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THE USE OF ARTIFICIAL INTELLIGENCE TO IMPROVE THE U.S. DEPARTMENT OF VETERANS AFFAIRS' CLAIMS PROCESSING SYSTEM

HEARING

BEFORE THE

SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS

OF THE

COMMITTEE ON VETERANS' AFFAIRS

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

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THE USE OF ARTIFICIAL INTELLIGENCE TO IMPROVE THE U.S. DEPARTMENT OF VETERANS AFFAIRS' CLAIMS PROCESSING SYSTEM

Tuesday, January 29, 2008
U. S. House of Representatives,
Subcommittee on Disability Assistance and Memorial Affairs,
Committee on Veterans' Affairs,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:06 p.m., in Room 340, Cannon House Office Building, Hon. John J. Hall [Chairman of the Subcommittee] presiding.

Present: Representatives Hall, Lamborn, Bilirakis.

OPENING STATEMENT OF CHAIRMAN HALL

Mr. HALL. Good afternoon ladies and gentlemen. The Committee on Veterans' Affairs, Subcommittee Disability Assistance and Memorial Affairs, hearing on "The use of Artificial Intelligence to Improve the U.S. Department of Veterans Affairs' (VA's) Claims Processing System" will come to order.

Before I begin with my opening statement, I would like to call attention to the fact that Raymond C. Kelley, National Legislative Director for AMVETS and Kerry Baker, Associate National Legislative Director for the Disabled American Veterans have asked to submit written statements for the hearing record.

If there is no objection, I ask unanimous consent that these statements be entered into the record.

Hearing no objection, so entered.

[The statements of Mr. Kelly and Mr. Baker appear in the Appendix.]

I would ask that we all rise for the Pledge of Allegiance. The flag is in this corner of the room.

[Pledge of Allegiance.]

I would like, first of all, to thank the witnesses for coming today to appear before the Subcommittee. I know I speak for my colleagues when I say we are all extremely frustrated and disappointed when we hear about 650,000 claims pending and another 147,000 appeals with a delay of 183 days to process those claims.

But looking at this photograph, which is up on the screen right now, of an eight-inch paper record held together with rubber bands and marked with post-it notes, it is hard to imagine that things do not get lost or missed. This has got to be cumbersome when processing our veterans' claims.



There is no doubt that we need a better system than rubber bands and post-it notes and must look beyond the current way VA is doing business. There are best practices within the scientific community and best practices in use in the private sector.

I thank you for joining me and the Subcommittee today to explore these solutions to broaden our understanding of what is possible, realistic, and achievable in this technological age.

The current VA claims process is paper intensive, complex to manage, difficult to understand, and takes years to learn. Training a rater can take two to three years and many leave within five

years. Experienced raters can adjudicate about three claims a day, taking about two to three hours apiece.

This means that if there are 10 people who can rate a claim and 800 claims are ready to rate, then it will take another 80 days to process those pending claims, which have already been in the system for several months.

This is very labor intensive. And in the meantime, veterans are waiting months without compensation while their completed case sits on a shelf. I know the other Members of the Committee and most Americans find that unacceptable.

Additionally, there have been reports by the U.S. Government Accountability Office, the VA Inspector General, and the Institute for Defense Analyses that explored the variances in ratings between Regional Offices (ROs) and the lack of inter-rater reliability.

The Veterans' Disability Benefits Commission also found a great deal of subjectivity and inconsistency in the VA's disability claims process.

So how do we solve this?

I have had a life-long interest in science, was a three-time National Science Foundation scholar, and a physics student while at Notre Dame. I learned FORTRAN when I was a kid when my father was teaching seminars when the computer would take up a room this size that now fits into a laptop.

So I find the topic of artificial intelligence, or AI, compelling since it requires the confluence of science, technology, mathematics, engineering, and physics.

In general, the purpose of AI is to make computer programs or machines that can solve problems and achieve goals. AI software increases speed, improves accuracy and reduces costs for many industries and agencies.

AI does not replace the human element, but rather facilitates its availability. There are many examples of AI in other areas, such as banking and medicine. For instance, the Veterans Health Administration (VHA) relies on VistA to help doctors with diagnosis and treatment. It sends alerts when a patient needs a flu shot, cholesterol screening, or warns of potential drug interactions.

AI can be a decision support tool for adjudicating claims too. It could be used to organize and store data. It could match key words from a veteran's record to the criteria in the Rating Schedule. It could prioritize multiple disability issues.

