



# VA DISABILITY EXAMS

## Improvements Needed to Strengthen Oversight of Contractors' Corrective Actions

Statement of Elizabeth Curda, Director, Education, Workforce and Income Security

### Testimony

Before the Subcommittee on Disability Assistance and Memorial Affairs, Committee on Veterans' Affairs, House of Representatives

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# GAO Highlights

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September 2024

## VA DISABILITY EXAMS

### Improvements Needed to Strengthen Oversight of Contractors' Corrective Actions

#### Why GAO Did This Study

Contracted disability examinations are a critical source of information VBA often uses to decide both eligibility and the level of benefits for veterans with service-connected disabilities. VBA officials estimate contracted exams will cost over \$5 billion in fiscal year 2024.

This statement is based on an ongoing GAO review of VBA's oversight of contracted disability exams. It (1) presents GAO's findings on the extent to which VBA manages the quality of contracted disability exams, and (2) provides preliminary analysis of selected stakeholders' views on VBA's oversight of exam quality.

To conduct this work, GAO analyzed VBA policies, procedures, and a document related to the contracts for certain disability exams. GAO also interviewed officials from VBA, four organizations that represent veterans, and all four VBA exam contractors. GAO compared VBA's quality control techniques to VBA's goals and federal standards for internal control.

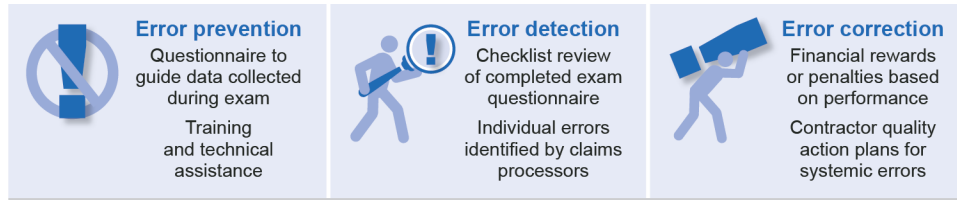
#### What GAO Recommends

GAO recommends that VBA improve the clarity and completeness of its procedures for reviewing contractors' quality action plans to routinely (a) verify that contractors complete the corrective actions in their quality action plans and (b) determine the extent to which these actions help improve exam quality. VBA generally concurred with this recommendation. In 2021, GAO recommended that VBA better manage its contracted exam workloads. VBA has partially addressed the recommendation but has not fully implemented it.

#### What GAO Found

The Department of Veterans Affairs' Veterans Benefits Administration (VBA) uses several techniques to oversee the quality of contracted disability examinations, but one technique needs clearer procedures. When a veteran files a claim for disability compensation, VBA may request medical examinations to gather evidence about a veteran's disabilities. As of July 2024, 93 percent of these exams are conducted by contractors. VBA's oversight techniques for contracted exam quality are intended to prevent, detect, and correct exam errors (see figure).

## Examples of VBA's Quality Control Techniques for Contracted Disability Exams



Source: GAO analysis of Veterans Benefits Administration (VBA) documents and interviews (data); GAO (icons). | GAO-24-107730

## Accessible Text for Examples of VBA's Quality Control Techniques for Contracted Disability Exams

### Error prevention

- Questionnaire to guide data collected during exam
- Training and technical assistance

### Error detection

- Checklist review of completed exam questionnaire
- Individual errors identified by claims processors

### Error correction

- Financial rewards or penalties based on performance
- Contractor quality action plans for systemic errors

Source: GAO analysis of Veterans Benefits Administration (VBA) documents and interviews (data); GAO (icons). | GAO-24-107730

GAO found that one of the techniques for error correction does not have clear and complete procedures. Specifically, VBA provides contractors with information on the types of exams with the most errors, and contractors use this information to create action plans intended to improve the quality of these exams. In August 2024 VBA developed written procedures for reviewing these quality action plans in response to GAO's preliminary findings. However, GAO found that, among other gaps, these recently created procedures do not specify how VBA will

- verify that contractors complete the corrective actions in their plans; or
- assess whether these actions improve exam quality over time.

Until VBA's procedures include these steps, it has little assurance that this error correction technique is improving the quality of contracted exams. Improving exam quality can help veterans receive the benefits they deserve without delay.

When GAO asked stakeholders about VBA's oversight, they generally described it as beneficial, but they also identified challenges. Specifically, contractor officials told GAO they had constructive relationships with VBA and stated that VBA's quality review processes help them provide quality exams. However, contractor officials added that implementing VBA-directed changes to exams within short timeframes can be challenging. For example, contractors stated that training their examiners on changes to exam processes with short timeframes is difficult. VBA officials said they work closely with contractors to minimize these challenges but that some, such as implementation timeframes mandated by law, are outside of their control. GAO plans to continue assessing VBA's progress in addressing these challenges as part of its ongoing work.

Chairman Luttrell, Ranking Member Pappas, and Members of the Subcommittee:

I am pleased to be here today to discuss our ongoing work on the Department of Veterans Affairs' (VA) oversight of the quality of contracted disability exams. As you know, VA's Veterans Benefits Administration (VBA) often relies on disability exams to determine whether veterans are eligible for disability compensation. VBA relies on contractors to provide the medical professionals, called examiners, to conduct most of these exams. VBA officials estimate that these examiners will conduct about 3.1 million disability exams in fiscal year 2024 at a cost of almost \$5.08 billion.

VBA oversees the contractors, including setting and enforcing standards for the quality of the disability exams they provide. Low-quality exams may need to be redone, resulting in increased costs and potential delays to veterans' benefits.

You asked us to provide findings from our ongoing review of VBA's oversight of contracted disability exams. My statement today (1) assesses the extent to which VBA manages the quality of contracted disability exams and (2) provides preliminary analysis of selected stakeholders' views on VBA's oversight of exam quality, including any challenges and opportunities for improvement.

To assess how VBA manages exam quality, we analyzed VBA documents related to disability exams conducted in the U.S. after a veteran's discharge from the military. These documents included policies, procedures, internal and external guidance, plans, reports, and the Performance Work Statement (PWS) from the relevant contracts.<sup>1</sup> In addition, we reviewed related GAO and VA Office of Inspector General (VA OIG) audit reports released from 2018 through 2024.<sup>2</sup> We supplemented this information with interviews with VBA and VA OIG officials.

For the purposes of our analysis, we grouped VBA's techniques for managing exam quality by their purpose: prevention, detection, or correction of exam errors or quality concerns.<sup>3</sup> We compared these techniques to VBA's goals and *Standards for Internal Control in the Federal Government* related to the design of control activities and monitoring.<sup>4</sup>

For our second objective, we obtained eight stakeholders' views on VBA's oversight of exam quality. Stakeholders included officials from all four VBA exam contractors and representatives from four organizations

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<sup>1</sup>According to VBA officials, during our review, all 13 contracts for disability exams in the U.S. required contractors to follow an identical Performance Work Statement or PWS. We reviewed this PWS as part of our methodology for this statement. We excluded other contracts from our scope, which officials said included three contracts for pre-discharge exams of active service members and two for exams outside of the U.S.

<sup>2</sup>We chose these years because 2018 was the first year we released a report on VBA's management of contracted exams. See GAO, *VA Disability Exams: Improved Performance Analysis and Training Oversight Needed for Contracted Exams*, [GAO-19-13](#) (Washington, D.C.: Oct. 12, 2018).

