

7/30/2020

**Under Secretary for Benefits:
Dr. Paul R. Lawrence
Managing VBA Performance & Results: Q3 FY20
July 30, 2020**

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[Show RAY TELLEZ]

- Hello, everyone.
- I'm Ray Tellez of VBA.
- Welcome to the Managing VBA Performance and Results webcast for Quarter 3 of fiscal year 2020.
- I'm pleased to introduce Dr. Paul Lawrence, our Undersecretary for Benefits.

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- Thank you Ray.
- My objective for today is to report on VBA's performance for the 3rd quarter of FY20.

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- I'll begin by giving you an overview of VBA.
- I'll describe how COVID-19 impacted our work and how we performed in spite of that.
- I'll detail the performance of each of our business lines and explain what this means for Veterans.
- Finally, I'll highlight some of our key accomplishments, including:
 - How we remain accountable,
 - Our efforts to engage with Veterans in new ways, and
 - Our Veterans Benefits Banking Program.

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- 2 VBA senior leaders will join us today to talk about important topics.

7/30/2020

- Dave McLenachen will provide an update on Compensation & Pension exams.
- And Charmain Bogue will report on the Colmery Act true-up and other important information for student Veterans.

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- Before we begin, let me remind you about VBA.

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- We are a nationwide organization, comprised of more than 25,000 employees—most of whom are Veterans.
- In Q3 we distributed more than \$30B in benefits.

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- We continue to act on my 3 priorities:
 1. Providing benefits to Veterans with excellent customer service;
 2. Fiscal stewardship; and
 3. Strong collaboration.
- These priorities are at the heart of everything we do.

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- Within VBA, we have 8 business lines that you see on the slide.
- Each business line is led by a senior executive who is responsible for the results I will highlight shortly.

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- As you know, COVID-19 impacted the nation and it affected us.
- I want to highlight 2 important impacts that limited our ability to complete work.

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- The 1st affected Compensation.

7/30/2020

- Following VHA, we temporarily halted in-person C&P examinations.
- We conducted Veterans' disability exams virtually when possible and used existing medical records to process claims.
- But without the information from the in-person C&P exams, our ability to complete claims was reduced.
- The 2nd affected Vocational Rehabilitation & Employment.
- On April 28, President Trump signed into law the Student Veteran Coronavirus Response Act.
- The law specifies that VR&E will track Job Ready Veterans for an additional 60 days prior to closing the case as a positive outcome.
- Because of this extended timeframe under the law, our reports of Veteran positive outcomes are lower.

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- So, as you can see, in both of these business lines events beyond our control affected our ability to meet the targets we set long before anyone had heard of COVID-19.
- With this as context, let me give you the bottom-line up front.
- VBA's performance in Q3 of FY20 was very strong.

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- 6 of our 8 business lines exceeded their performance targets even with the effects of the pandemic.
- Given the nature of their work and the consequences of COVID-19, Compensation and VR&E were greatly impacted.
- But both of these business lines identified new work and ways to serve Veterans.
- The special icon on this chart for them acknowledges an equivalent, but different, result than we had planned.

7/30/2020

- Overall, we continued to deliver efficient, top-quality service to Veterans and families.

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- To the entire VBA team – thank you for your hard work.
- You've shown both agility and resilience during Q3.
- Now, let's go through the business lines.

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- Due to COVID-19 evidence limitations, Compensation was unable to meet its claims completion target.
- But I will explain what else they did shortly.
- First, I want to report that we reached a major milestone on May 26th.
- On that day, VBA completed its 1 millionth rating claim for the year.

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- This is the earliest VBA has ever completed 1 million claims.
- And it is yet another indicator of our ability to continually improve to better serve Veterans.
- Congrats to our team for this success.
- We had other successes during COVID-19.

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- We worked with VHA to modernize the Hospital Adjustments process.
- Now, when Veterans are hospitalized for 21 days or more, they are automatically reviewed for additional benefits without any action needed from the Veteran.

7/30/2020

- In Q3 we processed over 78,000 hospital adjustments, completing virtually all of the outstanding adjustments from FY18 and FY19.
- <PAUSE>
- Veterans request information from us using the Freedom of Information Act, or FOIA.
- In Q3 we processed 33% more FOIA requests than we did in Q2.

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- And, as you know, on January 1, 2020, we began deciding claims for disability compensation under the Blue Water Navy Vietnam Veterans Act of 2019.
- By the end of June, we received nearly 61,000 Blue Water Navy claims from Veterans and Survivors.
- We completed processing more than 26,000 of those claims, generating over half a billion dollars in retroactive benefit payments.

