

**Under Secretary for Benefits  
Dr. Paul R. Lawrence  
Stakeholder Engagement Webcast  
October 16, 2018**

**[Brandye welcome]**

- Good afternoon and thank you everyone for joining us today.
- I'm Brandye Terrell, Deputy Chief of Staff at the Veterans Benefits Administration, and it is my pleasure to welcome you to the first-ever VA Benefits Progress and Results Webinar.
- This will be the first in a series of quarterly events to directly connect with:
  - Veterans and your families;
  - American citizens and taxpayers;
  - Congressional members and their staffs;
  - VA and VBA employees;
  - Veterans Service Organizations;
  - Post-9/11 Veterans service groups;
  - State Directors of Veterans Affairs;
  - County Veterans Service Officers;
  - And any other partners or Veteran supporters who may have joined us today.
- We take seriously the commitment we have to the American taxpayers who fund the programs that support our Veterans. We partner with the VSOs and collaborate with Congress, who provides oversight. This call is a chance to bring everybody together to discuss progress, accomplishments, challenges and way forward.
- So, let's get started.

**[Brandye introduces Dr. Lawrence]**

- I'd now like to introduce our Under Secretary for Benefits, Dr. Paul Lawrence.

- Dr. Lawrence came aboard as Under Secretary in May 2018.
- He's an Army Veteran, from an Army family, an Economist by training, and he has 30 years of private sector experience.
- Without further ado, I will turn it over to Dr. Lawrence.

**[Dr. Lawrence Remarks]**

- Thank you Brandye for that introduction.
- Hello everybody and thank you for joining me today.
- Let's jump right in.

## **Slide 2) Agenda**

- Here's our agenda for today. We'll accomplish five things in our time together:
  1. Present VBA results in FY 2018 (from October 1, 2017 through September 30, 2018);
  2. Explain the benefits we deliver to our Veterans;
  3. Describe the engagement we've had with Veterans;
  4. Describe the challenges we dealt with;
  5. And finally, I'll answer a few questions that we received in advance.

### Slide 3) VBA Overview

- VBA is one of three administrations in the VA.
- There's the Veterans Health Administration, which runs the VA hospitals.
- There's the National Cemetery Administration, which maintains the national cemeteries.
- And then there's VBA.
- We provide benefits and services to Veterans for post-service life, you can see our mission statement at the top of the slide.
- We have over **23,500** employees – more than half of whom are Veterans themselves.
- We have **56** regional offices and **39** other special processing and call centers.
- And in FY18 we distributed **\$104 billion** in benefits to Veterans and their families.

**Slide 4) VBA Business Lines**

- We have eight business lines. I'm going to provide highlights for each of these for the past year, except for the **Office of Transition and Economic Development**, because it's new. It's in startup mode and there will be more to follow on that.

### Slide 5) Results: Compensation

- First, **Compensation**, which is a monthly benefit to compensate Veterans who've been disabled in military service.
- Let me call your attention to a couple points on this chart.
- In FY18, we served **4.7 million** Veterans and paid nearly **\$79 billion** in Compensation benefits – more than last year.
- We completed the same number of claims, but as you can see in the average days to complete, they were done faster.
- The issues per claim increased. Let me explain what I mean by issues – if you hurt your back, that's one issue. If you hurt your back and your knee, that's two issues. So claims are getting more complex.
- So the net of our work in Compensation is we completed the same amount of claims, but they are more complex.
- In addition, we did them faster, with slightly higher quality.