<sup>3</sup>We defined "errors" in exams broadly. We looked beyond VBA's definition of errors, which are instances where examiners did not complete the exam reports accurately and completely. For example, we included errors in exam requests from VA claims processors.

<sup>4</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 2014), principles 10 and 17.

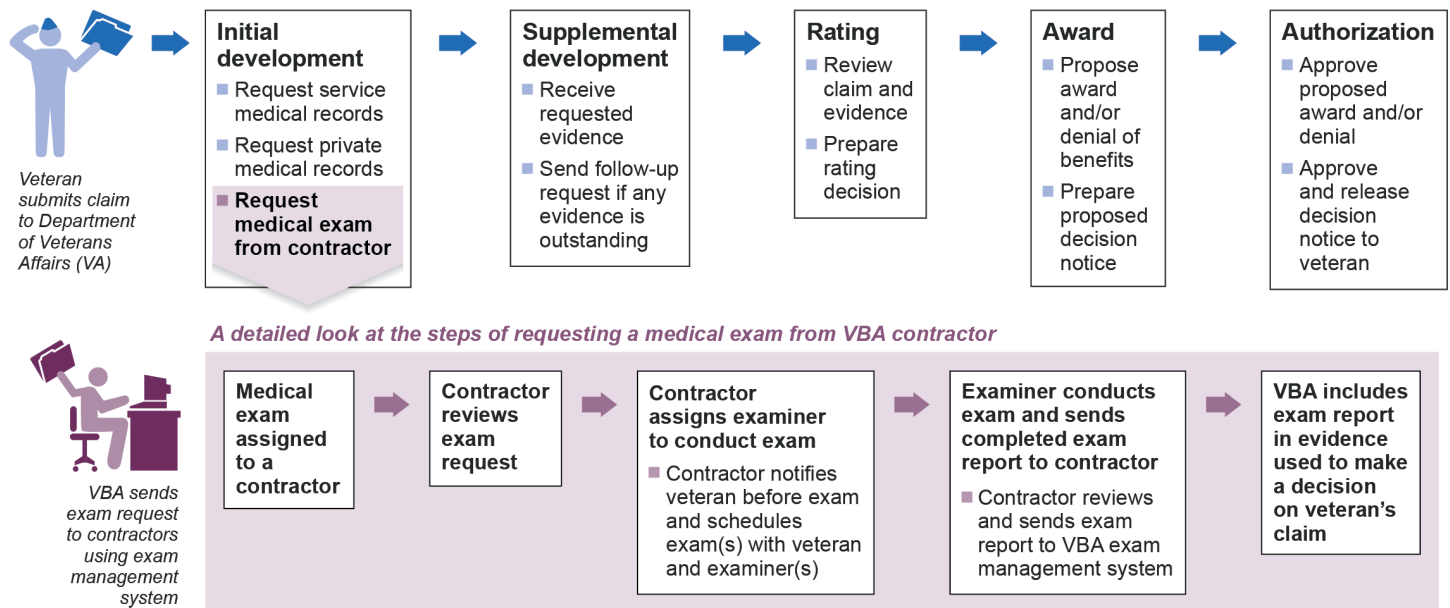
that support veterans filing claims, selected for prior testimony about disability exams. The information these stakeholders provided is not representative of all perspectives but does illustrate the types of challenges and opportunities for improvement stakeholders identified.

We are conducting the ongoing work on which this statement is based in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Background

VBA pays disability compensation to veterans with service-connected disabilities based on the severity of the disability. VBA's disability claims process starts when a veteran submits a claim to VBA. A claims processor then reviews the claim and helps the veteran gather the evidence VBA needs to evaluate it, such as the veteran's military service and medical records. If necessary to support a claim, VBA will also provide a medical exam for the veteran (see fig. 1).

**Figure 1: Overview of VBA's Disability Compensation Claims Process and Contractor Process for Completing Exams**



Source: GAO analysis of Veterans Benefits Administration (VBA) procedures (data); GAO (icons). | GAO-24-107730

### Accessible Text for Figure 1: Overview of VBA's Disability Compensation Claims Process and Contractor Process for Completing Exams

1. Veteran submits claim to Department of Veterans Affairs (VA)
2. Initial development
  - a. Request service medical records
  - b. Request private medical records

- c. Request medical exam from contractor
3. Supplemental development
  - a. Receive requested evidence
  - b. Send follow-up request if any evidence is outstanding
4. Rating
  - a. Review claim and evidence
  - b. Prepare rating decision
5. Award
  - a. Propose award and/or denial of benefits
  - b. Prepare proposed decision notice
6. Authorization
  - a. Approve proposed award and/or denial
  - b. Approve and release decision notice to veteran

A detailed look at the steps of requesting a medical exam from VBA contractor

1. VBA sends exam request to contractors using exam management system
2. Medical exam assigned to a contractor
3. Contractor reviews exam request
4. Contractor assigns examiner to conduct exam
  - a. Contractor notifies veteran before exam and schedules exam(s) with veteran and examiner(s)
5. Examiner conducts exam and sends completed exam report to contractor
  - a. Contractor reviews and sends exam report to VBA exam management system
6. VBA includes exam report in evidence used to make a decision on veteran's claim

Source: GAO analysis of Veterans Benefits Administration (VBA) procedures (data); GAO (icons). | GAO-24-107730

Note: The figure represents the general process for claims processing and contracted disability exams but does not include every step in the process. For example, it does not include exam requests that contractors do not accept. It also does not include exam requests sent to the Veterans Health Administration.

VA has increasingly relied on contractors to perform disability exams.<sup>5</sup> VA estimates that the percent of disability exams conducted by contractors increased from 55 percent in fiscal year 2018 to 93 percent in fiscal year 2024.<sup>6</sup> In 2016, VBA established the Medical Disability Examination Office (MDEO) to manage and oversee these contractors.

VBA faces long-standing challenges processing large volumes of disability compensation claims. As a result, VA's management of disability compensation workloads has been on GAO's High-Risk List since 2003.<sup>7</sup> In recent years, VA has reported an increase in claims due in part to the Honoring our PACT Act of 2022 (PACT Act).<sup>8</sup> Accordingly, VBA estimates that the number of contracted disability exams increased by two-thirds from

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<sup>5</sup>See GAO, *VA Disability Exams: Better Planning Needed as Use of Contracted Examiners Continues to Grow*, [GAO-21-444T](#) (Washington, D.C.: Mar. 23, 2021).

<sup>6</sup>Year to date, as of July 31, 2024. The rest of the disability exams were conducted by Veterans Health Administration medical centers.

<sup>7</sup>GAO's High-Risk List focuses attention on government operations that are vulnerable to fraud, waste, abuse, or mismanagement, or in need of transformation to address economy, efficiency, or effectiveness challenges. Our 2023 High-Risk Report provides VA a road map for better managing its disability workloads and updating its disability benefit eligibility criteria. See GAO, *High-Risk Series: Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas*, [GAO-23-106203](#) (Washington, D.C.: Apr. 20, 2023).

<sup>8</sup>Pub. L. No. 117-168, 136 Stat. 1759. Among other things, the PACT Act changed certain disability compensation examination requirements and expanded presumptive conditions associated with exposure to burn pits and other toxins. This resulted in a potential increase in eligibility for certain health care and benefits.

fiscal year 2022 to fiscal year 2024.<sup>9</sup> In July 2024, VBA estimated that its fiscal year 2024 budget for contracted disability exams faced a \$789 million shortfall due to an increase in the number and complexity of exams needed for each claim.

