Managing VBA Performance & Results: Q2

Under Secretary for Benefits Paul R. Lawrence, Ph.D.

Fiscal Year 2019, Quarter 2: January 1, 2019 through March 31, 2019

April 25, 2019

Today's Agenda

Present VBA **results** in FY 2019 Quarter 2

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

Describe **engagement** with Veterans

Discuss special topics

Appeals Modernization
Dave McLenachen, Director, Appeals Management Office

Tele-Counseling and Modernization
Will Streitberger, Director, Vocational Rehabilitation & Employment Service

Answer **questions** from VSO partners

Veterans of Foreign Wars
Ryan Gallucci, Deputy Director

Vietnam Veterans of America
Rick Weidman, Executive Director

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 Service members, 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.

I CARE
DEPARTMENT OF VETERANS AFFAIRS

24,143 EMPLOYEES

57% VETERANS

56
REGIONAL OFFICES

39
OTHER SPECIAL PROCESSING AND CALL CENTERS

$29B
IN BENEFITS DISTRIBUTED IN FY19 Q2

540 **INTAKE SITES, OUT-BASED FACILITIES, VETSUCCESS ON CAMPUS SITES, AND VR&E OFFICES**

VBA Business Lines

Education

Compensation

Insurance

Appeals

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

A. Lincoln

Pension & Fiduciary

Home Loan Guaranty

Vocational Rehabilitation & Employment

Transition & Economic Development

FY19 Q2 Results: Compensation

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

COMPENSATION RESULTS	FY19 Q2	Target
Veterans Served	4.8M	-
Dollars Paid	$21.7B	-
Claims Completed	263.7K	326.5K
Average Days to Complete	127.8	125
Issues Per Claim	5.5	-
Issues Completed	1.4M	-
Issue Quality	95.4%	96.0%

Program Highlight

- Effective April 1, 2019, VBA began providing priority disability claims processing for initial claims from discharged combat Veterans awarded the Purple Heart Medal.

Unexpected technology issues and Appeals Modernization impacted claims.

Focused on completing oldest claims in the inventory.

FY19 Q2 Results: Appeals

The **modernized decision review** process is in place for Veterans and other claimants who disagree with VA's decision on their claim. This applies to decisions made on or after February 19, 2019. Claimants have a choice of three review lanes (**Supplemental Claim**, **Higher-Level Review**, or **Appeal to the Board of Veterans' Appeals**).

APPEALS RESULTS	FY19 Q2 Actual	FY19 Q2 Projected Inventory
VBA Legacy Appeals Inventory	267K	264K

VBA remains committed to **eliminating all non-remand legacy appeals** in FY 2020.

Program Highlight

- In February 2019, VBA stopped accepting **RAMP** election forms; however, Veterans in the legacy process may still opt into the modernized process at certain decision points.

Actual appeals inventory was higher than projected due to a technical glitch in mail processing.

FY19 Q2 Results: Veterans Pension

Veterans Pension is a tax-free, needs-based benefit to wartime Veterans who are permanently and totally disabled or age 65 or older.

VETERANS PENSION RESULTS	FY19 Q2	Target
Beneficiaries Served	251K	-
Dollars Paid	$806M	-
Claims Completed	15K	17.8K
Average Days to Complete	115.1	125

Identifying opportunities to streamline processes to meet the target.

10 days better than target.

FY19 Q2 Results: Survivors Benefits

Survivors Pension is a tax-free monetary benefit payable to qualifying spouses and children of a deceased Veteran with wartime service. **Dependency and Indemnity Compensation (DIC)** is paid to eligible survivors of Service members and Veterans whose death was related to their service.

SURVIVOR BENEFITS RESULTS	FY19 Q2	Target
Beneficiaries Served	615K	-
Dollars Paid	$2.2B	-
Claims Completed	15.3K	23.1K
Average Days to Complete	126.7	125

Identifying opportunities to streamline processes to meet the target.

FY19 Q2 Results: Fiduciary

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

FIDUCIARY RESULTS	FY19 Q2	Target	
Number of Beneficiaries in the Fiduciary Program	190.1K	-	Reflects a change in total beneficiaries in the Fiduciary Program from fiduciaries on the rolls.
Field Examinations *(Fiduciary/beneficiary relationship and wellness checks)*	24K	23.6K	Exceeded the target.

FY19 Q2 Results: Insurance

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

INSURANCE RESULTS	FY19 Q2	Target
Coverage Amount	$1.2T	-
Total Lives Insured	5.9M	-
Timeliness of Disbursements	3.7 days	4.0 days
Accuracy of Disbursements	99.1%	99.0%
Found Beneficiaries	378	300
Benefits Paid to Found Beneficiaries	$1.7M	-

Better than target!