## Slide 6) Results: Appeals

- **Appeals** exist for Veterans who disagree with the decision made on their claim(s).
- First, let me draw your attention to the left-side chart.
- VBA's appeals inventory is down **47,000** from last year. This is a tremendous accomplishment by our VBA appeals team, especially given the fact that they're preparing for the implementation of the Appeals Modernization Act next year.
- It is our plan to resolve all the appeals we received before the Appeals Modernization Act, which we call legacy appeals, by the end of 2020.
- So if you'll turn your attention to the right-side charts...
- **Key point 2:** Over **52,000** Veterans have opted into RAMP, which is an early introduction to the new appeals structure. They are waiting an average of **108 days** for a decision. This is a huge improvement for Veterans over the old appeals process, which used to take years.
- The Board of Veterans Appeals decides appeals that are elevated beyond VBA, and we work closely with them. They're happy to report, and I'm happy to share, that they completed **85,000** decisions in FY18 – a historic record and **62 percent** more than last year.

### Slide 7) Results: Pension

- We offer a **Pension** to our low-income wartime Veterans and surviving spouses.
- **Key point:** In FY18, we served **474,000** Veterans, and we completed their claims in fewer days with higher accuracy than last year.
- **Highlight:** We also implemented extensive regulation updates this year to establish limitations and provisions to the program, to maintain integrity for Veterans.
  - VBA is also coordinating with Department of Justice, the Federal Trade Commission, and others to combat “pension poaching” and other scams targeting Veterans.



**Slide 8) Results: Fiduciary**

- We appoint **fiduciaries** for beneficiaries who are unable to manage their VA benefits on their own.
- **Key point:** We had over **176,000** fiduciaries helping our Veterans in FY18.
- We also conducted **94,000** field exams. Field exams matter because we go to the homes of these vulnerable Veterans and check on their well-being.
- **Highlight:** Here again we implemented regulation updates to protect Veterans and make it easier for them to change or remove a fiduciary.

## Slide 9) Results: Insurance

- **Insurance** provides coverage under 10 lines of life insurance protection for Servicemembers, Veterans, and their families. This is especially important if you're service disabled because it can be harder to get coverage.
- **Key point:** In FY18, we provided **\$1.2 trillion** in insurance coverage to nearly **6 million** beneficiaries. If you've ever been in a situation where you've needed to file a claim for life insurance, you know it's a difficult time, to say the least, so we work to get these disbursements processed quickly – in just over **four days** in FY18.
- **Highlight:** And, importantly, in a survey, **74 percent** of Veterans indicated peace of mind with our insurance programs, which is a measure of their trust in us.

## Slide 10) Results: Education

- Our **Education** program provides benefits under the Post-9/11 GI Bill and others, like the Montgomery GI Bill.
- On the left side you'll see that last year, we paid nearly **\$13 billion** to **almost a million** Veterans or their dependents who've used the benefit.
- **Key point:** Timeliness of processing original applications was **twenty-four-and-a-half days** in FY18, but it's been going up of late, and I'll talk about that more later.
- A key highlight is the Forever GI Bill, which makes the Post-9/11 GI Bill a lifetime benefit.
- One key feature is that it restores entitlement to Veterans affected by school closures – I'm happy to report that we helped over **1,300** Veterans last year.
- It's an excellent benefit, but it's not without its implementation challenges for our education beneficiaries – as I said, I'll cover that more in-depth in a few minutes.

### **Slide 11) Results: Vocational Rehabilitation & Employment**

- **Vocational Rehabilitation & Employment (VR&E)** provides special assistance to a subset of Veterans with service-connected disabilities.
- **Key point:** The number of participants is up over FY17, and their positive outcomes are also up. To explain a positive outcome, that can mean things like employment, independent living, or persisting in school.
- Last year, we expanded the program by hiring more counselors to improve service to these Veterans as they transition to the civilian workforce.

### **Slide 12) Results: Home Loan Guaranty**

- The **VA home loan** is backed by VA with typically no money down, no mortgage insurance, and limited closing costs.
- In FY18, we guaranteed over **610,000 loans**, slightly down because the refinances that took place in FY17 aren't happening this year, but we had record purchase volume.
- **Key point:** Most importantly, we work hard to prevent our Veterans from foreclosure and keep them in their homes. We worked with **105,000** Veterans and their families to prevent them from foreclosure this fiscal year. This is a special feature VBA provides to Veterans.

