seen any work credit study or work credit system based on actual data.

Some of the main problems with the current work credit system include:

* **Lack of consistency**
* **Lack of a solid methodology**
* **Failure to update its “system”**
* **Lack of participation from the front line employees and veterans service officers with direct knowledge of the work process**
* **Lack of work credit for a variety of tasks**

The only study AFGE is aware of is the 2008 IBM Gap Analysis study. IBM’s main work credit recommendation was to provide work credit for developing and rating issues, rather than claims as a whole. When IBM tested these performance measures on 150 RVSRs, they found the employees produced at a higher quality and used far less excluded time while rating cases. However, the study did not break down the time for every piece of rating and development. The study is also outdated now with VBMS’ implementation.

Depriving employees of the proper credit for critical work needed to get claims processed accurately and timely the first time hurts veterans by increasing errors and delays.

**VBA Employee Survey on Current Work Credit System**

AFGE conducted an informal survey of Regional Offices to identify how well the current work credit system measures (or does not measure) the hours and skills required to complete different tasks. Responses from employees working in approximately a dozen different offices indicated widespread inconsistencies in how much work credit is awarded for the same tasks. Perhaps more troubling, employees in every Regional Office and position are required to perform daily tasks for which they are provided zero credit or only partial credit. By denying credit for significant tasks, the current work credit system increases workplace stress, puts pressure on employees to rush through claims, and results in unwarranted negative performance ratings.

More specifically, employees reported that they receive inadequate or zero work credit for the following tasks:

* **Deferred ratings**: Deferred ratings occur on a daily basis in Regional Offices. It is important to spend time on these issues since the veteran should be assisted and informed accurately about additional medical evidence they will need for their claim. However, RVSRs do not receive any credit for cases where there is a deferred rating (for example, cases deferred back to the VSR because additional medical evidence is required). It is typical for a RVSR to have at least one deferred rating every day that requires two hours of work to write up medical opinions, tag pages where additional evidence is needed, and write an opinion for each issue being deferred – without any credit. For example, an RVSR is working on a case where the veteran has claimed ten issues, but only two can be rated. The RVSR must spend significant time on the other eight issues. In this situation, the RVSR will receive credit for only two issues, rather than ten.
* **Multi-issue and complex cases**: VSRs are not given adequate credit for rating a case with significantly more issues or complexity. Employees receive additional credit for completing cases with at least three issues. However, veterans are regularly filing claims cases with dozens of issues. VSRs do not receive any additional credit for developing a case with thirty issues versus a case with three issues. Employees also are denied sufficient credit for processing cases involving complex claims such as military sexual trauma and TBI.
* **VSR work by RVSRs**: RVSRs regularly work on developing cases (VSR work). Sometimes, RVSRs will receive a case to rate that needs additional development. Other times, Regional Offices do not have the proper ratio of VSRs to RVSRs; consequently, there are not enough cases to rate. In both of these instances, RVSRs work on developing cases, yet they receive no credit for this work.
* **Mentoring**: VBA’s more senior claims processors receive no credit for assisting or mentoring newer employees.
* **Productive time lost due to breakdowns in VBMS**: VBMS is in the process of being rolled out nationally. However, the system still has frequent and significant malfunctions, at both the RO and national levels. During VBMS shutdowns or malfunctions, employees receive no adjustment to their work credit requirements for lost production time. This has become a major issue with VBA’s recent enactment of mandatory overtime for employees. For example, employees reported that VBMS shutdown on May 30, 2013 during mandatory overtime hours. Mandatory overtime cannot possibly be productive if employees are consistently dealing with a system that breaks down on a regular basis.
* **Supplemental development:** VSRs can take credit for supplemental development, while RVSRs and DROs cannot. However, VSRs must complete an Advanced Development Course in order to request medical opinions. At one Regional Office, VSRs regularly request medical evidence, despite the course not being offered for several years. This is inconsistent across VBA.
* **Training**: Employees are not given sufficient work credit for time spent during trainings. Often times, training is shifted away from classroom instruction to reading slides or a packet at their desk with less time allotted by managers than required by the curriculum. Employees are consistently not given enough work credit for the time it takes to go through this type of training.

The absence of a valid work credit system exacerbates the well documented problem of VBA managers manipulating backlog data to improve performance measures. The newest Fast letter from Undersecretary Hickey on long pending cases has an admirable goal of processing cases that have been pending for a long period of time. Veterans who fought for this nation deserve to have their claims processed in a timely manner, and waiting over two years for a decision from VBA is unacceptable. However, in practice, this newest quick fix from VBA shifts difficult, time consuming cases to high performing office where employees are denied any additional credit for processing these more challenging cases. If Regional Offices are going to dedicate their efforts to this essential yet difficult task, employees must receive the proper work credit.

**Section 102**

Section 102 of S. 928 establishes a task force on retention and training of VBA employees working as claims processors and adjudicators. AFGE recommends adding a provision to S. 928 Section 102(b) to require the inclusion of employees on this task force, based on the recommendations of their labor representatives.

Proper retention techniques and training of a strong workforce will play an essential role in helping to lower the backlog of veterans’ claims. Input from frontline employees is essential in determining inadequacies with training, inconsistencies across Regional Offices, issues related to career growth, and general morale.

AFGE believes it is essential to have frontline employees provide input into decisions related to retention and training in order to provide a wide and accurate scope of the workplace in VBA. A consistent theme throughout the ROs is that VBA management takes a “one size fits all” approach when creating their training materials. The training is not broken up between specific offices, and longtime employees receive the same training as newer employees. There is also no consideration of areas of performance when determining which type of training to give which employees. In the past, when employees have not been able to provide input, the training program suffers.

Thank you for the opportunity to provide input from AFGE and its National VA Council on this important legislation.