I envision a VA in which a veteran can apply online for benefits, upload records, exams, and other certificates, which are prioritized and classified by an expert system that can match the data to the Rating Schedule criteria and thereby shorten the time it takes to generate a claim.

The electronic template used by the examiner could be associated with the Rating Schedule, which could also help calculate ratings. Classifiers or key words could easily be matched by the computer to the Rating Schedule, such as "Arm," "Amputation," then "90 percent."

This would free up the time for the RO employers to deal with the more complicated issues, and assist veterans and their families with their problems.

This Subcommittee has often heard that veterans do not know about, or understand, their benefits and that transitioning servicemembers are not getting all of the support that they need from the Veterans Benefits Administration (VBA).

In this way, VBA staff could be providing more outreach and ensuring that veterans understand their entitlements and eligibility requirements for other programs, and benefits such as vocational rehabilitation, insurance and special monthly compensation.

I am eager to hear testimony today that will open up the discussion on information technology (IT) and share ideas that can improve rating efficiency, quality, and accuracy while reducing inconsistencies and variances in decisions for our disabled veterans who often have been waiting for a long time for a claim determination.

I look forward to working with Ranking Member Lamborn and the Members of this Subcommittee in finding real solutions that will vastly improve the VA claims process. It is unconscionable that our veterans are waiting as long as they are for their earned benefits. And this situation must end.

I now recognize the distinguished Mr. Lamborn for any opening remarks he may have.

[The statement of Chairman Hall appears in the Appendix.]

OPENING STATEMENT OF HON, DOUG LAMBORN

Mr. LAMBORN. Thank you, Mr. Chairman for yielding. I would like to welcome all of our witnesses to this Subcommittee's first hearing of the Second Session.

I want to commend you, Mr. Chairman, for your leadership and bipartisanship in the previous session. And I look forward to working with you and your staff to find meaningful solutions to improving the VBA claims processing system and reducing VBA's disability claims backlog.

I am excited that our topic of discussion today is the Use of Artificial Intelligence to Improve the Disability Claims Process.

As you know, Mr. Chairman, this is an idea that my colleagues and I on this side of the aisle have long supported.

Whether it was in our fiscal year 2008 views and estimates, or two bills that I introduced last session, H.R. 1864 and H.R. 3047, we believe that one way to truly reduce the current backlog

and prevent future backlogs is to propel the VA beyond a 20th century, paper-based processing system, as you so eloquently showed us through a picture on the screen.

VA must create a system where all claims are electronically scanned and rating board members have access to computerized interactive tools to assist them in the adjudicative process.

Hopefully, the new system will lead to more accurate rating decisions that are delivered to our Nation's veterans in a timely manner.

While I envision an important role for artificial intelligence in the decision-making process, I also concur with our witnesses who will attest that this technology should not and will not ever completely replace claims adjudicators.

A few weeks ago, staff from both sides of the aisle attended a briefing where VBA laid out plans to move forward with such a system. And I am excited to learn more about those plans today.

The Subcommittee must ensure that this new initiative is fully funded and completed with the speed and attentiveness that our veterans deserve.

I am glad that we have representatives from both the private and academic sectors here with us today. It is my hope that they will be able to help VA develop some of the options that are currently available in the private sector.

While I understand that VA has a very large and unique disability claims system, there are similar systems out there. And I would hope that VA would look at these systems before they reinvent the wheel.

We must improve this system so heroes like Gunnery Sergeant Cleveland do not have to wait several years to have their claim adjudicated correctly.

Mr. Chairman, I extend my thanks to you and your staff for holding this hearing this afternoon. And I look forward to hearing the testimony of our witnesses. I yield back the balance of my time.

[The statement of Congressman Lamborn appears in the Appendix.]

Mr. HALL. Thank you, Congressman Lamborn.

Joining us on our first panel is Tai Cleveland from Dumfries, Virginia. Mr. Cleveland is a medically-retired Marine who sustained a devastating training injury in Kuwait in 2003. With him is his wife, Robin.

And they are joined by John Roberts, the National Service Director for Wounded Warrior Project (WWP), which is the veterans service organization (VSO) that represents the Clevelands. I would also like to recognize Mr. Robert's distinguished service as a Marine who was also severely injured while serving this Nation in Somalia. I thank you all for being here.

I would like to remind our panelists that your complete written statements have been made a part of the hearing record.

Therefore, if you would, try to limit your remarks to five minutes so that we have sufficient time for follow-up questions.

Mr. Cleveland, we will go ahead and begin with your testimony. You are now recognized, sir.