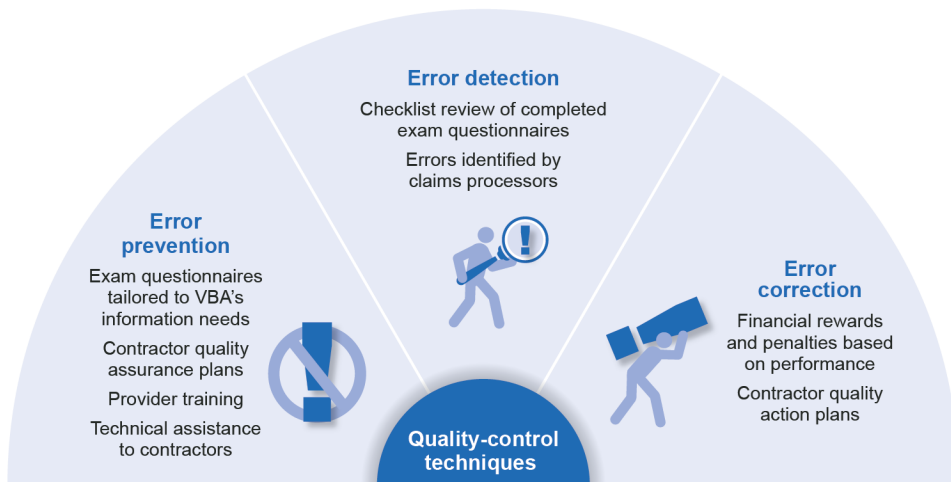
From 2018 through 2024, GAO and VA OIG recommended 14 changes in VBA’s oversight of contracted disability exams, such as monitoring contractor performance, error correction, and examiner training. As of August 2024, VBA has implemented 11 of the 14 recommendations. Appendix I describes VBA’s progress in implementing the recommendations.

## VBA Manages Contract Exam Quality Using Techniques to Prevent, Detect, and Correct Errors but Could Better Monitor Contractors’ Corrective Actions

VBA’s MDEO manages exam quality using a variety of quality control techniques, which we grouped into three categories:

1. **prevention** of errors or low-quality work from occurring during exams,
2. **detection** of any exam errors that did occur, and
3. **correction** of exam errors and providing accountability (see fig. 2).

**Figure 2: Medical Disability Examination Office (MDEO) Quality Control Techniques for Contracted Disability Examinations**



Source: GAO analysis of Veterans Benefits Administration (VBA) documents and interviews (data); GAO (icons). | GAO-24-107730

<sup>9</sup>According to VBA data, contractors completed 1.8 million exams in fiscal year 2022 and are estimated to complete 3.1 million exams in fiscal year 2024.

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**Accessible Text for Figure 2: Medical Disability Examination Office (MDEO) Quality Control Techniques for Contracted Disability Examinations**

Quality-control techniques

- Error prevention
  - Exam questionnaires tailored to VBA's information needs
  - Contractor quality assurance plans
  - Provider training
  - Technical assistance to contractors
- Error detection
  - Checklist review of completed exam questionnaires
  - Errors identified by claims processors
- Error correction
  - Financial rewards and penalties based on performance
  - Contractor quality action plans

Source: GAO analysis of Veterans Benefits Administration (VBA) documents and interviews (data); GAO (icons). | GAO-24-107730

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**Certain MDEO Techniques Aim to Prevent Errors during Disability Exams**



Source: GAO. | 107730

MDEO uses several techniques for preventing exam errors, such as exam questionnaires tailored to the information VBA needs for each disability. For example, the PWS requires examiners to fill out Disability Benefits Questionnaires (DBQ) when conducting disability exams. According to VBA guidance, DBQs are organized to collect the precise medical evidence that claims processors need to rate specific disabilities. DBQs generally ask examiners to provide a diagnosis, medical history, objective findings, test results, and any explanations needed.

MDEO's other techniques for preventing exam errors are described in table 1.

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**Table 1: Selected Medical Disability Examination Office (MDEO) Techniques to Prevent Errors during Contracted Disability Exams**

- **Quality Assurance Plans.** Contractors are required to submit a Quality Assurance Plan that describes: (1) the contractor's planned actions, such as inspections, quality checks, or customer service, to assure the Disability Benefits Questionnaire (DBQ) reports conform to the contract requirements; and (2) how the contractor plans to incorporate feedback from the government to improve performance. For example, all four contractors' plans include quality assurance reviews of all completed DBQs to prevent errors.
- **Contracted Examiner Training.** Examiners are required to take over 11 hours of training before they can conduct exams. There are additional mandatory courses before conducting specific exams, such as



mental health or musculoskeletal exams. Examiners are required to retake the trainings every 5 years or after 12 months without conducting a disability exam. Contractors are required to ensure examiners have completed the training and submit an annual Training Plan to MDEO outlining how they will do so. All four contractors' training plans provide for additional training, coaching, and guidance to examiners.

- Technical Assistance. According to MDEO officials, MDEO provides a variety of technical assistance to contractors.
  - Vendor Guidance Memos communicate clarifications and updates to guidance, including DBQ instructions, and are issued as needed. For example, if a contractor emails MDEO with a question, MDEO sometimes publishes the answer for all contractors in a Vendor Guidance Memo.
  - At weekly, monthly, and quarterly meetings, contractors may discuss their performance and questions with MDEO's quality, training, policy, or medical staff. Contractors and MDEO submit topics for informal monthly quality check-ins. Formal quarterly quality calls cover contractors' performance and quality improvement efforts and MDEO updates.
  - Ad hoc assistance includes email exchanges, phone calls, meetings, and job aids as needed or requested by contractors. MDEO has a central email address where contractors are instructed to send their questions.

Source: GAO analysis of information from the Department of Veterans Affairs. | GAO-24-107730

Note: MDEO uses the terms "vendor" and "contractor" interchangeably. For clarity, we use the term "contractor" to refer to the contractors that provide exams.

<sup>9</sup>Training includes almost 4 hours on various topics related to the disability exam process, over 4 hours related to specific conditions, and over 3 hours related to working with veterans (such as suicide prevention training).

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## MDEO Uses Data to Detect Exam Errors and Quality Problems



Source: GAO. | 107730

**Quality Criteria checklist.** The PWS includes an accuracy performance measure that, according to MDEO documentation, uses a 10-question Quality Criteria checklist to assess whether examiners completed DBQs accurately and completely (see fig. 3).<sup>10</sup> MDEO evaluates a random sample of DBQs quarterly, citing an error for each question with an answer of "no." The percentage of questions answered "yes" is the accuracy score. MDEO lists these errors for contractors in a monthly Error Citation Report.

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<sup>10</sup>The PWS calls this the Quality measure. To avoid confusion as we look more broadly at exam quality, we refer to it as the Accuracy measure. The PWS also includes four other performance measures. The Customer Satisfaction measure uses a survey to gauge veterans' overall satisfaction with services provided during their exams. The other three—Average Days Pending, Average Days to Complete, and Production—are related to the speed and the volume of exams completed.

**Figure 3: Excerpt from MDEO’s Quality Criteria Checklist for Assessing Contracted Disability Exams**

Were required tests, procedures, laboratory work, and x-rays completed, documented, and significance/insignificance discussed in the DBQ?

