

# Veterans Benefits Administration Progress & Results Webcast

For Fiscal Year 2019 Quarter 1  
October 1, 2018 through December 31, 2018

Under Secretary for Benefits Paul R. Lawrence, Ph.D.  
January 31, 2019



# Today's Agenda

Present VBA **results**  
in FY 2019 Quarter 1  
(October 1 to  
December 31, 2018)

Explain the **benefits** we  
deliver to our Veterans

Describe **engagement**  
with Veterans

Discuss **special topics**

**Appeals Modernization:** Dave McLenachen  
Director, Appeals Management Office

**Forever GI Bill:** Charmain Bogue  
Interim Executive Director, Education Service

Answer **questions** from VSO  
partners

**Disabled American Veterans:** Jim Marszalek  
National Service Director

**Wounded Warrior Project:** René Bardorf  
Senior Vice President of Government and  
Community Relations



# VBA Priorities



*Provide Veterans with the benefits they have earned in a manner that honors their service*



*Ensure we are strong fiscal stewards of the money entrusted to us*

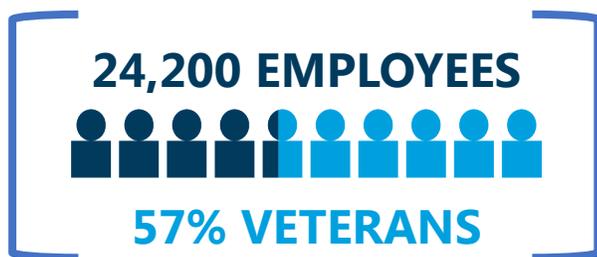


*Foster a culture of collaboration*



# VBA Overview

The mission of the **Veterans Benefits Administration** is to serve as a leading advocate for Servicemembers, Veterans, their families and survivors, delivering benefits and services that honor their service, assist in their readjustment, enhance their lives, and engender their full trust.



# VBA Business Lines



Insurance



Education



Compensation



Appeals



Pension & Fiduciary



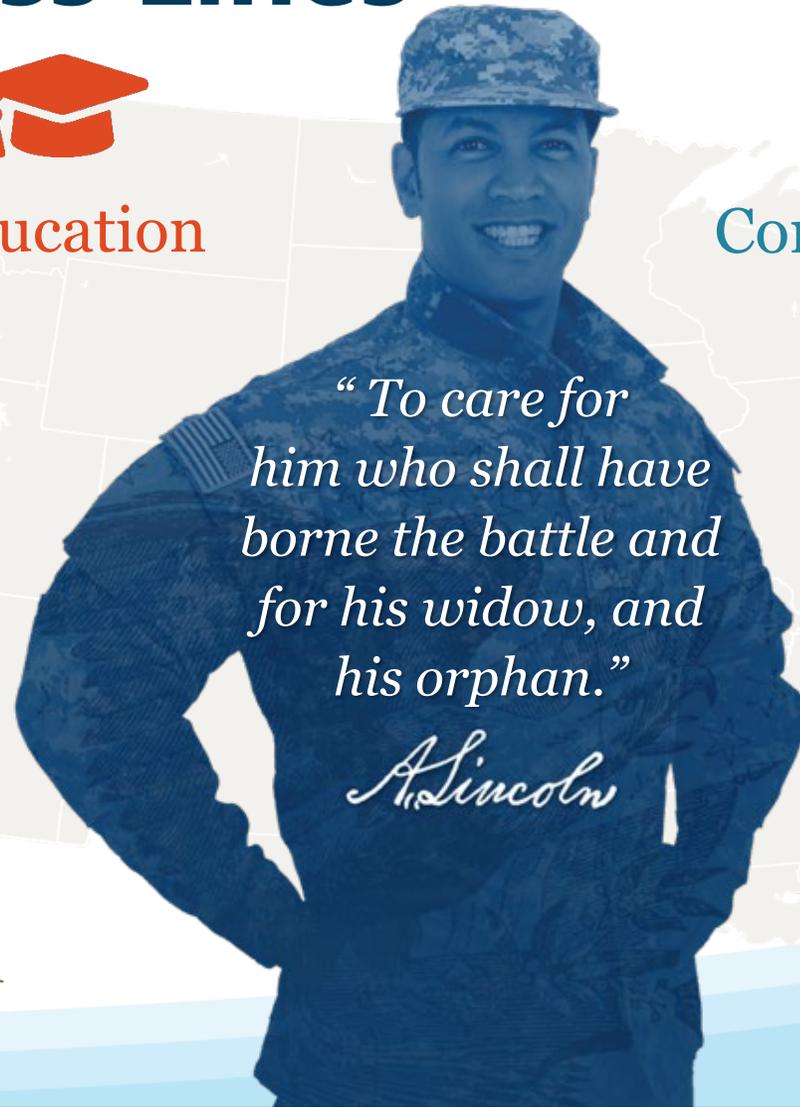
Home Loan Guaranty



Vocational Rehabilitation  
& Employment



Transition & Economic  
Development



*“To care for  
him who shall have  
borne the battle and  
for his widow, and  
his orphan.”*