STATEMENTS OF GUNNERY SERGEANT TAI CLEVELAND, USMC (RET.), DUMFRIES, VA (DISABLED VETERAN); ACCOMPANIED BY ROBIN CLEVELAND, DUMFRIES, VA; AND JOHN ROBERTS, NATIONAL SERVICE DIRECTOR, WOUNDED WARRIOR PROJECT

STATEMENT OF GUNNERY SERGEANT TAI CLEVELAND, USMC (RET.)

Mr. CLEVELAND. Mr. Chairman, Ranking Member Lamborn, distinguished Members of the Committee, thank you for the opportunity to testify before you regarding my experience with the Department of Veterans Affairs' and claims process. My name is Gunnery Sergeant Tai Cleveland, United States Marine Corps Retired. With me today I have my wife, Robin. And I would like, with your permission, Mr. Chairman, for my wife, who has dealt often with the VA on our benefits claim, to discuss the issues.

Mr. HALL. Thank you, sir. And, Robin, you are now recognized for five minutes.

Mrs. CLEVELAND. Thank you, Mr. Chairman. My husband served his country proudly for 24 years as a United States Marine. And although we had many issues with the U.S. Department of Defense (DoD) following his injuries, due to the subject of this hearing, I will limit my comments to our difficulties with the VA claims processing system and its impact on our family. As I am speaking, however, please keep in mind that a severely injured servicemember must navigate multiple systems: the Department of Defense, the Social Security Administration, Medicare, and the VA. It is quite overwhelming to say the least.

Tai was injured in August 2003 during a hand-to-hand combat training accident in Kuwait, where he was flipped onto his back injuring his head and multiple vertebras. The resulting damage has left my husband a paraplegic with chronic neuropathic pain, spasticity, and what is classified as a mild-to-moderate traumatic brain injury that has its own set of challenges.

Since Tai's injury, I have had to learn the hard way how to navigate the systems. Keeping meticulous records of documents, recording dates and times of telephone calls, confirming receipt of anything sent or hand delivered to Federal agencies.

As such, I thought the best way to convey our situation was to share a timeline detailing our experiences with the VA.

In June 2005, we attended the Transition Assistance Program class provided by the Marine Corps and the VA to learn about the available options. We completed the VA's Benefits

Delivery at Discharge (BDD) process, including the benefits, specially adaptive housing, and adaptive vehicle program applications, and hand delivered it with medical records, MRI compact discs, films, prescription reports, et cetera, in its totality to 1722 Eye Street, Washington, DC.

After having completed his compensation and pension exam, we called the VA Benefits number in November of 2005 where we were advised that the application was incomplete and medical records from the military treatment facility (MTF) were needed. I delivered a second copy of MTF medical records to the DC Office.

A month later, I phoned again to see if the records were received and was advised that no application was on file. I copied and redelivered the original application to the DC Office.

In January 2006, another call to VA Benefits advised me that the claim was being reviewed, but that medical records were required to make a final determination.

I again copied medical records and redelivered to the DC Office. I was later told that the housing and vehicle grant were denied.

When I called in February of 2006, I was told no determination could be made because Tai was still on active duty. Additionally, I was told that no claim was on file for the housing or vehicle. We reapplied.

In March 2006, I met with a VA employee at Walter Reed regarding benefits and our difficulty with the claims. She introduced us to a VA social worker at Walter Reed who enrolled Tai in the Adaptive Driving Program at Richmond.

We were told to reapply for benefits, because no application was found. We resubmitted the original application and completed a new application for Specially Adaptive Housing, Home Improvement and Structural Alteration (HISA), and the vehicle grant, but were informed on April 5th that the applications were denied and advised to reapply.

In June 2006, we were informed by the VA social worker that the approval for the vehicle application was in fact received. But she was "unable to locate the application, because the clerk failed to separate the application and maintain an in-house copy."

In addition, our HISA and Adaptive Housing Grants were denied. We reapplied.

Everything was quiet for the next three months until October 26, 2006, when we were readvised to reapply for vehicle and housing grants since no official notification of approval was received.

Again, in November of 2006, we received verbal notification from the VA representative at Walter Reed of the latest vehicle and housing denial. And on December 13th, 2006, we were advised to reapply for vehicle and housing grants, and were contacted by VA to verify our address.

In January of 2007, Tai was medically retired from the Marine Corps. After filing BDD, we assumed we would get his disability check within a month or so.

In February of 2007, our housing and vehicle grants were approved and supposedly had been approved since April of 2006. But the hard copy was no longer on file. To date, we still have not received the official vehicle approval.