Yes  No  N/A: No tests, procedures, laboratory work, and/or x-rays were required

If “No” was selected, one of the following error drilldowns must be selected:

Required tests, procedures, laboratory work, and/or x-rays not completed, or incomplete, and justification not provided

Required tests, procedures, laboratory work, and/or x-ray results were properly documented in file, but not reviewed or addressed by examiner

Significance/insignificance of required tests, procedures, laboratory work, and/or x-rays not provided

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Does the DBQ report describe the impact of the condition(s) on the Veteran’s functional status/ability to work, per DBQ specific instructions?

Yes  No  N/A: No diagnosed condition

If “No” was selected, one of the following error drilldowns must be selected:

Functional status/ability to work not addressed

Functional status/ability to work incomplete

Functional status/ability to work conflicts with DBQ findings, and not explained in DBQ

Source: Medical Disability Examination Office’s (MDEO) Quality Criteria Checklist. | GAO-24-107730

**Accessible Text for Figure 3: Excerpt from MDEO’s Quality Criteria Checklist for Assessing Contracted Disability Exams**

Figure shows an excerpt from the Medical Disability Examination Office’s (MDEO) Quality Criteria Checklist:

Were required tests, procedures, laboratory work, and x-rays completed, documented, and significance/insignificance discussed in the DBQ? \*Yes \*No \*N/A: No tests, procedures, laboratory work, and/or x-rays were required

If “No” was selected, one of the following error drilldowns must be selected:

- Required tests, procedures, laboratory work, and/or x-rays not completed, or incomplete, and justification not provided
- Required tests, procedures, laboratory work, and/or x-rays were properly documented in file, but not reviewed or addressed by examiner
- Significance/insignificance of required tests, procedures, laboratory work, and x-rays not provided

Does the DBQ report describe the impact of the condition(s) on the Veteran’s functional status/ability to work, per DBQ specific instructions? \*Yes \*No \*N/A: No diagnosed condition

If “No” was selected, one of the following error drilldowns must be selected:

- Functional status/ability to work not addressed
- Functional status/ability to work not incomplete
- Functional status/ability to work conflicts with DBQ findings, and not explained in DBQ

Source: Medical Disability Examination Office’s (MDEO) Quality Criteria Checklist. | GAO-24-107730

Note: Examiners fill out Disability Benefits Questionnaires (DBQ) for each disability exam. DBQs ask for specific information for each condition.

**Other error data:** After examiners submit their final DBQs, VBA processes the claims and makes final decisions. If dissatisfied with VBA’s decision on their claim, veterans may appeal.<sup>11</sup> There are three points during claims processing and appeals where VBA data can identify exam errors (see table 2).

<sup>11</sup>Under the Veterans Appeals Improvement and Modernization Act of 2017, VA offers five appeal options: two additional reviews of claims decisions within VBA and three types of appeals to the Board of Veterans’ Appeals. See Pub. L. No. 115-55, 131 Stat. 1105.

**Table 2: Sources of Data on Contracted Disability Exam Errors Identified during VBA Disability Compensation Claims Processing or Appeals**

- **Rework:** Claims processors review veterans' files, including Disability Benefits Questionnaires (DBQ) from contracted exams, to determine veterans' eligibility for disability compensation. If claims processors find errors in a DBQ, they can send the DBQ back to the examiner for clarification or correction, a process known as rework. VBA sends each contractor a quarterly report listing its 10 types of DBQs (based on the condition evaluated) most frequently sent back for rework.
- **STAR errors:** After claims are complete, VBA's national-level Systematic Technical Accuracy Review (STAR) program reviews a random sample to measure claims processing accuracy. One error identified by the STAR review is "insufficient examination/medical opinion." VBA provides contractors with a quarterly report listing the DBQs most frequently cited with this error. This list does not divide the STAR errors by contractor, so all contractors receive the same list.<sup>a</sup>
- **Remands:** If the Board of Veterans' Appeals identifies errors in contracted disability exams, it may remand the claim back to VBA for correction.<sup>b</sup> A 2024 VBA process review found that of 100 claims remanded in fiscal year 2023, 34 were remanded for inadequate exams or medical opinions. The review identified trends in the reasons for these inadequacies, and a follow-up white paper made five recommendations.<sup>c</sup>

Source: GAO analysis of information from the Veterans Benefits Administration (VBA). | GAO-24-107730

<sup>a</sup>VBA began gathering these data after a 2022 Inspector General recommendation that it use additional data to identify systemic issues and recurring errors. See VA Office of Inspector General, *Contract Medical Exam Program Limitations Put Veterans at Risk for Inaccurate Claims Decisions*, VAOIG-21-01237-127 (Washington, D.C., June 8, 2022).

<sup>b</sup>The Board of Veterans' Appeals adjudicates appealed cases in which a veteran is dissatisfied with VBA's initial decision on their claim.

<sup>c</sup>VBA, Office of Administrative Review, *Reducing Board of Veterans' Appeals Remands* (Washington, D.C.: May 28, 2024).

## Financial Penalties Provide Accountability for Quality, but VBA's Procedures for Reviewing Corrective Actions Are Not Complete

MDEO has procedures for correcting certain errors and uses financial penalties to hold contractors accountable for meeting performance expectations. However, we found gaps in MDEO's procedures for monitoring the implementation and results of contractors' quality action plans. The corrective actions in these plans are intended to improve the quality of the types of exams with the most VBA-detected errors.



Source: GAO. | 107730

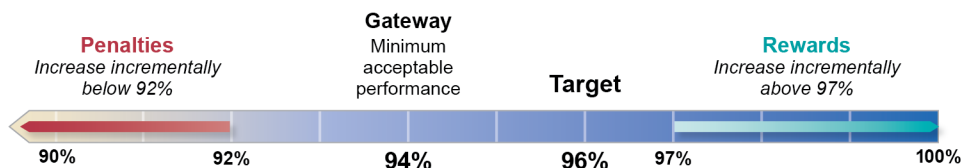
**Error correction.** Some of the errors VBA detects are corrected. Specifically, the PWS requires contractors to respond to rework requests by submitting corrections at no extra cost to VA. However, MDEO officials said contractors are not required to correct all errors identified during MDEO's Quality Criteria Checklist review. Instead, according to MDEO procedures, claims processors determine whether the errors affected claim decisions. If so, the claims processors take the actions needed to correct the claims, such as requesting a new

exam.<sup>12</sup> MDEO officials told us that the great majority of errors do not affect the outcome of the claim. They stated that correcting such errors would use a lot of resources but not make a difference to veterans. Additionally, MDEO officials told us they analyze error trends and have recently developed job aids and training on the Quality Criteria Checklist questions with the most errors.

**Financial penalties and rewards.** For each performance measure, contractors may receive financial penalties or rewards when performance falls below or above certain thresholds (see fig. 4).<sup>13</sup>

**Figure 4: Accuracy Performance Measure for Veterans Benefits Administration (VBA) Contracted Disability Exams**

*This figure shows one of five performance measures. If performance falls below the Gateway threshold for one or more of the five measures, the contract is not eligible for rewards on the other measures*



Source: GAO analysis of Performance Work Statement for contracted disability exams. | GAO-24-107730

**Accessible Data for Figure 4: Accuracy Performance Measure for Veterans Benefits Administration (VBA) Contracted Disability Exams**

This figure shows one of five performance measures. If performance falls below the Gateway threshold for one or more of the five measures, the contract is not eligible for rewards on the other measures

- Penalties: Increase incrementally below 92%
- Gateway (94%): Minimum acceptable performance
- Target (96%)
- Rewards: Increase incrementally above 97%

Source: GAO analysis of Performance Work Statement for contracted disability exams. | GAO-24-107730

Note: The Performance Work Statement refers to a “quality” performance measure rather than an “accuracy” performance measure. It also uses the terms “incentive” and “negative incentive” rather than “reward” and “penalty.”