### Slide 13) Engagement with Veterans & Stakeholders

- We're doing regular engagement with our Veterans across the country, with a special focus on certain groups here on the left-hand side – minority Veterans, women Veterans, homeless Veterans, and many others.
- Personally, since I've been in office:
  - I've been to four of our regional offices;
  - I'm meeting with VSOs regularly, to include going to their conferences this summer;
  - And I'm engaging with Veterans directly. I went to the Vietnam Veterans Memorial wall washing with VVA Chapter 641 and planted flowers with The Mission Continues DC 1<sup>st</sup> Service Platoon in August.
- All told, we conducted **6,000** total outreach events for Veterans in FY18, where we interacted with about **1 million\*** Veterans.

*\*amended*

### **Slide 14) FY18 Budget**

- We provide the benefits I just described with a budget of approximately **\$3.9 billion**, consisting of these five categories:
  - Payroll, like any organization, we have to pay our people;
  - Contracts, for the support we get;
  - Rent, communications, and utilities for our buildings;
  - Other things like equipment and supplies;
  - And travel.
- Thank you to Congress and, in effect, the American taxpayer, for the continued support you provide VBA to help Veterans.

### **Slide 15) Challenges: Changes in VBA Leadership**

- Some of the challenges we faced in FY18 include **changes in VBA leadership**
  - Anytime there is a change in leadership, there are challenges by definition.
  - As Brandye pointed out, I started in May, so I've been on the job for five months.
  - In that time, I'm happy to report that I've witnessed a strong, engaged leadership team, equal to or frankly better than elsewhere in government, and I'm confident we'll meet our goals to serve our Veterans as best we can.
  - We're constantly looking at ourselves to streamline processes and reallocate resources so we can serve Veterans better.



## **Slide 16) Challenges: Implementing the GI Bill**

- Next challenge is the Implementation of the GI Bill, as I alluded to a few minutes ago.
  - Part of the challenge of implementing the Forever GI Bill is IT, specifically related to changing the way VA pays monthly housing stipends for GI Bill recipients.
  - On the technology front, our efforts have been slower than planned. That has resulted in processing manually using last year's monthly allowance.
  - To address the issue, we're mobilizing everybody who can process claims to do this – even if they are assigned to other duties – and we're hiring additional employees to address it.
  - We are carefully monitoring how long Veterans are waiting for their payments and prioritizing those who have been waiting the longest.
  - We understand the burden and hardship this places on Veterans.
  - This is our top issue, and we are working it intensely.

### **Slide 17) Challenges: Military Sexual Trauma**

- Processing Military Sexual Trauma, or MST, claims is another challenge.
  - For men and women who have experienced MST, the results can be devastating. We handle MST-related cases with great care, but we know this is an area where we can improve even further.
  - In August 2018, the VA Inspector General issued a report on PTSD as a result of MST, indicating that we could do better on MST claims.
  - We are implementing all their recommendations. We're updating MST training, focusing on quality and accuracy of MST claims, and reviewing previously-decided MST claims from FY17 through FY19, and correcting if necessary.
  - We know this is important, so we're refocusing our efforts to make sure we get this right.

### **Slide 18) Final Reflections on FY18**

- So as we look back on FY18, I have some final reflections.
- When I came to VBA, I set three priorities:
  - The first is to provide Veterans with the benefits they've earned in a manner that honors their service;
  - The second is fiscal stewardship;
  - And third is fostering a culture of collaboration.
- Let me just tell you what I took you through:
  - In Compensation, we're doing more complex claims faster;
  - We're driving down legacy appeals volume as promised and are preparing to implement the modernization act;
  - In Pension, we served more people faster;
  - In Fiduciary, we're serving more people and checking on them regularly;
  - We're sending Insurance payments faster when they're needed;
  - In Education, we're serving almost 1 million trainees and taking on our challenges directly;
  - In VR&E, we're serving more people and hiring more counselors;
  - And in Loan Guaranty, we're serving Veterans who purchase homes and making an extensive effort to help them avoid foreclosure.
  - We think this was a solid year and we're continuing to focus on managing our timeliness and quality.
- On fiscal stewardship, we are working within our budget and managing accordingly.
- In terms of collaboration, we are engaging with Veterans and with VSOs, and we are being transparent – indeed, this call is part of that effort for transparency.