Program Highlight

- Surveys of insurance beneficiaries indicated a 94% rate of customer satisfaction for the second quarter.

FY19 Q2 Results: Education

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

POST-9/11 GI BILL RESULTS	FY19 Q2	Target
Students	488,000	-
Dollars Paid	$3.0B	-
Timeliness of Processing Original Applications	21.8 days	28 days
Accuracy	97.86%	98%

Program Highlight

- Restored **929** months of GI Bill entitlement to Veterans affected by school closures in Q2.
  - Notified **2,173** students of eligibility for restoration of benefits following three new school closures in this quarter.

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

FY19 Q2 Results: Vocational Rehabilitation and Employment (VR&E)

The **VR&E Program** assists Service members and Veterans with service-connected disabilities and an employment handicap prepare for, find, and maintain suitable careers, or maintain a life of independence. VR&E employs over **1,000** professional vocational rehabilitation counselors and delivers services through a network of over **350** office locations, including **104** VetSuccess on Campus (VSOC) schools/sites.

VR&E PROGRAM RESULTS	FY19 Q2	Target
Positive Outcomes *(Employment, Independent Living, Persisting in School)*	4,046	3,886
Total Counselors Hired	160	169

Still on track!

Program Highlights

- **Tele-counseling:**
  - An option for Veterans to virtually connect with a VR&E counselor.
  - Appointments with beneficiaries average over 1,000 per month.

FY19 Q2 Results: Home Loan Guaranty

Home Loan Guaranty helps Service members, 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 grants for Veterans with certain service-connected disabilities.

HOME LOAN GUARANTY RESULTS

Home Loans	**119,049** *Number of Loans*	**$31.9B** *Total Loan Amount*
Foreclosures	**31,432** *Foreclosure Avoidance*	**146,385** *Veteran Contacts*
Certificates of Eligibility Issued with VA staff Intervention	**99.5%** *within 5 Days*	**47.2%** *within 1 Day*
Specially Adapted Housing Grants	**560** *Approved*	**$28.7M** *Approved Funds*

Program Highlight

- Specially adapted housing **assistive technology** grants totaling $799,753 were awarded in the second quarter.
  - Grants include artificial intelligence, a disability-adapted bathroom module, and voice commands to interface with a home environment.

Transition and Economic Development

Transition and Economic Development provides Service members and Veterans with opportunities for economic advancement from military service through civilian life by connecting them to VA benefits, economic information, partners, services, and tools they need.

TRANSITION ASSISTANCE RESULTS	FY19 Q1	Target
VA TAP Touches	37,493	-
Customer Satisfaction	96.3%	95%

VA TAP Touches are individual interactions with transitioning Service members, Veterans, spouses, and caregivers through TAP briefings.

Q1 results align with Department of Defense's customer satisfaction reporting cycle.

Program Highlights

- Release and distributed Military to Civilian Transition publication in January, **benefits.va.gov/tap#mct**
- Next Economic Investment Initiative/Roundtable set for Puget Sound in early August 2019.

For information about TAP, visit **benefits.va.gov/tap**

FY19 Q2 Engagement with Veterans & Stakeholders

Under Secretary Engagement

- January 26th- VA Medical Center Winterhaven Homeless Stand Down in Washington D.C.
- February 16th – DAV Chapter 10 in Fairfax, VA.
- February 19th - DROC Opening Ceremony in Washington D.C.
- February 25th -American Legion's Veterans Affairs and Rehabilitation Meeting in Washington D.C.
- February 26th - NASDVA Mid-Winter Conference in Washington D.C.
- February 28th- Point in Time (PIT) Count in Tampa, FL.
- March 19th - American Legion Post 273, Madeira Beach, FL.
- March 20th-Disabled American Veterans Supervisory Conference in Tampa, FL.

Outreach Accomplishments

- VBA completed nearly 2,000 outreach events in Q2.
- VBA Overseas Military Service Coordinators had over 5,000 interactions with Service members and Veterans in Europe and Japan in Q2.

Financial Well-Being

- VBA remained open during the 35-day government shutdown from December 22, 2018 to January 25, 2019.
  - VA suspended debt collection activity for furloughed Veteran government employees and contractors.
  - VA loan servicers waived late fees and suspended negative credit-bureau reporting.