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- You can learn more about Blue Water Navy at VA.gov.
- Next, Dave McLenachen will share important information about C&P Exams.

[Show DAVE MCLENACHEN]

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- As Dr. Lawrence has said, VBA is committed to processing disability compensation claims during the COVID-19 crisis.
- Compensation claims generally require an in-person examination of the claimed disability by an appropriate medical professional, which we provide at no cost to the Veteran.

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- Out of concerns for safety during the pandemic, we suspended these in-person exams in early April and partially resumed them on May 25.

7/30/2020

- As of the end of Q3, we authorized vendors to resume in-person examinations in 112 areas within all 50 states, 5 foreign countries, and Puerto Rico, which covers about 76% of all pending exams.
- This changes every day—please visit our website for more information.
- Of course, our C&P examiners are following CDC guidance to protect Veterans and themselves.
- In parts of the country where in-person exams remain suspended, we continue to maximize the use of Acceptable Clinical Evidence and Tele C&P exams.
- We are closely monitoring how the pandemic impacts these exams and remain committed to delivering Veterans decisions as quickly as possible.

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- Thank you, Dave.
- Now, let's turn to Appeals.
- In February 2019 we successfully implemented the Veterans Appeals Improvement and Modernization Act of 2017 – in short, Appeals Modernization.

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- To demonstrate VBA's commitment to Veterans who have been waiting in the legacy process, we promised to issue decisions for all legacy appeals by July 4, 2020.
- I am proud to say that we have met this goal and kept this promise.
- Since the end of Q3 FY19 through end of Q3 FY20, VBA completed 269,000 legacy appeals
- Those few remaining were delayed due to COVID-19.

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- Because of VBA's successful implementation of Appeals Modernization, the mission of our Appeals Management Office is changing.
- It will now be focused on managing higher-level reviews and Board remands.

7/30/2020

- As a result, the AMO will now be known as the Office of Administrative Review, or OAR.

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- We also beat targets in both of VBA's decision lanes—Supplemental Claim and Higher-Level Review.
- We processed supplemental claims 51 days faster than the target.
- And higher-level reviews 47 days faster than the target.
- In addition, our handling of board remands was at its highest level ever in Q3.

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- Congratulations to our former appeals and now OAR team on a great job!
- Now, let's discuss Veterans Pension and Dependency Indemnity Compensation, or DIC.
- It's a key part of VBA's mission to care for our Veterans in financial need through the Veterans Pension program.

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- DIC is available for survivors of Veterans, whose cause of death was service-connected.
- Veterans Pension served 226,000 beneficiaries last quarter, paying out \$759M.
- And we delivered more than \$1.9B in DIC benefits to 443,000 survivors.
- We continued to complete more claims than our target, much faster than our target.
- This means that Veterans and survivors are getting faster access to the money they need.

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- Next, let's talk about Fiduciary.
- VBA is committed to protect the most vulnerable Veterans and their benefits from fraud and abuse.

7/30/2020

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- In Q3 we completed more than 28,000 field exams, exceeding our target by 10%.
- We take our fiduciary responsibility seriously.
- And we are committed to protecting our most vulnerable Veterans.
- Let's talk about Insurance.

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- VA's life insurance program continues to provide financial security to Veterans and families.
- In Q3, we provided more than \$1.2T in coverage to 5.6M people.
- As you can see, Insurance disbursed its claims quickly and accurately, beating the target for timeliness.
- We've also beat the target to locate hard-to-find beneficiaries by 62%.

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- Thank you, Insurance Service team for your hard work.
- This quarter we also welcomed Mr. Daniel Keenaghan as the new Executive Director of Insurance Service.
- Let's turn to Education.

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- We continue to process Education claims quickly and with high quality.
- In Q3, we paid \$2.2 Billion to more than 758,000 Veterans or dependents.
- We processed original applications nearly 18 days faster than our target and beat our target for accuracy.
- Next, Charmain Bogue will provide updates about the GI Bill true-up and legislation to protect student Veterans during the pandemic.

7/30/2020

[Show: Charmain Bogue]

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- Good afternoon.
- We understand that accurate and on-time education benefit payments are vital to our GI Bill students.
- We have been working hard to honor our commitment to make all students whole as part of the Colmery Act's implementation as well as dealing the with the impact of COVID-19.

