



**TESTIMONY  
OF  
BRANDON MCCLAIN  
POLICY ANALYST  
VETERANS' AFFAIRS AND REHABILITATION DIVISION  
THE AMERICAN LEGION  
BEFORE THE  
HOUSE COMMITTEE ON VETERANS' AFFAIRS  
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL  
AFFAIRS OVERSIGHT HEARING  
ON  
"EXAMINING VA EFFORTS TO DECREASE DELAYS IN VETERANS'  
DISABILITY ON COMPENSATION CLAIMS"**

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Chairman Luttrell, Ranking Member Pappas and distinguished members of the subcommittee, on behalf of National Commander Jim LaCoursiere Jr., and more than 1.5 million dues-paying members of The American Legion, we thank you for the opportunity to offer our statement for the record on decreasing delays in veterans' compensation and pension (C&P) exams.

The American Legion is guided by active Legionnaires who dedicate their time and resources to serve veterans, service members, their families, and caregivers. As a resolutions-based organization, our positions are directed by more than 106 years of advocacy and resolutions that originate at the post level of our organization. Every time The American Legion testifies, we offer a direct voice from the veteran community to Congress.

Through our founding principles, The American Legion remains committed to ensuring that veterans and their families receive timely and accurate benefits decisions. A critical element in receiving those decisions is improving the disability C&P claims process. For decades, The American Legion has played an oversight role in improving claims processing within the Department of Veterans Affairs (VA). Today, that role is more important than ever. VA has pledged to serve all veterans and their families with thoughtfulness and efficiency upon their exit of service. However, a lack of oversight and proper enforcement mechanisms to ensure third party vendors adhere to the required levels of accuracy has depleted precious time and resources, compounding the existing backlog.

The implementation of the Sergeant First Class Health Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022 significantly expanded eligibility and introduced new complexities to the claim's environment. Unfortunately, The Veterans Benefits Administration (VBA) was not adequately prepared to absorb this surge in claims. While the law's intent was to improve outcomes for toxic exposed veterans, the result has been a renewed backlog and an overwhelmed workforce struggling under shifting guidance, inconsistent training, outdated

development standards, and rotational leadership. The challenges are not limited to gaps in contractor oversight alone. At the heart of the issue is VBA's internal capacity to train, equip, and support its own staff in executing these responsibilities with consistency and care.

The American Legion has observed that claims are being delayed or erroneously denied not solely because of exam quality, but also due to insufficient staff onboarding, lack of real time coaching, and procedural misinterpretation. A deeper investigation into VBA's training infrastructure reveals that claims processors, raters and quality review personnel are critical to upholding the mission of the PACT Act. As our nation's technology capabilities and access improves, it is imperative that the claims process is continuously modernized and streamlined.

The American Legion is a resolution-based organization, and the following resolution supports and informs our recommendations below: Resolution No. 123: Increase the Transparency of the Veterans Benefits Administration's Claim Processing.<sup>1</sup> The American Legion stands ready to assist, not only by highlighting the problems, but offering concrete and actionable solutions in collaboration with Congress and VA.

### **Background**

Historically, C&P exams have been an ongoing challenge for VA and have been fraught with delays and inconsistencies. This has contributed to systemic challenges that remain a problem today—particularly staff training, procedural consistency, policy implementation, and quality control. Independent reviews from VA Office of Inspector General (OIG), Government Accountability Office (GAO), and from The American Legion highlight the need for stronger, more coherent training and oversight infrastructure to keep pace with the complexity and volume of modern claims.

Evidence from multiple oversight bodies draws heavily from the December 2024 VA OIG audit on claims denials,<sup>2</sup> the GAO's July 4, 2024 congressional testimony on VBAs training program shortcomings,<sup>3</sup> and the most recent American Legion Regional Office Action Review (ROAR) site assessments. These sources collectively provide a holistic view of the systemic issues rooted in

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<sup>1</sup> Resolution No. 123: Increase the Transparency of the Veterans Benefits Administration's Claims Processing (2025) *Legion.org*. Available at: <https://archive.legion.org/node/349>

<sup>2</sup> Office of Inspector General. "Staff Incorrectly Processed Claims When Denying Veterans' Benefits for Presumptive Disabilities Under the PACT Act," December 3, 2024. Accessed April 3, 2025. <https://www.vaoig.gov/sites/default/files/reports/2024-11/vaoig-24-00118-01.pdf>.