*A. Lincoln*



Choose **VA**



# FY19 Q1 Results: Compensation

**Disability Compensation** is a monthly, tax-free benefit to eligible Veterans in recognition of the effects of disabilities, diseases, or injuries **incurred** or **aggravated** during active military service.

## COMPENSATION PROGRAM FY19 Q1 RESULTS

	FY19 Q1	Target
Veterans Served	4.8M	-
Dollars Paid	\$21.1B	-
Claims Completed	315.8K	324.2K
Average Days to Complete	104.5 Days	125 Days
Issues Per Claim	5.2	-
Issues Completed	1.6M	-
Issue Quality	95.2%	96.0%

## Program Highlights

- **Military Sexual Trauma (MST):**  
To ensure these high priority and complex claims continue to receive special emphasis, VBA has designated specific groups of claims processors at each regional office to handle MST claims
- **Amyotrophic Lateral Sclerosis (ALS):**  
Also designated specific groups of claims processors to handle ALS claims, and meeting with VSOs to discuss ways we can take a more proactive approach in the way we serve this specialized group of Veterans



# FY19 Results: Appeals

The **Appeals** process is in place for Veterans who disagree with decision(s) on their claim(s). VBA began the **Rapid Appeals Modernization Program (RAMP)** in November 2017. RAMP allows eligible Veterans with pending compensation appeals the option to have their decisions reviewed in the new Higher-Level Review or Supplemental Claim lanes under the **Appeals Modernization Act of 2017**, prior to the law's effective date.

RAMP RESULTS		Total	APPEALS FY19 Q1 RESULTS	
Opt-Ins		66K	FY19 Q1 Actual	FY19 Q1 Projected Inventory
Opt-In Rate		17.6%	VBA Appeals Inventory	267.22K / 266.97K
Average Days to Complete		124.2		
Awards		\$155.6M		
Completed Claims		37.5K		

Below 125-day target

# FY19 Q1 Results: Pension

**Veterans Pension** is a tax-free, needs-based benefits to wartime Veterans who are permanently and totally disabled or age 65 or older. **Survivors Pension** is a tax-free monetary benefit payable to qualifying spouses and children of a deceased Veteran with wartime service.

PENSION PROGRAM FY19 Q1 RESULTS	FY19 Q1	Target
Beneficiaries Served	447K	-
Dollars Paid	\$1.3B	-
Claims Completed	22.8K	30.9K
Average Days to Complete	88.5 days	-
Quality	94%	93.5%