For each performance measure, performing below the penalty threshold may result in a penalty of 1 to 3 percent of the value of the contractor’s invoices for that quarter. Similarly, performance above the reward threshold for any performance measure can result in a 1 to 3 percent reward. However, if a contractor has performed below the gateway threshold on any of the five performance measures, it is ineligible for any rewards at all, regardless of performance on the other measures. MDEO officials said this is intended to prevent contractors from prioritizing one performance measure at the expense of the others.

**Contractor quality action plans.** As described in table 2, MDEO provides contractors with a quarterly report listing the types of DBQs with the most common sources of rework and STAR errors. According to MDEO documents, the purpose of providing this report is so contractors can use it to improve exam quality. Within 45

<sup>12</sup>According to the procedures, MDEO began sending these errors for claims processors to review in response to a 2022 VA OIG recommendation. See VA OIG, *Contract Medical Exam Program Limitations Put Veterans at Risk for Inaccurate Claims Decisions*, VAOIG-21-01237-127 (Washington, D.C., June 8, 2022).

<sup>13</sup>According to VBA officials, MDEO began imposing financial penalties in response to a 2022 VA OIG recommendation. See VAOIG-21-01237-127.

days of receiving this report, each contractor must submit a quality action plan that analyzes the cause of the rework and STAR errors and documents the contractor's efforts to improve upon the report's findings.

During our audit, we found that MDEO had no procedures for reviewing contractors' action plans. In response to these preliminary findings, MDEO created such procedures in August 2024. The procedures call for MDEO to ensure the action plans comply with requirements and to create a summary review of each plan to "ensure the desired outcome is achieved" and identify areas of improvement. As of September 2024, MDEO had completed the summary review of the action plans from the first two quarters of fiscal year 2024.

However, MDEO's recently-created procedures do not provide clear and complete steps to guide implementation. For example, the procedures do not specify what the "desired outcome" is or how the summary reports should ensure it is achieved. The procedures also do not outline steps for verifying that contractors complete the corrective actions in their quality action plans. Additionally, MDEO officials told us they plan to compare data over time to assess the effectiveness of contractors' actions, but the procedures do not include this step.

One of MDEO's objectives is to improve the quality of DBQ information.<sup>14</sup> Further, *Standards for Internal Control in the Federal Government* call for management to design control activities to achieve objectives and remediate deficiencies in control activities on a timely basis.<sup>15</sup> For example, a control activity that is performed routinely and consistently generally is more precise than one performed sporadically. In this case, we found that MDEO's procedures did not have some key details, including steps for routinely (1) verifying that contractors complete the corrective actions cited in their plans and (2) determining the extent to which these actions help improve exam quality. Improving the procedures by including clear and complete steps for these missing elements would better equip MDEO to measure whether the action plans are having their intended effect on quality.

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## Selected Stakeholders Generally Reported That VBA Helps Support Quality Exams, but Preliminary Work Suggests Challenges Remain

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### Contractor Officials Generally Described VBA's Oversight Techniques as Supporting Quality Disability Exams

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Contractor officials stated that two of VBA's oversight techniques help promote quality disability exams: (1) regular discussions between MDEO and contractors and (2) VBA's quality review checklists.

1. Officials from three contractors described positive working relationships with MDEO. For instance, officials from one contractor said regular meetings provided opportunities to "share insights and ask questions." An official from another contractor said calls with MDEO clarified information and resolved technology challenges.
2. Contractor officials also said MDEO's Quality Criteria checklist for assessing DBQs supported quality efforts. For internal consistency, MDEO has developed guidance for its staff to use when applying the

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<sup>14</sup>VBA, *Medical Disability Examination Office (MDEO) Modernization Roadmap* (Washington, D.C.: July 31, 2023).

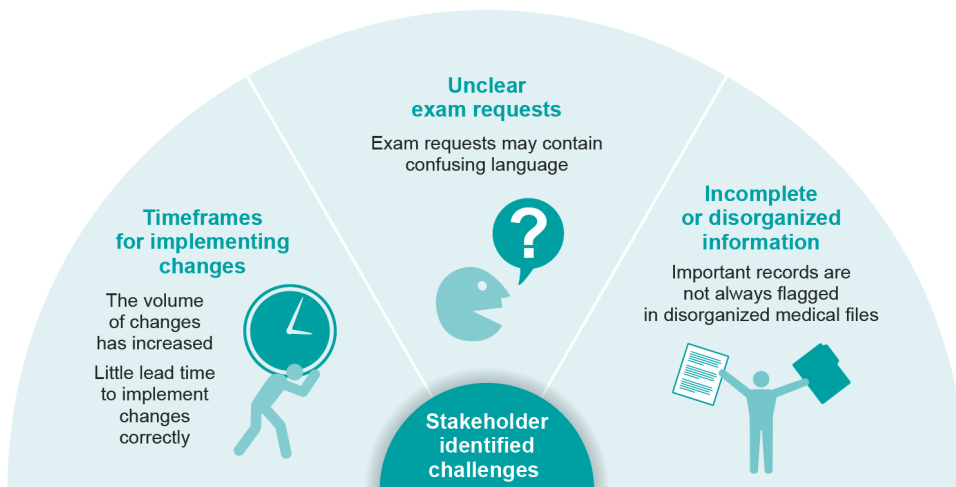
<sup>15</sup>GAO-14-704G, principles 10.01 and 17.01.

checklist. One contractor’s officials said that, over time, MDEO’s efforts to ensure the checklist is consistently followed and interpreted have improved. Three contractors apply the Quality Criteria checklist internally as part of their own quality assurance process.

## Selected Stakeholders Reported Challenges Related to Timeframes for Implementing Changes, Unclear Exam Requests, and Incomplete Information

Stakeholders commonly cited three challenges with VBA’s oversight of exam quality and identified opportunities for improvement (see fig. 5). We plan to continue assessing VBA’s progress in addressing these challenges during our ongoing work.

**Figure 5: Stakeholder-identified Challenges Related to VBA’s Oversight of Exam Quality**



Source: GAO analysis of interviews with representatives from four organizations supporting veterans and with officials from the four contractors who provide disability exams for the Veterans Benefits Administration (VBA) (data); GAO (icons). | GAO-24-107730

### Accessible Text for Figure 5: Stakeholder-identified Challenges Related to VBA’s Oversight of Exam Quality

#### Stakeholder identified challenges

- Timeframes for implementing changes
  - The volume of changes has increased
  - Little lead time to implement changes correctly
- Unclear exam requests
  - Exam requests may contain confusing language
- Incomplete or disorganized information
  - Important records are not always flagged in disorganized medical files

Source: GAO analysis of interviews with representatives from four organizations supporting veterans and with officials from the four contractors who provide disability exams for the Veterans Benefits Administration (VBA) (data); GAO (icons). | GAO-24-107730

### Timeframes for Implementing Changes

Contractor officials reported that it can be challenging to implement VBA-directed changes to the exam process within short timeframes while maintaining high quality. MDEO distributes Vendor Guidance Memos to

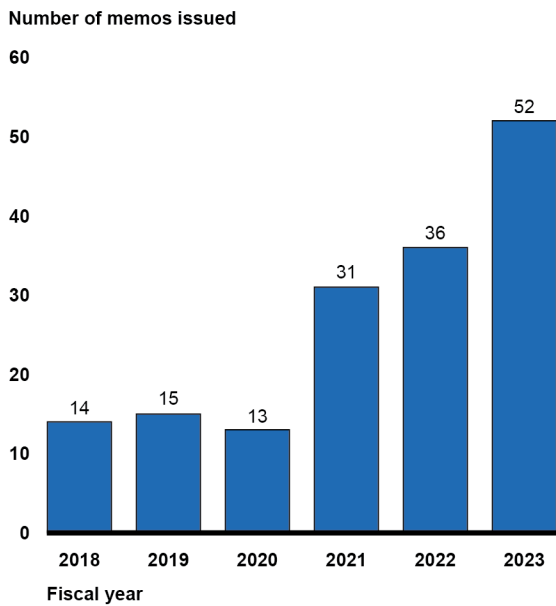


Source: GAO. | 107730

clarify or provide updates about the exam process. The clarifications and updates can be in response to new legislation, new VA policies, or changes to DBQs.