<sup>3</sup> "VA DISABILITY BENEFITS Training for Claims Processors Needs to Be Enhanced." Testimony. *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*. United States Government Accountability Office, July 2024. <https://www.gao.gov/assets/gao-24-107510.pdf>.

more than just isolated events, but deeply ingrained procedural gaps, insufficient training, and an overwhelmed workforce.

The assessments reveal four critical insights: First, that approximately 45 percent of denied PACT Act claims reviewed by VA OIG contained one of three types of errors—overdevelopment errors, monetary errors, and potential impact errors.<sup>4</sup> Secondly, the GAO report found VBA lacks a fully realized training program with measurable outcomes and evaluation mechanisms. An additional insight identified within the assessments was that certain successes, like those seen in the San Juan Regional Office, remain exceptions due to local leadership and innovations, not due to agency policy. The final insight relates to overdevelopment and inconsistent adjudication practices, which cost VA millions of dollars in unnecessary exams while delaying deserved benefits. Staff at all levels of this process have reported increased anxiety and fatigue caused by insufficient guidance amidst rising volumes of claims.

According to VA OIG projections, approximately 8,600 out of 19,200 denied PACT Act claims (45%) were processed with one or more significant errors.<sup>5</sup> These include overdevelopment, unnecessary examinations, and premature denials. The associated financial impact totaled nearly \$1.4 million over six months. Separately, GAO noted that issue-level accuracy rates fell from above 97 percent in 2023 to 91 percent in 2024, signaling challenges in staff preparation.

Two confirmed consequences highlighted by the OIG report stated that two veterans were underpaid \$56,700 due to errors directly tied to misunderstandings of presumptive eligibility.<sup>6</sup> In other cases, staff prematurely denied claims without requesting necessary clarification or evidence, often because training did not sufficiently cover these conditions. Veterans who are denied benefits for toxic exposure related conditions often experience cascading delays in access to care, particularly mental health services that are directly tied to compensation status. Delays caused by staff uncertainty or lack of policy clarity compounds stress, increasing the burden placed on already vulnerable individuals.

According to The American Legion’s ROAR visits, San Juan and other VA Regional Offices have claims processors who reported feeling overwhelmed and underprepared for the wave of incoming claims. With an average tenure of about 18 months, many staff are handling complex claims for which their only preparation has been passive online training modules. The lack of real time scenario-based instruction has created procedural inconsistencies and growing claims backlogs. While virtual instruction offers convenience, many employees feel that it significantly diminishes the effectiveness of training, particularly for new employees and newly promoted personnel. There

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<sup>4</sup> “Staff Incorrectly Processed Claims When Denying Veterans’ Benefits for Presumptive Disabilities Under the PACT Act.” *Office of Inspector General*, December 3, 2024. <https://www.vaoig.gov/sites/default/files/reports/2024-11/vaoig-24-00118-01.pdf>.

<sup>5</sup> Ibid

<sup>6</sup> Ibid

is a strong consensus that onboarding and role-specific training should be far more comprehensive to support employees transitioning into higher levels of responsibility. The current training model does not adequately prepare them for the complexity and volume of claims they are expected to process. Because raters often encounter a wide variety of claims, many of which are uncommon and not represented in the standard training, their confidence in their own ability to process claims accurately and efficiently can be eroded.

Not all errors lead to outright denials, but many create prolonged processing times and burdens on veterans. GAO found that VBA's training plan lacks clear performance goals or a timeline for assessing further training needs. Additionally, many claims are repeatedly returned to staff due to incomplete Disability Benefits Questionnaires (DBQs) and an unclear rationale. The cumbersome structure of DBQs presents systemic challenges. These forms are excessively long and include questions some staff feel are irrelevant to the specific claim. For example, while conducting our interviews, one staff member shared their opinion on the length of DBQs and how it impacts their workflow:

*"The DBQ for migraines is four pages long, but could easily, in my opinion, be condensed to one or two pages. Moreover, vendors lack the capability to "bookmark" specific sections of the DBQs, which could help us quickly locate key evidence to ensure efficiency."*

This inefficiency hampers productivity and increases the risk of errors during adjudication. Nationally, claims processors expressed confusion over evolving PACT Act policies. GAO found that while VBA created job aids and training modules, many staff lacked time or clarity to learn or use them effectively. Updates remain too frequent, scattered across platforms, and disconnected from real life scenarios.