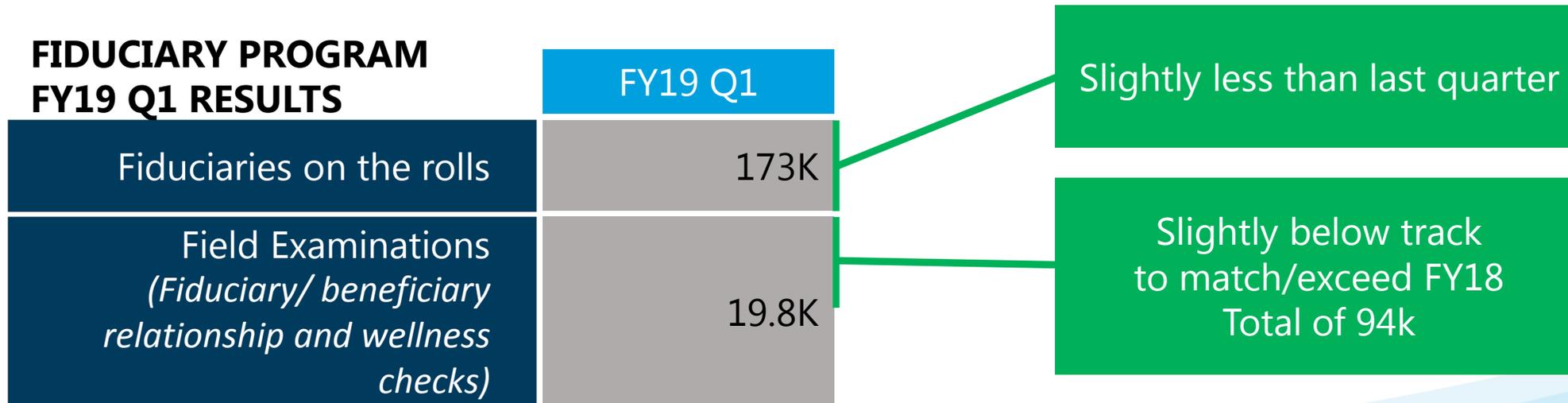
## Program Highlights

- Pension team is working hard on claims processing
- Pension claims are entering National Work Queue – worked for disability compensation – same approach



# FY19 Q1 Results: Fiduciary

The **Fiduciary Program** appoints fiduciaries for beneficiaries who are unable to manage their benefits as a result of injury, disease, or age.



# FY19 Q1 Results: Insurance

The **Insurance Program** is the **14<sup>th</sup>** largest Insurance program in the U.S., providing coverage under 10 lines of life insurance protection for Servicemembers, Veterans, and their families.

## Program Highlights

- In Q1, VBA successfully located and paid **373** difficult-to-find beneficiaries, totaling around **\$1.5M** in death claim benefits

Current timeliness is down from 4.1 days in FY18 and below target

INSURANCE PROGRAM FY19 Q1 RESULTS	FY19 Q1	Target
Coverage Amount	\$1.2T	-
Total Lives Insured	5.9M	-
Timeliness of Disbursements	3.2 Days	4.0 Days
Accuracy	98.9%	99%



Check out [VA's Quality Life Insurance Video](#)

# FY19 Q1 Results: Education

The **Education Program** advances the education and skills of Veterans, Servicemembers, family members, and survivors through a number of different programs, including the Post-9/11 GI Bill.

## POST-9/11 GI BILL FY19 Q1 RESULTS

	FY19 Q1			Target
	Oct	Nov	Dec	
Trainees	480,000			-
Dollars Paid	\$3.1B			-
Timeliness of Processing Original Applications	32.6 Days	23.8 Days	23.2 Days	28 Days
Accuracy	96%			98%

For issues or concerns, call **1-888-GI-BILL1**

## Harry W. Colmery Educational Assistance Act (Forever GI Bill)

- Restored **970** months of GI Bill entitlement to Veterans affected by school closures in Q1
  - Notified **1,645** students of eligibility for restoration of benefits following three new school closures in this quarter
  - If you feel you qualify for entitlement restoration please complete the [Entitlement Restoration form](#)
- Implementation reset – more to follow



# FY19 Q1 Results: Vocational Rehabilitation and Employment (VR&E)

The **VR&E Program** helps Servicemembers and Veterans with service-connected disabilities and an employment handicap prepare for, find, and keep suitable careers with added benefits of counseling and case management.

VR&E employs over **1,000** professional vocational rehabilitation counselors and delivers services through a network of over **350** office locations, including **93** VetSuccess on Campus (VSOC) schools/sites.

VR&E PROGRAM FY19 Q1 RESULTS	FY19 Q1	FY Target
Positive Outcomes <i>(Employment, independent living, persisting in school)</i>	3,878	16,000
Total Counselors Hired	128	169

## Program Highlights

- Rolled out **Tele-counseling** nationwide – great for rural Veterans or those whose jobs make it difficult to schedule in-person appointments

On track!



# FY19 Q1 Results: Home Loan Guaranty

**Home Loan Guaranty** helps Servicemembers, Veterans, and their families obtain, retain, and adapt a home or refinance an existing home loan, with typically no down payment and no mortgage insurance, limited closing costs, no pre-payment penalty, and foreclosure assistance. VA also offers Specially Adapted Housing (SAH) grants for Veterans with certain service-connected disabilities.