The number of Vendor Guidance Memos released annually more than tripled from fiscal year 2018 to fiscal year 2023 (see fig. 6). According to MDEO officials, this uptick is partly due to the implementation of the PACT Act. They also said it reflects an improvement in communication with contractors, as MDEO uses these memos to answer contractors' questions or provide more detailed information than the contracts contain.

**Figure 6: Number of Vendor Guidance Memos Released Annually, Fiscal Years 2018–2023**



Source: GAO analysis of Veterans Benefits Administration (VBA) documents. | GAO-24-107730

**Accessible Data for Figure 6: Number of Vendor Guidance Memos Released Annually, Fiscal Years 2018–2023**

Fiscal year	Number of memos issued
2018	14
2019	15
2020	13

Fiscal year	Number of memos issued
2021	31
2022	36
2023	52

Source: GAO analysis of Veterans Benefits Administration (VBA) documents. | GAO-24-107730

Sometimes Vendor Guidance Memos inform contractors of changes to DBQs or PWS attachments.<sup>16</sup> Contractor officials stated they sometimes do not receive advanced notice of these changes. We analyzed the 34 guidance memos released in fiscal year 2024, as of July 31, 2024. We found that at least 13 of the memos were related to DBQs, communicated changes to PWS attachments, or both. Specifically, at least nine Vendor Guidance Memos were related to DBQs, such as communicating changes to DBQs or providing new instructions on completing them. Of these, at least three called for same-day implementation. We identified at least five Vendor Guidance Memos that communicated changes to PWS attachments. In these cases, at least four of them allowed over 40 days for implementation.

According to officials from all four contractors, short timeframes for implementing some changes communicated in Vendor Guidance Memos can make it difficult to provide training or make necessary updates to exam processes. For example, one of the memos calling for same-day implementation described specific instances in which a DBQ may be left incomplete.

However, two contractors' officials told us they program DBQ changes, and one said this programming includes building in logic steps, such as required fields, to help prevent errors. These officials said reprogramming takes time and short timeframes can be challenging. The official from one of these contractors said this gives contractors two choices: (1) rush to implement changes, recognizing that examiners are more likely to make errors on new material they are not familiar with, or (2) take more time but accept that examiners may inadvertently use obsolete practices in the meantime, which would also be flagged as errors.

Contractor officials told us MDEO sometimes provides advanced notice of changes, and officials from two contractors described working with MDEO to implement changes. However, officials from all the contractors said they would appreciate getting advanced notice more consistently. For example:

- Officials from one contractor said they have had opportunities to comment on draft Vendor Guidance Memos. However, sometimes the final memo is released before their questions are answered or incorporated. These officials said they would appreciate a meeting prior to implementation specifically to discuss the anticipated changes.
- An official from another contractor said that in some cases, MDEO's technology team tests changes in advance, plans updates, and communicates the changes to the contractor's technology team. By contrast, the official said a recent same-day Vendor Guidance Memo informed contractors that certain neurological exams could only be performed by neurologists. The official said that prior to the memo there were more options for who could perform these exams.

MDEO officials told us that they issued this memo to ensure an appropriate provider performed these exams, and the contractor official said the change was probably a good decision from a clinical perspective. However, the contractor official also said they needed time to recruit and hire additional

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<sup>16</sup>The PWS requires contractors to implement DBQ changes. Additionally, VBA officials told us that contractors are contractually obligated to comply with changes to the PWS attachments.



neurologists. According to this official, the contractor sought MDEO’s assistance in implementing this new policy, and MDEO officials confirmed they met with a contractor to address questions on this topic. However, the contractor official also told us that—between the time the contractor contacted MDEO and received additional information from MDEO—the contractor had to make an adjustment to meet timeliness performance measures. Specifically, according to this official, the contractor flew a neurologist to a veteran in a rural area.

MDEO officials stated that timeframes are specific to the issue being addressed and immediate implementation may be prudent or urgent in some cases, such as a need to comply with laws or regulations. MDEO officials also said they work closely with contractors to provide notice of changes as soon as MDEO can do so. For example, they said they have weekly meetings with the contractors and that they staff an email inbox for inquiries. This email address is generally published on each Vendor Guidance Memo. According to these agency officials, in some instances they have changed implementation timeframes in response to contractor feedback, and they will work with contractors to assist them.

### Unclear Exam Requests



Source: GAO. | 107730

Contractor officials said exam requests can be unclear. For instance, officials from one contractor said they received an exam request with conflicting instructions about whether to complete a medical opinion. One part of the request stated the examiner should provide additional information if the veteran had a certain condition, but elsewhere the same exam request said the examiner should not provide this information (see text box).

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#### **Excerpts from a Request for a Contracted Disability Exam**

Note: These excerpts are from the same request. Bolding added by GAO.

“Please provide a medical statement with supporting rationale in the remarks section...If, after reviewing the claims file, you determine that the Veteran’s disability pattern [is a diagnosable illness or disease] then please provide...a medical statement with supporting rationale [for the diagnosis.]... **Also complete the Medical Opinion for Toxic Exposure Risk Activities [TERA].**”

“Additional Information: Hips, elbows, wrists, and knee need to be evaluated for joint pain as a sign or symptom of an undiagnosed illness / medically unexplained chronic multi-symptom illness. **Because these issues would be listed under the trauma, no TERA required.**”

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Source: A Veterans Benefits Administration disability exam contractor. | GAO-24-107730

Officials from another contractor said unclear requests may ask questions such as, “Is the right knee due to the right knee” instead of asking whether the new right-knee condition was connected to a prior right-knee condition that was already established as service-related. According to these officials, it can be particularly challenging for less-experienced examiners to interpret vague requests.

When we asked cognizant VBA officials about this issue, they said some exam requests can be confusing due to simple errors such as typos. These agency officials noted that VBA has a process in place for contractors to obtain clarification about exam requests. According to one contractor's data, claim processors' average response time to these clarification requests has improved since 2022 and, as of early August, has averaged about two days in 2024.

### Incomplete or Disorganized Information



Source: GAO. | 107730

Selected stakeholders said incomplete or disorganized information can make finding relevant records in veterans' medical files difficult. For instance, challenges contractor officials described included records that are not organized chronologically or by topic. In addition, records can be lengthy, according to one contractor's officials, files can be thousands of pages long. VBA guidance instructs VA employees to bookmark or annotate relevant electronic evidence, and contractors rely on this information to help identify relevant medical records.<sup>17</sup> For instance, officials from three of the four contractors told us that when VA claims processors make requests that include flags or references to specific information, such as dates or names of files, it supports the examiners' ability to find relevant files and conduct quality exams.