### **Modernization**

VA has made incredible strides in modernization, investing in staff, technology, artificial intelligence (AI), and a national work queue to enhance claims processing holistically. In 2013, VA began removing paper records and digitizing claims from 60 locations. Within 22 months, staff and third-party vendors scanned over 7.8 million paper files into VA's electronic claims processing system.<sup>7</sup> This led to the launch of the agency-wide File Bank Extraction initiative in 2016.<sup>8</sup> Regional offices east of the Mississippi took part in the digital conversion that digitized inactive claims that had remained inactive for several years. Historically, VBA only digitized

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<sup>7</sup> Department of Veterans Affairs (jdt). "VA achieves major milestone in effort to modernize claims processing." *VA News*, n.d. <https://news.va.gov/press-room/va-achieves-major-milestone-in-effort-to-modernize-claims-processing/>.

<sup>8</sup> Ledesma, Mark. "VA's modernization of the claims process continues - VA News." *VA News*, n.d. <https://news.va.gov/36122/vas-modernization-of-the-claims-process-continues-with-more-than-300000-digitalized-inactive-claim-records-removed-to-improve-process-service/>.

inactive claims when veterans and their family members filed new disability or dependency indemnity compensation (DIC) claims. The process added days to the adjudication process because physical files needed to be boxed, shipped and digitized before the review of the new claim could even begin.<sup>9</sup> The extraction initiative led to the processing of a remarkable 387 million documents that were scanned and uploaded into the veteran's benefits management system.<sup>10</sup>

At the St. Petersburg Regional Office, a Decision Review Operations Center (DROC) has been the tip of the spear regarding VA's modernization efforts and continues to operate at this amazing level of excellence today. During The American Legion's 2024 St. Petersburg ROAR visit, modernization efforts and implementation of AI had obviously improved employee production and claims processing, improved operational efficiency, and improved employee morale. The regional office implemented Automated Decision Support (ADS) technologies to streamline claims and address the workload. One key component is the Automated Data Ingestion (ADI), which enables Disability Benefits questionnaire (DBQ) data to be automatically populated into the Veterans Benefits Management System (VBMS) rating calculator. This innovation eliminates the need for manual data entry, which improved both speed and accuracy of the process.

Additionally, the Health Data Repository (HDR) has emerged as a powerful tool, allowing VA to connect with VistA data sources. The HDR automates the retrieval of medical records and standardizes them into a single documented format that can be seamlessly integrated into the veteran's records. This dramatically simplifies access to medical history and reduces the need for manual file searches.

Another advancement, the Automated Review Summary Document (ARSD), assists claims processors by scanning the veteran's eFolder and extracting relevant data. The ARSD compiles a concise record summary that includes military service locations, scheduler evidence, and medical records from multiple sources. Feedback from the field has been very positive. A Veteran Service Center (VSC) manager noted:

*"[HDR] Is a game changer. It captures all the medical records from different hospitals and puts them into one .pdf file. Before, you had to search a variety of sources.... The "smart search" functionality of ADS saves 20-30 minutes on each claim being processed. "We need to leverage this technology and use it wisely," one assistant director said. "It isn't perfect the first go round but we use feedback to make it better – it helps to keep up with the cases coming in."*

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<sup>9</sup> Ledesma, Mark. "VA's modernization of the claims process continues - VA News." VA News, n.d. <https://news.va.gov/36122/vas-modernization-of-the-claims-process-continues-with-more-than-300000-digitalized-inactive-claim-records-removed-to-improve-process-service/>.

<sup>10</sup> Ibid

While acknowledging that AI technology is not perfect, St. Petersburg Regional Office staff reported the importance of the iterative improvements based on user feedback and stressed the need to leverage this technology wisely to stay ahead of the curve.

Despite technological gains, RVSRs have expressed significant concerns regarding the effectiveness of AI in the claims adjudication process. Specifically, the AI is often unable to accurately interpret handwritten information submitted by service members on VA form 526. As a result, critical data is not being extracted or auto populated into the system, requiring the RVSRs to spend additional time manually reviewing and inputting information that should otherwise be automated. This undermines the efficiency of automated decision support tools and reduces the overall effectiveness of digital claims processing.