HOME LOAN GUARANTY PROGRAM FY19 Q1	FY19 Q1
Number of Loans	130.69K
Total Loan Amount	\$34.54B
Veterans We Worked With to Avoid Foreclosure	23.7K
Certificates of Eligibility Issued within 5 Days	99.64%

## Program Highlights

- On Oct. 1, 2018, began executing **Specially Adapted Housing construction projects** for Veterans in the Vocational Rehabilitation and Employment program
- On Dec. 17, 2018, published an **interim final rule to protect Veterans seeking cash-out refinance loans**
- Currently over **3.17M** VA home loans on the books



# Office of Transition and Economic Development



- **Mission:** To support Veteran transition from military service to civilian life and assist them in finding post-service careers
- **First Major Event:** San Juan, Puerto Rico Economic Development Roundtable in November 2018
  - VBA convened partners from across the federal government, local Puerto Rican officials, private and non-profit organizations, VSOs and community leaders to support Veterans and Servicemembers in Puerto Rico through:
    - Benefits and Claims Clinic
    - Economic Development Roundtable
    - Partnership Service Project with Team Rubicon, Wounded Warrior Project, and The Mission Continues
    - Hiring our Heroes Job Fair
    - Transition Assistance Program Benefits Briefing for remotely-located Coastguardsmen at Sector San Juan

# FY19 Q1 Results: Transition and Economic Development

## FY19 Q1 Program Highlights

- Puerto Rico Economic Development Roundtable
  - **900** Veterans served during a benefits and claims clinic
  - **\$262,000** in retroactive benefits awarded on the spot
  - Hiring **71** full-time VBA employees from a Hiring our Heroes event to answer Veterans' phone calls and process claims and appeals
  - Team Rubicon, Wounded Warrior Project, and The Mission Continues invested **\$10,000** using **60** volunteers to repair 5 damaged Veteran homes



# FY19 Q1 Engagement with Veterans & Stakeholders

## Under Secretary Engagement

- GI Bill Roundtable with Texas A&M students
- VFW Posts in Tulsa, OK and Austin, TX
- Washed the Disabled American Veterans for Life Memorial with DAV
- Cleveland, Seattle, Muskogee and Atlanta Regional Office employees & leadership teams
- Facebook Live Events
  - Veterans Day
  - Pearl Harbor Day
  - Wreaths Across America

## Outreach Accomplishments

- VBA has completed over **1,000** outreach events in Q1, including multiple Veterans Day events nationwide
- VBA Overseas Military Service Coordinators had over **4,500** interactions with Servicemembers and Veterans in Europe and Japan in Q1 – personal, tailored service
- We heard you – we're working with the Federal Communications Commission (FCC) to **combat robo-callers** who claim to support America's Veterans or be representatives of VA

- Secretary Wilkie visited the following VA Regional Benefits Offices in Q1:

New Orleans, LA  
Muskogee, OK

Los Angeles, CA  
Honolulu, HI



# FY19 Q1 Budget

	2019 Dollars (in millions)	1 <sup>st</sup> Quarter Actuals (in millions)	% Actuals Obligated in Q1
Payroll	\$2500	\$620	25%
Contracts	\$1700	\$429	25%
Rent, Comm, Utilities	\$177	\$31	18%
All Other	\$36	\$3	8%
Travel	\$33	\$10	30%
<b>Total</b>	<b>\$4446 or \$4.446B</b>	<b>\$1093 or \$1.093B</b>	<b>25%</b>

## Funding Highlights

- VBA has a full year appropriation and, therefore, is not impacted by the shutdown

# Oversight

## FY 19 Q1 Congressional Hearings

**November 14**

[VA's Oversight of Contract Disability Examinations](#)

**November 15**

[A Continued Review of GI Bill Payment Delays](#)

**November 29**

[Development and Implementation of Policy Initiatives  
\(OIG Reports\)](#)

**December 12**

[Is VA Ready for Full Implementation of Appeals Reform](#)

## Government Accountability Office

Working to successfully address and resolve the systemic issues that underlie disability claims processing's presence on the [GAO High-Risk List](#)



United States Government Accountability Office  
Report to Congressional Committees

February 2017

## HIGH-RISK SERIES

Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others



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U.S. Department  
of Veterans Affairs

# Special Topics



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of Veterans Affairs

# Dave McLenachen

## Director, Appeals Management Office

- Dave has led VBA's appeals modernization effort since the beginning, and stood up the Appeals Management Office in 2016 as part of VBA's commitment to appeals reform
- 26 years of Government service
- Prior positions:
  - Deputy Under Secretary for Disability Assistance
  - Director, Pension and Fiduciary Service
  - Deputy Assistant General Counsel in VA's Office of the General Counsel
- Army Veteran, holds a J.D.