In late May 2007, we received verbal notification from the VSO, helping us at the time, that the VA was indicating that there was not enough information on file to rate the claim. And, therefore, additional information was necessary.

In June, we received notification from the VA of an 80 percent partial rating. We were advised that the rating was temporary and additional information was necessary in order to process the claim.

As we were scheduled to be in Richmond shortly to obtain an adaptive cycle, we were advised to have Richmond perform the necessary evaluations for submittal to the Roanoke Regional Office.

While at Richmond, I also inquired about obtaining the vehicle grant hard copy and contacted the VA to inquire about Aid and Attendance. I was told that I was not eligible.

In July 2007, via express mail, Tai's medical records from Richmond to Roanoke—I delivered Tai's records from Richmond to Roanoke and sent the VA an email advising that we still had not received a disability check approximately six months post-discharge.

In August, I phoned and emailed VA Benefits again and told them that despite the temporary rating, we still had no check. I requested direct deposit information and requested to verify our address.

After having been contacted about our problems by a non-profit organization, a concerned representative from the VA's Central Office called in September about the outstanding checks. And we were told that a tracer would have to be placed on the missing checks before replacements could be mailed. I later received a call from the Roanoke office and was advised that replacement checks were going to be issued.

On October 4th, 2007, a VA representative told us that the claim was being expedited and should be completed by the 14th. We were informed on the 14th and on the 30th that the updated medical reports still had not been received. However, on the 29th we began to receive the replacement checks for the temporary rating.

At this point in the timeline, it is important to note that our family had now been without our full disability compensation and benefits for almost 11 months. Our college-aged children were forced to withdraw. The overall financial strain, and frustration level, and emotional toll, in addition to the actual injury, were crushing.

Finally, on January 7th, 2008, after the intervention of Mr. Hall's Subcommittee and the Wounded Warrior Project, we received a final rating and back payment totaling thousands of dollars.

As you can see we filed and re-filed, submitted and resubmitted medical records, claims forms, applications, and so on. But no one seemed to be able to track anything, placing additional burdens on an already overwhelmed family. In our case, after the intervention of a Congressional office and a non-profit organization, we were able to get the benefits Tai has earned. This process should not be that hard.

Today, almost four years later, while we still have a few things to resolve with our ratings and benefits, our family is trying to move on.

Many people have stepped in to help us, from government agencies, to Congressional offices, to non-profit organizations. I am planning to return to work and school. Our children are returning to school. And Tai is enrolled in a media careers program for veterans in Chairman Filner's district. He has been a noted leader in the program, and ever the Gunny, and has even spoken to the Wounded Warrior Project about being a peer mentor.

However, our purpose in coming here today is not only to tell you our story, but also to let you know that we are not alone. People we know have had similar problems. And we know there are more out there.

We are hoping that our presence here will help you understand the obstacles faced by wounded members and their families and inspire everyone involved to work together to improve the efficiency of this vital system for the benefit of those who sacrificed so much for this country.

Thank you, and I look forward to any questions you may have.

[The statement of Gunnery Sergeant Cleveland appears in the Appendix.]

Mr. HALL. Thank you, Mrs. Cleveland, and thank you so much Gunnery Sergeant Cleveland for your testimony. And—If your case was expedited, I would hate to see one that was not expedited.

Now we recognize John Roberts from the Wounded Warrior Project. Mr. Roberts, you are recognized for five minutes.

STATEMENT OF JOHN ROBERTS

Mr. ROBERTS. Mr. Chairman, Ranking Member Lamborn, distinguished Members of the Subcommittee, thank you for the opportunity to testify before you today regarding the use of technology to improve the efficiency of the Department of Veterans Affairs' claims process.

My name is John Roberts. And I am the National Service Director for the Wounded Warrior Project, a non-profit, non-partisan organization dedicated to assisting the men and women of the

United States Armed Forces who have been injured during the current conflicts around the world.

As a result of our direct, daily contact with these wounded warriors, we have a unique perspective on their needs and the obstacles they face as they attempt to transition and reintegrate into their communities.

In addition to my experience with the Wounded Warrior Project in general and the Cleveland's case specifically, I am a service-connected veteran, a former veteran service officer, and most recently a supervisor with the Houston VA Regional Office where I had the opportunity to review claims and became familiar with a number of significant deficiencies within the system.

In order to fully appreciate the problem, it is important to understand how the systems currently operate. Despite recent advances in technology common to most businesses, the Veterans Benefits Administration claims processing system is still dependent on a paper system. Although the VBA can now view electronic health records transmitted from the Veterans Health Administration, the ratings team is still required to print the records, place them in the veterans claim folder, which are then reviewed page by page by a Veteran or a Rating Veteran Service Representative (RVSR).