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- We are now processing recertifications related to the monthly housing allowance in accordance with the law.
- We have processed recertification enrollments for nearly 5,000 GI Bill students and delivered over \$3.4 million in payments to nearly 2,000 GI Bill students.
- With an average payment of \$2,000, we know these funds are of great use to our students as they complete their education programs.
- The recertification process will continue through the summer and fall, and we will continue to engage with schools on providing the necessary training and resources to assist with the timely completion of this work.
- I also want to discuss the impact of COVID-19 and what we have witnessed in the last few months.
- We have seen higher education quickly adapt to accommodate an environment drastically impacted by COVID-19, and we at Education have worked hard to ensure that the GI Bill program continues to meet our students' needs.
- We moved as many of our processes as we could to a paperless environment, so that we could continue to provide information in a timely manner.
- We collaborated with various external partners on outreach efforts to students, so they have the most up to date information regarding their benefits.
- This spring, Congress passed legislation that allowed us to continue to pay the in-resident housing rate for students where their school converted to 100-percent online instruction. |

7/30/2020

- A month later, Congress passed additional legislation to expand VA's authority to pay work study students who were unable to perform their work study activities in-person.
- This law also authorizes VA to restore entitlement when the impacts of COVID-19 causes a temporary or permanent school closure, or a program suspension and extends eligibility for students when a school closes due to an emergency.
- As we continue to see impacts of COVID-19, we are closely monitoring how schools will operate in the fall and how such changes may impact GI Bill students.
- We ask that you call us at the GI Bill hotline, check the GI Bill website or follow us on VA's official social media accounts for the most up to date information.
- As VA employees we remain committed to providing quality service to our GI Bill students to ensure they receive their education benefits that they have earned.
- Thank you!

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- Thank you, Charmain.
- VR&E continues to engage with Veterans through comprehensive employment-based evaluation and planning.

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- As I mentioned the Student Coronavirus Response Act requires VR&E to track students for 60 additional days before reporting a positive outcome.
- For this reason, VR&E could not meet the target for positive outcomes.
- Before the pandemic, VR&E was already expanding tele-counseling in a shift from in-person engagement.
- That shift proved highly valuable to Veterans during COVID-19, when in-person contact was often not possible.

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- VR&E's mission has evolved, and to reflect its identity as an employment program focused on empowering Veterans to achieve and succeed, the office has a new name: Veteran Readiness & Employment.

7/30/2020

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- It still uses the acronym VR&E and performs the same services.
- Look for more modernization to come over the next year.
- VR&E remains dedicated to advancing the success of Veterans who have a service-connected disability rating of at least 10%.
- Now, let's talk about Home Loan Guaranty.

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- Despite COVID-19, our Home Loan Program is having a record year—we have guaranteed nearly 900,000 loans so far in FY20.
- In Q3 we guaranteed more than 331,000 loans for a total amount of over \$100B.
- We continue to issue Certificates of Eligibility faster than our targets, completing virtually all of them in 5 days or less.
- In fact, we completed more than 86% in just 1 day.
- This quarter, nearly 111,000 VA borrowers were identified as being impacted by COVID-19.
- Those borrowers may seek forbearance under the CARES ACT to provide temporary relief from mortgage payments.
- Let's move on to Transition and Economic Development.

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- As you know, the Office of Transition and Economic Development (or OTED) administers several programs including the Transition Assistance Program (or TAP), which provides information on VA benefits and services.
- Interactions with transitioning Veterans, spouses, and caregivers that happen through TAP briefings are measured by "TAP Touches."

7/30/2020

- TED reported more than 90,000 “TAP Touches” and beat our customer satisfaction goal.
- We also continued to implement the Solid Start calling program, giving priority to Veterans in need of mental health support.
- The goal is to provide consistent, caring contact between transitioning Service members and VA.
- 7 months into the program, Solid Start is a great success.
- As of June 30, 2020, 100 specially trained representatives successfully contacted approximately 41% of all Veterans who have been assigned for contact.
- They successfully reached nearly 55% of Veterans who are in the first 90 days of transition.
- And for priority Veterans—those who sought a mental health appointment in the past year—the contact success rate is nearly 67%.
- Solid Start representatives are able to connect Veterans to an array of benefits and services, including mental healthcare resources. And, when needed, warm transfers to the VA Crisis Line.

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- Also, in June, Dr. Richard Hartman took the reins at TED. Welcome, Dr. Hartman.
- Before we move on, I want to once again thank VA Chief Information Officer Jim Gfrerer and his entire team.

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- At VBA we rely heavily on VA’s IT team—especially so this past quarter, as so many VBA employees worked remotely.
- Thank you OIT for your partnership.

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- Measurement, transparency and accountability are essential to what we do.