# Appeals Modernization Act Implementation

## January 2019

- VA published its regulations to implement the law on January 18, 2019, and the Secretary of Veterans Affairs has certified that VA has everything it needs to begin operating the new decision review process
- VBA's 2019 budget includes funding for 605 additional appeals employees, which VBA used to establish two new Decision Review Operations Centers (DROC) at the St. Petersburg, Florida, and Seattle, Washington Regional Offices
- The DROC hiring is complete and the new employees are undergoing training

## February 2019

- February 19, 2019, "Go Live" date for the new process, VBA's average processing time goal is 125 days in its Supplemental Claim and Higher Level Review lanes
- VBA will have 2,100 employees working legacy appeals and operating the new process

To learn more, visit:

<https://benefits.va.gov/benefits/appeals.asp>



# Charmain Bogue

## Interim Executive Director, Education Service

- As interim Executive Director of VBA's Education Service, oversees the execution of all education benefit programs used by nearly two million Veterans, Service members, and dependents
- 12 years with VA, 5 years in Education Service
- Holds a bachelor's degree in Psychology and a Master of Science in Rehabilitation Counseling – began VA career as a Vocational Rehabilitation Counselor
- Spouse of a Veteran who used the GI Bill



# Forever GI Bill Implementation

- As part of our commitment to our Forever GI Bill beneficiaries, we instituted an **implementation reset** for Monthly Housing Allowance (MHA) rates & payments (Sections 107 & 501) on November 28, 2018
- **New deadline for implementation:** December 2019
- **Retroactive payments** will be made back to the law's effective date of August 1, 2018
- Beneficiaries who were underpaid from the Fall 2018 term will be paid for the difference owed by the end of this month (January 2019)
- Processing Spring 2019 enrollments on time

Every Post-9/11 GI Bill beneficiary will be made 100 percent whole – retroactively if need be – for their housing benefits for this academic year based on Forever GI Bill rates

For issues or concerns, call **1-888-GI-BILL1**

# Q&A

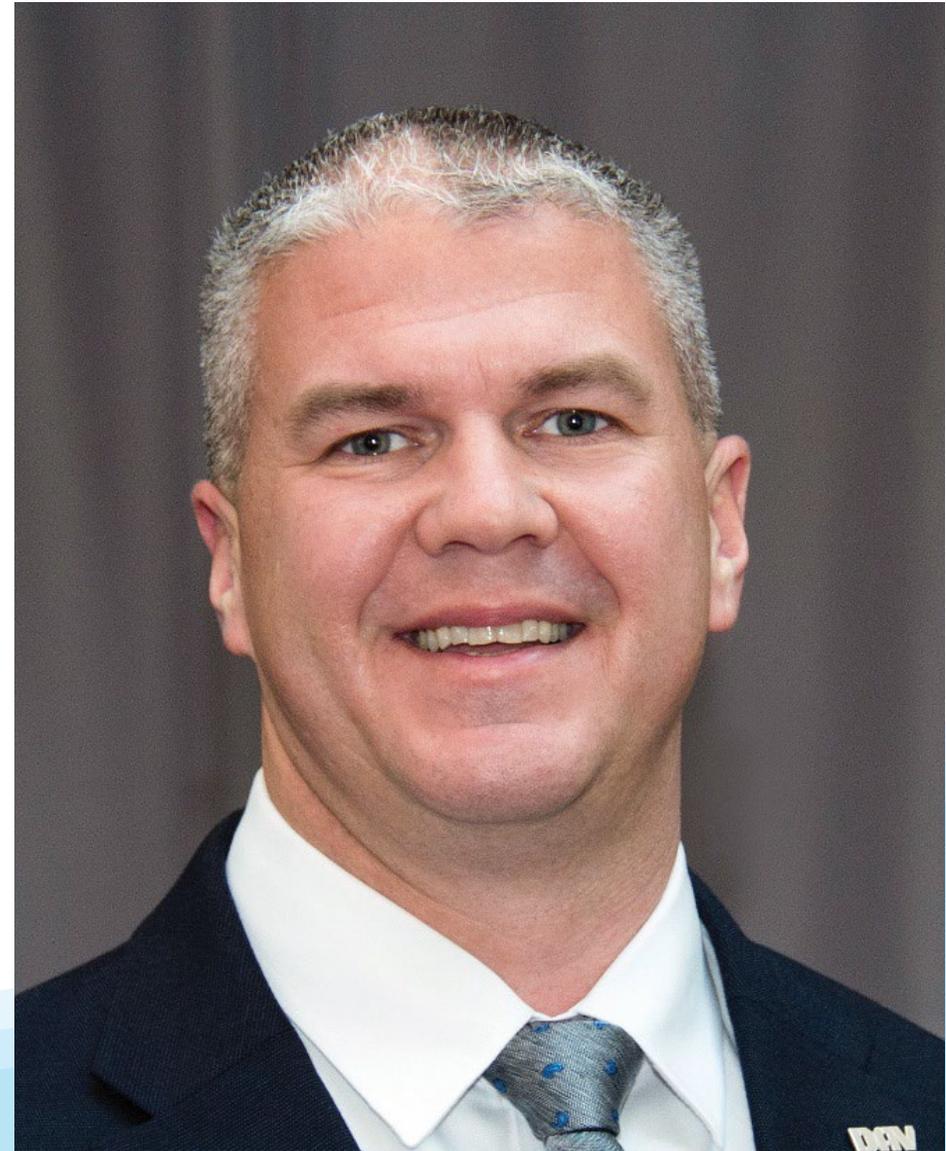
For the Q&A portion, we invited questions from **Disabled American Veterans** and the **Wounded Warrior Project**