The current model of the VBA claims processing system has a total of six separate teams and often, but not always, include another team that is dedicated to the processing of the Operation Iraqi Freedom/Operation Enduring Freedom (OIF/OEF) cases.

The six main teams are, of course, triage, which handles the incoming claims, evidence, and is charged with maintaining the outdated file cabinet system, which stores the hard copy paper claims files.

Predetermination, which is charged with the initial development of all claims for Service-connected disabilities.

The rating team is responsible for reviewing all available evidence and determining if the disabilities are service related. If so, they also assign the disability percentage.

The post-determination team is responsible for inputting awards and generating notification letters to the claimants.

The appeals team maintains all pending appeals submitted by all claimants.

And the public contact team is charged with the general phone calls, questions, and conducting one-on-one interviews with the veterans, dependents, and survivors.

Files must be hand carried to each of the teams. And any member of these teams has access to the records at any given time.

Despite the number of people with access and the ease of which files may be misplaced, VBA only has one way to locate the files once it is removed from the filing cabinet.

An electronic system called COVERS. But this system is only effective if utilized by the individual employee. Rather than having access to the file through electronic means, COVERS requires manual input to identify a specific location or individual. If this is not done, it is very time consuming to locate one file among all the files that are within the processing system.

I'll give you an example. Within the Houston Regional Office, there are approximately 200 employees. And each of these employees could have up to 30 or more files at his or her desk at any time.

Another challenge is the outdated filing system, which is used to store thousands of active files warehoused either at or near Regional Offices. If a file clerk or an employee for that matter is not paying attention and misfiles a claim folder into the wrong cabinet or drawer, it then becomes a very time consuming and difficult task to check each and every drawer to locate the missing file.

The Triage Team at each RO is responsible for the intake of all new claims and evidence submitted by each and every claimant. If the file is not easily located, the mail is placed on search within the COVERS system until the file can be located.

Because there are so many teams within the claims processing system, a particular file could be located within teams at any given time. This allows for—this allows for the human error factor, which is often why the numerous pieces of vital evidence are often lost or misplaced and cannot be associated with the appropriate claim folder.

If a file cannot be located and all avenues have been exhausted to locate the file, the Regional Office will take action to rebuild the folder from scratch. This means that all prior evidence, claims, and claims which are submitted by the claimant are then lost. The responsibility to replace the missing evidence or claims is placed on the claimant. The VA will ask the claimant to submit any copies that he or she may have in their possession.

In addition, due to the current war on terrorism, VBA is faced with another challenge. The new challenge is trying to obtain records from the National Guard and Reserve units. Active duty forces obviously do not file a claim until released from service. Once demobilized, a Reserve member or National Guard component is eligible to file such a claim. If reactivated, however, the Reservist's claim is halted and he or she at that time will take their service medical records with them into theater.

There is also the large backlog of records requests to the Records Management Center, which houses not only claim folders, but now receives all servicemember records for recently discharged servicemen. Think of this as a large warehouse of nothing but paper files and an inadequate staff to locate each and every file or record that has been requested by Regional Offices across the country.

Another significant issue, which can be identified at every Regional Office around the country, is the varying levels of experience of the Rating Veterans Service Representative. In any given case, you could take five individual RVSRs and give them the same file and come up with five different opinions on how the case should be rated.

Although there have been improvements with the implementation of Rating Board Automation (RBA) 2000, the current electronic system utilized to rate compensation claims, the system is far from perfect. The overall ratings decision, including the service connection and actual percentage, is left up to the interpretation of the individual RVSR.

The gap in varying decisions nationwide can also be attributed to the local policy at each individual Regional Office. While this has been the case for many years, the issue has come to a head due to the increased frequency at which this generation of veterans speak to each other and compare their individual situations.

Mr. Chairman, unfortunately, there are—these are only a few of the issues that surround a paper-based system. And situations like the Cleveland's are not unique. Many working groups, Government Accountability Office reports, and commissions have made recommendations on this topic.

Most recently, the Veterans' Disability Benefits Commission suggested that cycle times and accuracy could be improved by "establishing a simplified and expedited process for well-documented claims, using best business practices and maximum feasible use of the information technology."

While the availability of well-trained, customer-service-minded employees cannot be overvalued, the implementation and recommendations such as these can help to greatly reduce the complexity of the claims processing system and result in a timely—result in timely results.