However, contractor officials said claims processors do not always provide the information needed to locate relevant documents.

- An official from one contractor, for example, said that a dentist may have to search the entire file to find documentation related to a tooth that was pulled in a certain year if the claims processor has not provided instructions on where to look.
- Officials from another contractor told us that examples of claims processors' vague exam requests have included (1) flags stating "service treatment records" or "mental health" and (2) a notation that said "left shoulder tenderness."

Given these challenges with unclear requests and disorganized information, officials from all four contractors told us they use a quality assurance process for reviewing the files and flagging important documentation for examiners. For instance, the officials told us contractors rely on their own employees, technology such as artificial intelligence, or both, to search for relevant records. Officials from one contractor said their company uses technology to make some hand-written files searchable and noted a given condition may require them to

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<sup>17</sup>In response to a 2022 VA OIG recommendation, VBA updated its system for transferring medical files. Contractors confirmed they can now see bookmarks and annotations. VAOIG, *VBA Could Improve Accuracy and Completeness of Medical Opinion Requests for Veteran's Disability Benefits Claims*, VAOIG-22-00404-207 (Washington, D.C., Sept. 7, 2022).

search for more than one term.<sup>18</sup> Officials from all four contractors said they would like VBA claims processors who request examinations to receive additional training on writing clear requests.

Representatives from the four selected stakeholder groups supporting veterans also described challenges that can occur when examiners have difficulty finding information. For example, the representative from one group said “voluminous” files that are poorly labeled may make it difficult for examiners to find and consider lay evidence (e.g., personal statements from veterans and family members) as VA policy instructs. According to this representative, examiners not considering lay evidence has been a leading cause of remands from the Board of Veterans’ Appeals.

In fiscal year 2023 VA established a “Remand Tiger Team,” including officials from MDEO, to identify trends in remands.<sup>19</sup> In May 2024 VBA produced a white paper and, in June 2024, presented the paper’s results to the Tiger Team. This paper reported that inadequate medical exams and opinions were the top reason for remands in fiscal year 2023 and made five recommendations.<sup>20</sup> These recommendations included (1) allowing only claims processors with a certain level of experience to request medical opinions; and (2) providing training and communication to inform claims processors and examiners that increased consideration of lay statements and evidence is needed. According to the white paper, VBA is developing a training course on weighing lay evidence. We will continue to review information about VBA’s training and implementation of the white paper’s recommendations as part of our ongoing work.

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## Conclusions

VBA mainly relies on contractors to perform disability exams, a critical source of information used to decide eligibility for and level of benefits for veterans with service-connected disabilities. To oversee the quality of these contracted disability exams, MDEO has established several techniques to prevent, detect, and correct errors.

However, the procedures MDEO created in August 2024 for overseeing contractors’ quality action plans do not include steps to routinely verify that contractors complete the actions in their plans or determine the extent to which these actions help improve exam quality. By including clear and complete steps for these missing elements in its procedures, VBA will be better equipped to ensure that this error correction technique has its intended effect of improving quality. Improving quality can in turn help avoid unnecessary and costly rework and delays in veterans’ benefits.

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<sup>18</sup>For example, according to these officials, files related to a heart condition may include terms such as “heart attack,” “fibrillation,” or “myocarditis.”

<sup>19</sup>U.S. Department of Veterans Affairs, *Periodic Progress Report on Appeals P.L. 115-55, §3 February 2024 Update* (Washington, D.C.: Feb. 2024). According to this report, VBA assembled this team to analyze remand data, identify trends, and promote more efficient solutions.

<sup>20</sup>VBA sampled 100 remands. The sample, which is not generalizable, included 23 inadequate medical opinions. VBA, *Reducing Board of Veterans’ Appeals Remands*.

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## Recommendation for Executive Action

The Under Secretary for Benefits should improve the clarity and completeness of its procedures for reviewing contractors' quality action plans, including steps for MDEO to routinely (a) verify that contractors have completed the corrective actions in their quality action plans and (b) determine the extent to which these actions help improve exam quality. (Recommendation 1)

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## Agency Comments

We provided a draft of this statement to VA for review and comment. In its comments, reproduced in appendix II, VA generally concurred with our recommendation.

VA's comments stated that VBA is currently developing a plan to use error trend data and assess whether (1) contractors have completed the actions in their quality action plans and (2) the contractors' completed actions led to process improvements or overall improvements in quality. VBA estimated this plan would be complete by January 31, 2025. VA also provided technical comments, which we incorporated as appropriate.

Chairman Luttrell, Ranking Member Pappas, and Members of the Subcommittee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

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## GAO Contact and Staff Acknowledgments

If you or your staff have any questions about this testimony, please contact Elizabeth H. Curda at (202) 512-7215 or [curdae@gao.gov](mailto:curdae@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. GAO staff who made key contributions to this testimony are James Whitcomb (Assistant Director), Brittni Milam (Analyst in Charge), Christian Burks, and MacKenzie Cooper. Also contributing to this testimony were James Bennett, Nancy Cosentino, Alex Galuten, Elizabeth Hartjes, Alexis Hartranft, Gina Hoover, Joy Solmonson, Manuel Valverde, Adam Wendel, and Griffen Wolfe.

# Appendix I: Veterans Benefits Administration Actions in Response to Audit Findings on Contracted Disability Exams

**Table 3: Veterans Benefits Administration (VBA) Actions in Response to 14 Recommendations Related to Contracted Disability Exam Quality from Five Selected GAO and Veterans Affairs Office of Inspector General (VA OIG) Reports**

Report	Recommendation and Status	Actions Taken, according to VBA
<a href="#">GAO-19-13</a> Oct. 12, 2018 <sup>a</sup>	VBA should develop and implement a plan to use its Exam Management System to oversee contractors. Status: Closed—implemented	In April 2021, VBA reported that its Exam Management System was able to produce reports with the timeliness data needed to oversee contractor performance.
<a href="#">GAO-19-13</a> Oct. 12, 2018 <sup>a</sup>	VBA should regularly monitor and assess aggregate performance data and trends over time. Status: Closed—implemented	In October 2020, VBA established a new data analytics team within its Medical Disability Examination Office (MDEO). The team monitors and assesses contractor performance data to allow VBA to monitor trends at both the contractor and program level.
<a href="#">GAO-19-13</a> Oct. 12, 2018 <sup>a</sup>	VBA should implement a process to verify that contracted examiners have required training. Status: Closed—implemented	In January 2022, VBA implemented a centralized online training system to help ensure all contracted examiners have completed required training.
<a href="#">GAO-19-13</a> Oct. 12, 2018 <sup>a</sup>	VBA should collect information from contractors or examiners on training and use this information to make improvements as needed. Status: Closed—implemented	In January 2022, VBA began collecting feedback from examiners about training courses. In August 2022, VBA made changes in response to the feedback.
<a href="#">GAO-21-444T</a> Mar. 23, 2021 <sup>b</sup>	VBA should develop a plan to allocate disability exam workloads between contractors and the Veterans Health Administration, following sound planning practices. Status: Open—partially addressed <sup>c</sup>	VBA developed a plan in September 2021 and provided additional documentation in August 2024. GAO is assessing whether this update fully addresses the recommendation.
<a href="#">GAO-21-444T</a> Mar. 23, 2021 <sup>b</sup>	VBA should develop a process to assess the quality of exam reports for complex claims completed by contractors. Status: Closed—implemented	In November 2021, VBA completed its first review under the new process, which focused on a category of complex claims.
<a href="#">VAOIG-21-01237-127</a> June 8, 2022 <sup>d</sup>	VBA should assess and modify contracts to ensure that contractors can be held accountable for unsatisfactory performance by applying monetary disincentives. Status: Closed	VBA’s comments in the report said VBA executed new contracts in 2021 that included monetary disincentives. VBA’s comments to GAO: VBA officials told GAO they imposed the first penalties under the new contracts in the third quarter of fiscal year 2022.
<a href="#">VAOIG-21-01237-127</a> June 8, 2022 <sup>d</sup>	VBA should ensure procedures are established for contractors to correct any errors MDEO identifies. Status: Closed	VBA’s comments in the report said new contracts required contractors to correct errors. VBA’s comments to GAO: In August 2024, VBA told GAO that claims processors determine which errors may affect the decision on the claim and take necessary actions to rectify only those errors.