# Q&A

**Jim Marszalek**  
**National Service Director**  
**Disabled American Veterans**

Question:  
Predatory Loans



# Questions from VSO Partners: Disabled American Veterans

“There has been a lot of news coverage lately about predatory refinance loans to Veterans. What is VA doing to protect Veterans from these predatory practices?”

**Background:** Cash-out refinancing can offer many benefits to Veterans, but the program previously had no parameters, causing some problems with predatory lending practices. VA published an interim final rule in December 2018 to offer more protections for Veterans.

**Definition:** A cash-out refinance loan allows a homeowner to withdraw equity from their home to take care of concerns like paying off debt, funding school, or making home improvements.

**For example,** a Veteran’s home may have appreciated in value from \$100,000 to \$150,000 since she first purchased the home last year. Using a cash-out loan, the Veteran could refinance her original mortgage of \$100,000 for up to \$150,000 and use the equity to remodel the kitchen.

## The rule requires:

- Veterans wait at least 210 days before refinancing an existing VA loan
- The loan has at least one net tangible benefit (i.e., financial benefit) to the Veteran
- Lenders disclose information to the Veteran outlining the overall cost of cashing in home equity

VA wants Veterans to have as much financial flexibility as possible while also being protected

For questions about VA home loans, call  
**1-877-827-3702**



# Q&A

**René Bardorf**  
**Senior Vice President of Government**  
**and Community Relations**  
**Wounded Warrior Project**

Question:  
Improved Communications



# Questions from VSO Partners: Wounded Warrior Project

“Since you have assumed office, what steps have you taken to improve communication to Veterans and Veterans Service Organizations?”

We have a **regular meeting cadence with the VSO community**. In Q1, we held **8** formal meetings and numerous other engagements to provide information and gain feedback from our VSO partners.

We’re also bringing VSOs in early on the development of new projects and initiatives, including the new **Office of Transition and Economic Development** and the **Letters 2 Veterans** project.

## **Letters 2 Veterans:**

- Launched to make VA letters easier to understand, with input gathered directly from Veterans and VSOs
- **So far**, we’ve completed a new **VR&E letter** to inform Veterans of services available if they are no longer suitably employed
- **Presently**, we’re working to revamp the **Drill Pay Notification letter** to improve the clarity of debt and overpayment communications

# FY19 Q1 Summary

- **Production** on target – and of high quality
- Rolled out the new **Office of Transition and Economic Development** to support our transitioning Servicemembers and held kickoff event in Puerto Rico
- **Budget** on target
- Addressing implementation for **Forever GI Bill sections 107 and 501** (related to monthly housing allowance)
- Accomplished: **Appeals Modernization Act** implementation – on time

THANK YOU FOR YOUR CONTINUED SUPPORT!

# Connect with us!

This webcast and materials will be posted at:  
**[benefits.va.gov/stakeholder](https://benefits.va.gov/stakeholder)**

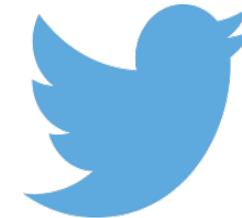
For VA customer service, call:  
**1-800-827-1000**

To learn more about VA Benefits, visit:  
**[www.benefits.va.gov](https://www.benefits.va.gov)**

For more specific questions, access:  
**[Inquiry Routing & Information System \(IRIS\)](#)**



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