WWP looks forward to working with you and the VA to try to resolve these problems. Thank you again for the opportunity to testify today. And I will be happy to answer any questions you may have.

[The statement of Mr. Roberts appears in the Appendix.]

Mr. HALL. Mr. Roberts, thank you very much for your service to our country, the Marines, VA, and also now with the Wounded Warrior Project.

And, I would start, I guess by asking Sergeant and Mrs. Cleveland what would you say were the biggest missteps in where the VA communicated with you?

Mrs. CLEVELAND. That is just it—the lack of communication.

Mr. HALL. Okay. It is just a simple answer.

Mrs. CLEVELAND. Right. What happens is you just get a general form letter that says "your file is incomplete" or "medical records are necessary."

But then when you contact someone or you finally are able to get someone on the phone, they have no idea what it is that you are talking about. And it becomes submit or resubmit the entire package.

Mr. HALL. So you were initiating most of the communications?

Mrs. CLEVELAND. Exactly.

Mr. HALL. Is this your file by the way on the table?

Mrs. CLEVELAND. This is a part of it.

Mr. HALL. It is—

Mrs. CLEVELAND. This is a snapshot of it. And I was in the process. And I had it in one-inch binders is what it started out in. And it has grown quite a bit.

Mr. HALL. The average we hear today is 183 days to process a claim. And that is hard enough to imagine. But in your case, it sounds like it went closer to 365 days.

Mrs. CLEVELAND. Probably a little bit further than that, because we initially applied while he was still on active duty. July 2005 was when his application went in, the BDD.

Mr. HALL. Well, somebody from this government ought to apologize to you. So let me be the first —if nobody else has, I apologize to you both on behalf of your government that you weren't taken care of and your needs were not attended to more quickly.

Mrs. CLEVELAND. Thank you.

Mr. TAI CLEVELAND. Thank you.

Mr. HALL. I am sorry that happened. And we are going to try to make sure that it does not happen to future veterans any more. I am going to try to reduce the time and reduce the number of repetitive requests, and stop making our veterans jump through hoops and prove that something is service related when it obviously is, and try to get people like you back integrated into something approaching normalcy and going about their lives in a much quicker way.

My understanding was it took, a full year for the VA to get you a check. And that was even after you underwent the BDD process.

Mrs. CLEVELAND. Correct.

Mr. HALL. What would have helped make this a better process, other than better communication? What would you list as the things that would have made it a better process for you?

Mrs. CLEVELAND. If the process were fully automated, that would make a huge difference, because then you would not have to venture out on this paper chase.

Mr. HALL. Right.

Mrs. CLEVELAND. From my understanding, the file moves from one person to the next person in the rating process. And if one piece of paper ends up missing, the next person, it is something that they need, they don't—it is not as simple as going back and saying, excuse me, you just gave me this record. And—page 20 is missing. Can you locate it?

Mr. HALL. Yeah.

Mrs. CLEVELAND. It becomes the claimant's, the veteran's job to get that page 20 in there. Only they don't know it is page 20, so it becomes resubmit.

Mr. HALL. Thank you very much.

Mrs. CLEVELAND. The automation.

Mr. HALL. Let me just ask Mr. Roberts, as a former Regional Office supervisor, could you describe for us how you would change this system to make it more effective and efficient for veterans?

Mr. ROBERTS. Well in the Clevelands' case specifically, the VA historically, until the War on Terrorism started, they didn't—they were not used to taking active duty servicemembers, and taking claims while they were still on active duty, and establishing a claims folder.

In their case, I would imagine that because he was on active duty, a claim folder was not established. Papers that were submitted, claims that were submitted, were not tracked in any way, shape, or form, and misplaced, lost. And that is why they were resubmitting over and over.

The current claims processing system right now that—Mrs. Cleveland is absolutely right. It goes from one hand to another, from one team to another. And if the veteran has an appeal pending, then it could be in any team within the Regional Office at any given time.

Definitely having the electronic file back and forth with DoD and VA would be the most beneficial system.

Mr. HALL. Do you believe it is really necessary for six teams to handle one case?

Mr. ROBERTS. No. This is—CPI was put into place several years ago. They used to have a team concept where files were rated. Everything was done within the same team. And the file stayed within that team.

The way they have it set up now, everybody is doing part of the assembly line process. And they have their own specific part. And then it is passed onto the next person to do theirs. So it was a little bit easier years ago to do the claim, because you have RVSRs. You had decision review officers. You had veteran service representatives. You had all the components to work the claim right there on one team.