In addition, while the AI is programmed to recognize common key words such as “lower back” or “hypertension,” it struggles to identify more nuanced complex secondary conditions, including neuropathy, muscular disorders, or conditions linked to primary service-connected disabilities. This limitation frequently results in partial rather than complete claims being submitted, which subsequently delays and contributes to the underdevelopment of claims. Another key issue, according to our findings, involves the AI-powered translation of benefits letters, particularly English to Spanish correspondence. One staff member is quoted saying:

*“The current AI translation method performs literal, word for word translations, which do not consider regional dialects, cultural nuances, or colloquial phrasing. As a result, many letters are difficult for Spanish-speaking Veterans to understand, forcing them to visit the regional office in person to have their correspondence interpreted or clarified”.*

Insufficient translations of vital information reduces trust in the system and increases administrative burdens on both the veteran and VA staff.

### **Regional Office Action Review (ROAR) Oversight**

The American Legion documented and confirmed these deficiencies through its own regional office oversight program called ROAR. Before arriving to any regional office, The American Legion’s review team conducts pre-conference visits and sends questionnaires to get a baseline of the RO’s claims metrics and challenges prior to arrival. Additionally, a random sample of 50 claim files are assessed for accuracy, potential mistakes, or inconsistencies. Trends for our FY 2024 report revealed:

- 42% of sampled cases had duty-to-assist issues where VA did not assist the veterans in obtaining necessary evidence for filed claims.

- 30% of sampled cases ignored favorable evidence. When evidence is ignored, veterans are forced to appeal or submit additional evidence, further extending the time it takes to resolve claims.
- 12% of sampled cases were PACT Act claims involving errors or oversight in accordance with provisions of the legislation or evolving Standard Operating Procedures (SOPs).

Additionally, The American Legion's review team has tracked similar trends stemming from a variety of VA Regional Offices (VARO) over the course of many years. Examples from these reports include:

- **COLUMBIA, SC:** An interview of VA employees revealed a concerning number of incomplete C&P exams, as VA-contracted examiners failed to provide medical opinions for diagnosed conditions. Furthermore, VA employees relayed those contractors balked at re-doing C&P exams because "they don't get paid" for them (August 2022).
- **NEW YORK, NY:** Similar trends of incompleteness were noted at the New York VARO, where VA-contracted examiners would establish service connection without referring to any in-service event or condition. Of note, VARO employees disclosed that these types of inadequacies (or under development) errors committed by contractors resulted in many deferrals where VA employees were unable to receive any work credit for postponed or delayed actions (December 2022).
- **SACRAMENTO, CA:** The Sacramento VARO confirmed persistent trends of delays due to inadequate exams. Again, contracted vendors were unwilling to "re-work" examinations if they were "unpaid" to do so. After the Veteran Service Center (VSC) spotted and relayed examination error findings to the MDEO, VA staff stated that the RO would submit the claim back for "re-work due to an inadequate opinion," but the contractor's response was typically, "You need to order a new exam," which in the end causes VA to spend millions of dollars on multiple unnecessary exams (March 2023).
- **PHOENIX, AZ:** At the Phoenix VARO, VA employees disclosed stressors from the need to comply with the newly implemented process of completing a Toxic Exposure Risk Activity (TERA) memorandum if a claimant identifies any potential toxic exposure. As this new process demands a large amount of staff time to ensure proper interpretation and compliance, one executive manager commented that PACT Act claims were reminiscent of the Nehmer court decision to re-adjudicate Vietnam War era claims. The demands of learning and applying new criteria to a high-volume of claims requires careful implementation (March 2023).
- **SAN JUAN, PR:** Quality Control teams at the San Juan VARO cited the development phase as problematic due to a lack of experience among VSRs. Disability Benefits Questionnaires (DBQs) were not thoroughly read or fully completed, forcing Rating VSRs to return claims for clarification. The contracted examiner(s) poor exam quality, inconsistencies, and a lack of attention to detail, particularly due to the overly lengthy and repetitive DBQ format, resulted in a rushed, impersonal approach during appointments,

with examiners more focused on form completion than engaging with the veterans' actual medical concerns. VA staff reported that C&P examinations over all became quite challenging, as an excessive number of new exams were ordered before answering questions on missing or unclear information on submitted DBQs.

Additionally, examiners refused to provide secondary medical opinions for claims, resulting in incomplete DBQs. These DBQs are used by VA to evaluate service-connected disabilities, but due to their length and complexity, vendors often omit critical sections or fail to completely review the medical examination request. Consequently, only primary medical opinions were being rendered, while crucial secondary medical opinions were missing, forcing VA disability raters to adjudicate claims with partial or insufficient examinations (March 2025).

