

GAO Highlights

Highlights of [GAO-24-107730](#), a testimony before the Subcommittee on Disability Assistance and Memorial Affairs, Committee on Veterans' Affairs, House of Representatives

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.

View [GAO-24-107730](#). For more information, contact Elizabeth Curda at (202) 512-7215 or curdae@gao.gov.

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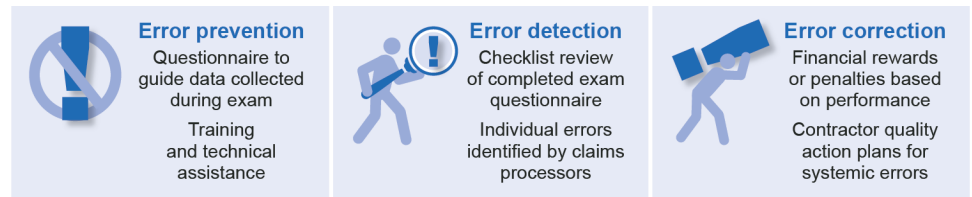
VA DISABILITY EXAMS

Improvements Needed to Strengthen Oversight of Contractors' Corrective Actions

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

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.