7/30/2020

- I testified before 2 Congressional committees this quarter on VA's response to COVID-19 and oversight of the CARES Act.
- In addition, Principal Deputy Undersecretary Margarita Devlin holds weekly phone briefings with staff of both the House and Senate Veterans Affairs Committees.
- During these calls she discusses a variety of topics affecting Veterans including C&P Exams, the impacts of COVID-19 on Veterans and financial protection for vulnerable Veterans.
- We readily participate in oversight activities to demonstrate that we are good fiscal stewards.

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- I typically spend much of the spring and early summer visiting VSOs and meeting with Veterans across the country.
- The pandemic prohibited that travel—so I instead conducted tele-town hall meetings with Veterans in 33 states to date.
- I'm proud to say that we have connected with more than 1.5 million Veterans during these events.
- Our upcoming dates for August are on the screen.
- And today at 5pm I'll be speaking with Veterans in Ohio—I invite you to join us.

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- I'm grateful to have engaged with so many Veterans over the past few months.
- I've been able to share important information about benefits and services and hear first-hand what Veterans really need.
- And I have several lessons, which affect how I lead VBA.

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- To start, it's clear that VBA customer service begins at the top. Our commitment—to provide Veterans with the benefits they've earned in a manner that honors their service—starts with

7/30/2020

me.

- For an hour on the phone during each tele-town hall, I am more than a distant DC bureaucrat.
- I am a fellow Veteran and their personal customer service representative with the real ability to help with whatever issue they face.
- I've also heard frequently from Veterans that what they want and need is assistance—not bureaucracy.
- Too often in the past Veterans were asked to bring their needs to VA on VA's terms, and handed confusing forms with unclear instructions.
- Now, we are working to meet Veterans where they are and walk alongside them to get to yes.

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- 1 of my greatest privileges is when I can connect with Veterans who long ago gave up on VA and make a direct plea: VA is a different place.
- Give us another opportunity to make this right.
- And I am reminded again and again that VBA has a large network of strong partners at the state and local levels.
- In addition to federal benefits, states also offer assistance to their Veterans.
- Hosting these events has given us new opportunities to forge stronger bonds with state leadership and combine our efforts to serve those who most need us.

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- Finally, I want to give you an update on the Veterans Benefits Banking Program.
- Many Veterans do not have a bank or credit union account where they can receive their benefits.
- So, they use a pre-paid debit card or a paper check they receive through the mail.
- Pre-paid cards and checks open Veterans to scams, fraud, theft and increased service fees.

7/30/2020

- The military-friendly financial institutions of the Veterans Benefits Banking Program offer Veterans a safer and cheaper option.
- We launched the program in December, and since then:
- We have 7,500 fewer unbanked Veterans.
- 85% fewer Veterans have signed up for “first time” pre-paid debit cards,
- And 28% fewer Veterans are “first time” recipients of VA benefits by check.
- And we are getting the word out to more Veterans.
- Beginning in April, VBA partnered with the U.S. Treasury Department to include custom inserts about the program to all Veterans who receive their compensation and pension benefits via check.
- We are proud to connect so many Veterans with a safer, easier way to receive benefits.

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- To summarize, despite headwinds caused by the global pandemic, VBA’s business lines delivered a very strong performance in Q3.
- 6 of our 8 business lines exceeded their performance targets.
- Compensation and VR&E were unable to meet their targets due to circumstances beyond our control.
- Each leaned in and succeeded in serving Veterans—in new ways.
- We have pivoted to a new normal and continue to provide Veterans with top-quality service.
- We are fulfilling our promises.
- We’ve eliminated legacy appeals.
- We are completing the Colmery Act and processing Blue Water Navy claims.
- And we are innovating how we reach Veterans with Solid Start and tele-town halls.

7/30/2020

- We are bringing real protection to Veterans and their benefits with the Veterans Benefits Banking Program.

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- World class service to our country's Veterans remains our goal.
- And through it all, we know that behind every innovation and process improvement is a transitioning Service member, Veteran or family member who needs our support and service.
- VBA has risen to the challenge of delivering benefits to Veterans and their families during this time of uncertainty.
- And we will be here tomorrow and every day thereafter.
- Thank you for joining me.

[Show Ray Tellez]

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- Please stay tuned for the After Show—a series of short, engaging videos on a variety of topics including VetSuccess on Campus, the VET TEC program, and Chapter 36.

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- Dave McLenachen will discuss C&P exams with Disabled American Veterans, and we will discuss what the Colmery Act means for transitioning Veterans.

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- This completes the webcast on Managing VBA Performance and Results for Quarter 3 of Fiscal Year 2020.
- Don't forget: we invite you to connect with VBA through our channels.
- 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: **benefits.va.gov**.
- Until next time.