### **Recommendations**

The American Legion recommends the following areas for the Committee to conduct oversight and make improvements:

1. Adopt best practices seen within the St. Petersburg RO that utilizes AI to improve employee productivity, eliminate redundancy, and increase morale.
2. Urge VA to leverage its oversight ability to hold contracted examiners accountable. DBQs should be filled out in their entirety to ensure all claims are processed and always completed thoroughly for every veteran.
3. Formalize and expand the Overdevelopment Reduction Taskforce with representation from field level employees and stakeholders like Veteran Service Organizations (VSOs). In addition, appointing a VSO liaison to the taskforce could ensure service officer expertise is consistently and frequently integrated into policy discussions and decisions.
4. Tap into VSOs like The American Legion as partners in training delivery. The Legion's national network of accredited Department Service Officers (DSOs) is available to provide training and instruction, free of charge, on claims development, PACT Act eligibility, and evidence standards. Our accredited professionals interact with claims daily and can provide front line insight in real time.
5. Clarify the adjudication procedures to separate presumptive claims processing guidance from standard direct service connection guidance. Reducing procedural ambiguity will help staff avoid unnecessary medical opinion requests and cut down on costly unwarranted exams.
6. Expand in person training opportunities for VBA employees, especially those in rural areas or remote territories like The United States Virgin Islands and Puerto Rico to attend

stateside training programs. Face to face, scenario-based instruction should be prioritized over passive online Talent Management System training.

7. Conduct a national internal audit to evaluate the correlation between training delivery methods and claims accuracy. These audits should examine regional disparities in implementation outcomes, particularly in relation to PACT Act related claims.

### **Conclusion**

The overdevelopment of claims has emerged as one of the most pressing and costly inefficiencies within the VBA. What was originally intended as a safeguard within the system to ensure accuracy has, in practice, become a reflexive response to unclear guidance and inexperience amongst claims specialists. Rather than making decisions based on the evidence readily available, many claims are subject to redundant overdevelopment, requests for additional exams, excessive documentation, and repetitive evidence gathering that delays the entire process with no true outcome leading to extreme consequences. Claims that could have been resolved quickly are instead extended for months or even years. Veterans are subjected to excessive re-examinations, re-traumatization, and overall fatigue. Human and financial resources are diverted to duplicative tasks resulting in bottlenecks across the entire system. Most concerning, overdevelopment leads to premature and flawed rating decisions which result in avoidable appeals. The Board of Veteran Appeals (BVA) recently reported that 7.5 percent of appeals have been remanded five or more times, many due to errors in the C&P exam process or excessive development actions that failed to yield clarity. The delays in the appeals process lead to financial distress, a lack of resource access, and prolonged wait times between denials and hearings for veterans. These delays could likely have been avoided if due diligence had occurred during the beginning stages of the development process.

The American Legion understands that overdevelopment is not a result of malice or neglect, but a consequence of systemic uncertainty. Claims processors, operating without consistent guidance or adequate training default to “playing it safe” to reduce liability or even worse, losing their job. Contracted examiners are not always aligned with VA standards, further compounding the problem. The result is a costly cycle of delay, rework, and veteran dissatisfaction. By implementing clearer standardized guidance for claims development, reinforcing targeted training, and tightening oversight on contractor performance, VA can reduce the overdevelopment of claims while improving timeliness and accuracy. The implementation of these goals should help the MDEO reach its goal of 92 percent accuracy and subsequently reduce the strain on the appeals system.

Time is not a luxury that our veterans have, particularly our aging veterans. Every unnecessary step in the development process is time stolen from those who have already waited too long. It is

imperative that VA act swiftly and decisively to ensure that its systems serve veterans with urgency and efficiency.

Chairman Luttrell, Ranking Member Pappas and distinguished members of the subcommittee, The American Legion thanks you for your leadership and for allowing us the opportunity to provide our insight on examining delays in claims and benefits processing. The American Legion stands ready to work with the subcommittee on changes as they develop, and we look forward to sharing the feedback we receive from our membership.

Questions concerning this testimony can be directed to Jake Corsi, Legislative Associate, at [jcorsi@legion.org](mailto:jcorsi@legion.org).