Now responsibility gets passed along to whoever takes over from after they get done with their part. And they pass it on to someone else. So it is hard to track.

Mr. HALL. Thank you, sir. My time has run out. So I just want to ask very quickly—You mentioned that you can have more than one RVSR rating a case. Five different ones that come up with five different opinions—

Mr. ROBERTS. Right.

Mr. HALL. —can VETSNET fix that problem?

Mr. ROBERTS. VETSNET has come out. And they are working in it. Before I left the VA, it was just getting rolled out and being utilized. It doesn't fix it.

And it is still the interpretation portion that the RVSR actually does on their own. They look at it. They make a judgement call based on the medical evidence. And based on their background, their experience, they make their decision. So it is still flawed in the current way it is rolled out.

Mr. HALL. Thank you, sir. Now I will turn to our Ranking Member, Mr. Lamborn, for five minutes.

Mr. LAMBORN. I thank you, Mr. Chairman. Ms. Cleveland—Mrs. Cleveland, you mentioned that there are some unresolved issues. And the Chairman may have asked you briefly about that.

Is there still anything as we sit here that needs to be resolved that we can help you with? Briefly, if not, we might have to talk separately or if you haven't already talked.

Mrs. CLEVELAND. Separately.

Mr. LAMBORN. Okay.

Mrs. CLEVELAND. Thank you.

Mr. LAMBORN. Okay, okay. Thank you.

Mr. Roberts, do you believe that several of the problems that you laid out in your testimony to date could be solved with the new and up-to-date system, electronic system, that uses some form of artificial intelligence to adjudicate the claims?

Mr. ROBERTS. Honestly, sir, I am just not that familiar with it. I wouldn't even want to get involved with that. And I will leave that up to the experts.

Mr. LAMBORN. Okay. Well, thank you for your candidness there.

Why does the VA have a policy to place the responsibility to replace a lost file on the claimant?

Mr. ROBERTS. Well, once the file is lost, they have no other option. And they are hoping that the claimant themselves have copies, like the Clevelands, in their possession. And they can resubmit and kind of rebuild the folder from the ground up again.

You have got to remember when the file is lost and they have to go through this process, they lose all service medical records, DD-214's, the initial claims, any medical evidence submitted from private physicians or medical facilities. Everything is gone. They have to start completely from scratch and rebuild the file from the ground up.

Mr. LAMBORN. Okay. And you said in your testimony that numerous pieces of vital evidence are often lost or misplaced and cannot be associated with the appropriate claim folder. Could you give us a little more specificity on how often you think this happens?

Mr. ROBERTS. Well, I imagine—and just for an example, I used to use Houston, because I worked there. If the claim file is not where it is supposed to be, if it is not in the filing cabinet, or it is not at the person's desk that says it is actually located with, the mail is just put on search. And it is put in a bin in numerical order. And it sits there until somebody COVERS in a file to themselves and sees, you know, mail search pop up. And then they physically have to go get up and go get the mail and then associate it with the file. If they don't use the system, they never know the mail is there.

I have seen files go all the way through the processing system, be adjudicated, be rated, be finalized, letter has gone out to the veteran, the file goes back, gets covered into the filing cabinet, and the little GS-4 file clerk goes, "Oh, there is mail for it." And the process starts all over again. They have to go back and re-adjudicate and re-rate that claim based on the new evidence.

The system they have now is the human error. If they don't use it, it doesn't do you any good.

Mr. LAMBORN. Now it sounds like some of the issues we are talking about right this minute, and in response to earlier questions from the Chairman, and based on the testimony from the witnesses, has to do not so much with artificial intelligence or how the claims are adjudicated, but how the records are stored, and kept, and processed, and transferred.

So at a minimum, it sounds like we should be looking at digitizing some of these records to hopefully reduce the examples where things are lost and the time is lost trying to retrieve them, if that can be done. Or multiple people can look at them at the same time, if we have these six teams, more than one of which might be looking at it at the same time.

Do you think that is a step that the VA, at a minimum, should take?

Mr. ROBERTS. I think that is exactly what they should be doing. I have seen—this is a small example of files I have seen. I have seen two or three boxes just for one file, one veteran, in large boxes. And I have seen boxes get lost that belong with other boxes.

So I got—I have seen files from veterans file—half of the file in one side of the building and the other half of the file on another side of the building. And it takes—I have seen up to a month for them to actually connect the two of them together.

So, yeah, I have actually seen people on the appeals team working a claim with half a file. And people in predetermination working on half a file. And I am not sure how they did it. But I have seen it.