**Appendix I: Veterans Benefits Administration Actions in Response to Audit Findings on Contracted Disability Exams**

Report	Recommendation and Status	Actions Taken, according to VBA
<b>VAOIG-21-01237-127</b> June 8, 2022 <sup>d</sup>	VBA should implement procedures requiring MDEO to communicate exam errors to the Office of Field Operations and demonstrate progress in correcting the errors. Status: Closed	VBA's comments in the report said it was developing such procedures. VBA's comments to GAO: MDEO provided GAO with 1) Standard Operating Procedures for referring exam errors to VA's Office of Field Operations for review, dated December 2023; and 2) a June 2024 report on the results of the review and corrective actions taken.
<b>VAOIG-21-01237-127</b> June 8, 2022 <sup>d</sup>	VBA should require MDEO to analyze all available error data and provide systemic exam issues and error trends to contractors. Status: Closed	VBA's comments in the report said VBA would obtain and analyze two data sets. VBA's comments to GAO: MDEO provided GAO with a Performance Work Statement attachment that states contractors will receive a quarterly report on systemic exam findings and error trends from two sources.
<b>VAOIG-22-00404-207</b> Sept. 7, 2022 <sup>e</sup>	VBA should implement electronic system enhancements to require claims processors to identify relevant evidence before they can request a medical opinion. Status: Closed	VBA's comments in the report said VA enhanced its system in 2022 to help ensure more accurate and complete document identification. VBA's comments to GAO: VBA officials told GAO that as of September 2023, VBA transfers annotations and bookmarks with the files sent to contractors.
<b>VAOIG-22-00404-207</b> Sept. 7, 2022 <sup>e</sup>	VBA should enhance mandated training for claims processors on making medical opinion requests and demonstrate progress showing the training's impact. Status: Closed	VBA's comments in the report said it planned to develop a microlearning course. VBA's comments to GAO: VBA officials told GAO that VBA developed the training and required all claims processors responsible for claims development to complete it by August 2022. Course materials say students had to pass a learning assessment with a score of 80 percent or higher.
<b>VAOIG-22-00404-207</b> Sept. 7, 2022 <sup>e</sup>	VBA should identify improvements needed in medical opinion requests and demonstrate progress toward ensuring compliance with established procedures. Status: Open	VBA's comments in the report said it would modify its existing quality review checklist to identify areas in need of improvement. VBA's comments to GAO: VBA officials told GAO that VBA updated the checklist in March 2023 and has been using it to identify error trends and improvements.
<b>VAOIG-23-01059-72</b> May 8, 2024 <sup>f</sup>	VBA should ensure a survey vendor, rather than the contractors providing disability exams, distribute customer satisfaction surveys directly to veterans. <sup>9</sup> Status: Open	VBA's comments in the report said VBA hired a new customer satisfaction vendor in October 2023 who would distribute the surveys. VBA's comments to GAO: VBA officials told GAO that the new vendor started providing the surveys directly to veterans in April 2024.

Source: GAO analysis of the reports listed above and VBA interviews and documents. | GAO-24-107730

<sup>a</sup>GAO, *VA Disability Exams: Improved Performance Analysis and Training Oversight Needed for Contracted Exams*, [GAO-19-13](#) (Washington, D.C.: Oct. 12, 2018).

<sup>b</sup>GAO, *VA Disability Exams: Better Planning Needed as Use of Contracted Examiners Continues to Grow*, [GAO-21-444T](#) (Washington, D.C., Mar. 23, 2021).

<sup>c</sup>GAO lists a recommendation as "open—partially addressed" when the agency has completed actions that contribute to the closure of the recommendation but has not yet completed all actions to implement it.

<sup>d</sup>VAOIG, *Contract Medical Exam Program Limitations Put Veterans at Risk for Inaccurate Claims Decisions*, VAOIG-21-01237-127 (Washington, D.C., June 8, 2022).

<sup>e</sup>VAOIG, *VBA Could Improve the Accuracy and Completeness of Medical Opinion Requests for Veterans' Disability Benefits Claims*, VAOIG-22-00404-207 (Washington, D.C., Sept. 7, 2022).

<sup>f</sup>VAOIG, *Better Oversight Needed of Accessibility, Safety, and Cleanliness at Contract Facilities Offering VA Disability Exams*, VAOIG-23-01059-72 (Washington, D.C., May 8, 2024).

<sup>9</sup>For clarity, we use "contractors" to refer to VBA's contractors who provide disability exams, and "survey vendor" for a different contractor that distributes customer satisfaction surveys.

## Appendix II: Comments from the Department of Veterans Affairs



DEPARTMENT OF VETERANS AFFAIRS  
WASHINGTON

September 13, 2024

Ms. Elizabeth Curda  
Director  
Education, Workforce,  
and Income Security Issues  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Ms. Curda:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office (GAO) draft testimony: ***VA DISABILITY EXAMS: Improvements Needed to Strengthen Oversight of Contractors' Corrective Actions*** (GAO-24-107730).

The enclosure contains technical comments and the actions to be taken to address the draft testimony recommendation. VA appreciates the opportunity to comment on your draft testimony.

Sincerely,

A handwritten signature in blue ink that reads "Margaret B. Kabat".

Margaret B. Kabat, LCSW-C, CCM  
Chief of Staff

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Enclosure

The Department of Veterans Affairs (VA) Response to  
Government Accountability Office (GAO) Draft Testimony  
***VA DISABILITY EXAMS: Improvements Needed to Strengthen Oversight of  
Contractors' Corrective Actions***  
(GAO-24-107730)

**Recommendation 1: The Under Secretary for Benefits should improve the clarity and completeness of its procedures for overseeing contractors' quality action plans, including steps for MDEO to routinely (a) verify that contractors complete the actions in their quality action plans and (b) determine the extent to which these actions help improve exam quality.**

**VA Response:** Concur in principle. The Veterans Benefits Administration (VBA) Medical Disability Examinations Office is currently developing a plan to utilize the error trend data and assess vendors' completion of action plans that will subsequently determine the impact on contractual vendor quality. VBA anticipates a target completion date of January 31, 2025, to have the opportunity to review the third iteration findings and assess if completed actions provided by contractual vendors led to process improvements and had an overall improvement on vendor quality.

Target completion date: January 31, 2025



# Accessible Text for Appendix II: Comments from the Department of Veterans Affairs

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Sincerely,

Margaret B. Kabat, LCSW-C, CCM  
Chief of Staff

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Target completion date: January 31, 2025

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**Accessible Text for Appendix II: Comments from the Department of Veterans Affairs**

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