### **Slide 19) Looking Ahead to FY19**

- We're focusing and working on completing implementation of the Forever GI Bill.
- Appeals Modernization sets in motion a new appeals process to begin in February 2019. We're in the final stages of preparation, and I'll have more on this in future webinars.
- But I did appear before the House Veterans Affairs Committee on July 25, 2018 to report on our progress, and at that time I said we are on track and will meet the deadline, and that continues to be true.
- We're continuing our heavy focus on continuous improvement, quality and collaboration to provide outstanding customer service to our Veterans.
- We just got back from a director's conference in September where we identified priority projects to help us better serve our Veterans. I'll will have more on these projects in our 2019 webinars.

## Slide 20) Questions

- In preparation for this event, we invited questions from many of you on the line. From all the questions we received, we identified themes to address in today's webinar. I'll review these question themes with you now.
- The first question is: **How can VBA and VSOs work better together to improve service to Veterans?**
  - This is something we've been thinking about throughout the summer. We conducted a series of interviews with VSOs to get their feedback on this topic.
  - We agreed to work together in three areas to do this:
    1. Communication: we want to improve the communication we do to Veterans. For example, balancing clarity and legalese in our letters to them.
    2. Better access to our systems for VSOs when they're supporting Veterans
    3. Outreach: working with VSOs to engage more with our non-traditional segments of the Veteran population
- Onto question two: **Why does VA oppose Blue Water Navy legislation?**
  - When a Veteran files a claim, our pledge is to work hard to honor it.
  - In the process of evaluating the Veteran's claim, we rely on science and medical opinions.
  - With Blue Water Navy, there is no inconclusive science from the Institute of Medicine to support claims of toxic exposure.
  - Congress sets the standard for the science to be fair and consistent in cases such as this.
  - Once that standard is removed from the equation, it become nearly impossible to adjudicate a claim of this type on the merits.
  - The resulting lower threshold sets the precedent for uncontrolled demands for support, and instead we are left with a situation where they are no limits, and therefore no claims can be denied.

- If the bill currently being considered – HR 299 – becomes law, it is setting the precedent for potential unwieldy policy with consequences for the future of veterans benefits, VA, and in other areas of government.
- Because we are always looking for new information, VA continues to review and monitor the peer-reviewed scientific and medical literature in collaboration with VSOs.
- And third, we saw a lot of you asking specific questions about your claim or appeal, so this slide contains all kinds of ways you can get in touch with us.

**Slide 21)**

- So that concludes our presentation, thank you all again for joining us.
- Before I turn it over to Brandy, let me recap:
  - The purpose of this was to demonstrate what we're doing with your money and your trust.
  - As I tried to describe, every day we're doing tremendous things for Veterans. Like everyone else, we know we can improve, and we're doing that.
  - But from my perspective there are many things going well at VBA, and that's what I want to leave you with today.

**[Brandy]**

- This completes the fiscal year 2018 VA Benefits Progress and Results Webinar.
- A recording of today's presentation will be available at **benefits.va.gov/stakeholder**.
- For VA customer service, you may call: **1-800-827-1000**
- To learn more about VA Benefits, visit: [www.benefits.va.gov](http://www.benefits.va.gov)
- The next webinar will take place on January 15, 2019 at 2 p.m.
- That concludes our call today. Thank you again everyone, we are glad you were all able to join us today and we look forward to next time.