Read VBA's blog about its efforts and for a list of financial resources: https://www.blogs.va.gov/VAntage/55619/55619/

FY19 Q2 Budget (Cumulative)

	2019 Dollars (in millions)	2nd Quarter Actuals (in millions)	% Actuals Obligated
Payroll	$2,467	$1,212	49%
Contracts	$1,688	$982	58%
Rent, Comm., Utilities	$177	$76	43%
All Other	$43	$12	28%
Travel	$28	$11	39%
Total	**$4,403** or **$4.4B**	**$2,293** or **$2.3B**	**52%**

Budget is on plan.

Oversight

FY 19 Q2 Congressional Hearings

February 26

VA General Oversight Hearing

March 26

Fiscal Year 2020 Budget for Veterans' Programs and Fiscal Year 2021 Advance Appropriations Request

March 27

Veterans Affairs FY 2020 Budget Hearing

Government Accountability Office (GAO)

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

VBA continues to meet monthly with GAO to progress on high-risk areas.

U.S. General Accountability Office headquarters in D.C. with Gene L. Dodaro, the eighth Comptroller General of the United States and head of GAO.

Special Topics

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.

First 50 Days of Appeals Modernization Act

Progress

- AMA work distributed as intended through National Work Queue.
- DROCs are working Higher-Level Reviews (HLRs) as claims are established.
- Total established AMA claims: **5,632.**
- Average Days to Complete HLRs: **27.8.**
- Average Days to Complete Supplemental Claims by Veterans Service Centers: **24.7.**

Data as of April 9, 2019.

Challenges

- Change management challenges around new process changes.
- Higher-level review filings lower than expected (21% of established claims).
  - All remaining RAMP workload being assigned to DROCs.

New Decision Review Operations Centers Celebrate the Launch

Will Streitberger

Director, Vocational Rehabilitation & Employment Service

- Will has led the service since 2018. He is responsible for overseeing the delivery of services to Veterans with service-connected disabilities and Service members who are in the process of transitioning from the military to prepare for, find, and maintain suitable careers, or obtain independence in daily living.
- 25 years of Federal Service, Navy Veteran.
- Previous Positions:
  - Director, Portland and Anchorage Regional Offices
  - Director, Hartford Regional Office
  - Deputy Director, Office of Field Operations, Operations Center

Vocational Rehabilitation & Employment Service

- Comprehensive multi-year **modernization** effort:
  - **Modernize antiquated legacy systems** (Case Management System/e-Folders/e-Invoicing).
    - *Increases access to Veteran case files and moves VR&E toward a paperless work environment.*
  - **Streamline processes** (Centralized Mail/Active Folder Scan).
    - *Streamlines the receipt, processing, and filing of mail.*
  - **Increase the responsiveness** of the Veteran experience (Virtual Assistant).
    - *Enables communication with Veterans through text message or e-mail.*
- **Tele-counseling** provides an option for Veterans to connect with their VR&E counselors from virtually anywhere:
  - Veterans can use from any mobile or web-based device (desktop, smartphone or tablet).
  - Uses encryption to ensure a secure and private session.
  - Appointments are more convenient, reduces the travel time for Veterans, especially in rural areas.

Q&A

For the Q&A portion, we invited questions from
Veterans of Foreign Wars and **Vietnam Veterans of America.**

Q&A

Ryan Gallucci
Deputy Director
Veterans of Foreign Wars

Question:
Transition Assistance

Questions from VSO Partners: Veterans of Foreign Wars

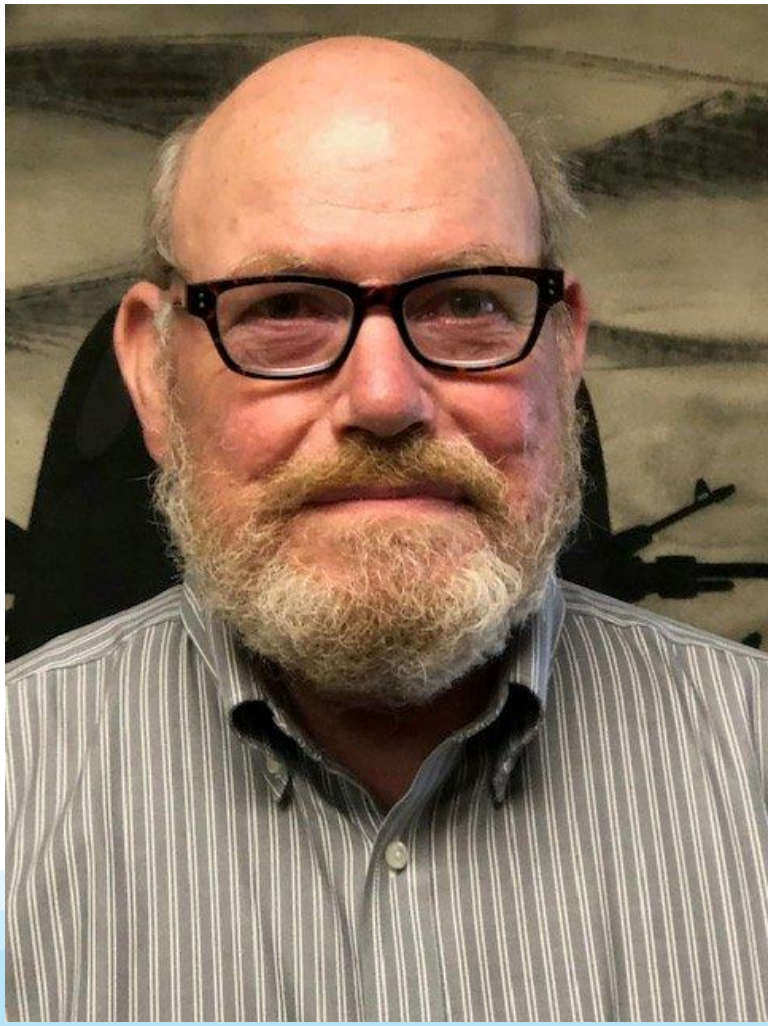
We hear from many transitioning Service members that while the TAP program is fantastic and provides really good information, it is so much information in such a short period of time that it's hard to absorb it all. What steps is VA taking to improve overall knowledge of VA benefits and services for transitioning Service members?

- **Condensed classes** are available to Service members throughout their military career, as opposed to only offering this information during their transition from service.
- Classes are available within each of the military services, and provide an early opportunity to learn about VA benefits while helping Service members align their military career with post-military goals.
- Currently, **seven classes** on topics that include education benefits, home loan guaranty, community integration resources, and Vet Centers are available.
- By the Summer of 2020, a total of **twelve classes** will be available to Service members throughout their military career.

Q&A

Rick Weidman
Executive Director for Policy & Government Affairs
Vietnam Veterans of America

Question:
Blue Water Navy



Questions from VSO Partners: Vietnam Veterans of America

"What can you tell us about Blue Water Navy, and when will VA start processing Blue Water Navy claims?"

- The U.S. Court of Appeals for the Federal Circuit (*Procopio v. Wilkie*) recently ruled that the clear intent of Congress was that the definition of the Republic of Vietnam extends 12 nautical miles from shore.
- If this ruling stands, Blue Water Navy Veterans who served within the 12 miles of shore are presumed to have been exposed to Agent Orange and therefore entitled to a presumption of service connection for certain diseases.
- We are currently:
  - **Analyzing** policies and developing procedures.
  - **Identifying** affected populations and their eligibility to benefits and healthcare.
  - **Developing** a robust outreach and communications plan.
- Much is still in progress. We will keep you informed of updates.

FY19 Q2 Summary: Solid Performance

- **Performance** of business lines – generally positive, some challenges, and we have a plan to improve.
- **Budget** on target.
- **Appeals modernization**: Successfully implemented.
- **VR&E is dedicated to modernization** and continually improving customer service.

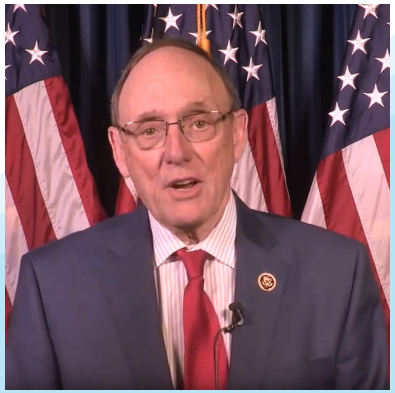
THANK YOU FOR YOUR CONTINUED SUPPORT!

Celebrating the 75th Anniversary of the GI Bill: Share Your GI Bill Story!

Tell us how the GI Bill helped you get an education, buy a home, or impacted your life. Record a video and send it to us! We'll be featuring stories through June 22, 2019 as VA celebrates this important milestone.

Post your video at benefits.va.gov/gibill75

VA Celebrates 75 GI Bill® ANNIVERSARY



Connect with us!

This webcast and materials will be posted at:
benefits.va.gov/stakeholder

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

To learn more about VA Benefits, visit:
benefits.va.gov

For more specific questions, access:
Inquiry Routing & Information System (IRIS)

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