Mr. LAMBORN. I thank you for your testimony. Mr. Chairman, I yield back.

Mr. HALL. Thank you, Mr. Lamborn. It would be funny were it not so serious. The Chair will now recognize Congressman Bilirakis for five minutes of questioning.

Mr. BILIRAKIS. Thank you, Mr. Chairman. My question has already been answered.

But I appreciate you holding this hearing. And we need to solve this once and for all, because I know it has been going on a long time. And the claims—the process is too long.

Thank you very much for testifying today. And thank you for your service.

Mr. HALL. I would add my thanks to all of you, and just say that, Mr. Roberts, the help that the Wounded Warrior Project provided and you provided is very welcome I'm sure to the Clevelands but also to all of us.

And, just knowing that this is not an isolated incident, I hope that we can set up a system using as much digitizing, electronic storage, and electronic motion, and shared files, as the Ranking Member was saying, so that we can avoid this; what looks like it is well over a foot high. If you piled those on top of each other, a foot high, for what you are saying, is a relatively small case in terms of the amount of information.

But at any rate, thank you for your testimony.

And we have votes that are underway now. So we will recess the hearing for as long as it takes for us to go across the street and vote. When we come back, we will hear from our second panel.

This Committee stands at recess until then.

[Recess.]

Mr. HALL. The Subcommittee will come to order. Thank you for your patience. We now have joining us at the witness table panel two.

Dr. Tom Mitchell, Chairman of the Machine Learning Department, School of Computer Science at Carnegie Mellon University; Dr. Randolph Miller, Chairman of the Department of Biomedical Informatics at Vanderbilt University of Medicine; Dr. Marjie Shahani, Senior Vice President of Operations at QTC Management, Inc.; Mr. Ned Hunter, Chief Executive Officer from the Stratizon or is it Stratizon?

Mr. HUNTER. Stratizon.

Mr. HALL. I am thinking of that other company that ends with "izon" Corporation, to describe a pilot study in Virginia. Mr. John F. McGarry, Senior Vice President of Benefits and Chief Risk Officer at Unum; and Mr. Gary Christopherson, the former Veterans Health Administration Chief Information Officer, former Senior Advisor to the Under Secretary for Health, and former Principal Deputy Assistant Secretary for Health Affairs. A distinguished group indeed. Ladies and gentlemen, welcome to this Subcommittee. Your full written statements, have been entered into the record. And so feel free to cut corners if you wish so that we will have time for questions.

We are expecting to have Ranking Member Lamborn back here any time. But since the next round of votes is scheduled in about 40 minutes, we are going to try to move this along so we can hear from you and not interrupt the panel to have to go vote.

Dr. Mitchell, you are now recognized for five minutes.

STATEMENTS OF TOM M. MITCHELL, PH.D., E. FREDKIN PROFESSOR AND CHAIR, MACHINE LEARNING DEPARTMENT, SCHOOL OF COMPUTER SCIENCE, CARNEGIE MELLON UNIVERSITY, PITTSBURGH, PA; RANDOLPH A. MILLER, M.D., DONALD A.B. AND MARY M. LINDBERG UNIVERSITY PROFESSOR OF BIOMEDICAL INFORMATICS, MEDICINE, AND NURSING, VANDERBILT UNIVERSITY SCHOOL OF MEDICINE, NASHVILLE, TN; MARJIE SHAHANI, M.D., SENIOR VICE PRESIDENT, OPERATIONS, QTC MANAGEMENT, INC., DIAMOND BAR, CA; NED M. HUNTER, PRESIDENT AND CHIEF EXECUTIVE OFFICER, STRATIZON CORPORATION, ATLANTA, GA (VA STATE PILOT STUDY); JOHN F. MCGARRY, SENIOR VICE PRESIDENT OF BENEFITS, CHIEF RISK OFFICER, UNUM, PORTLAND, ME; AND GARY A. CHRISTOPHERSON, UNIVERSITY PARK, MD (FORMER SENIOR ADVISOR TO THE UNDER SECRETARY FOR HEALTH, AND CHIEF INFORMATION OFFICER, VETERANS HEALTH ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS, AND FORMER PRINCIPAL DEPUTY ASSISTANT SECRETARY FOR HEALTH AFFAIRS, U.S. DEPARTMENT OF DEFENSE)

STATEMENT OF TOM M. MITCHELL, PH.D.

Dr. MITCHELL. Thank you Chairman Hall and distinguished Members of the Committee.

It is an honor for me to be asked to testify here today, and to try to help you help the members of our armed services who have served.

Clearly, we face a significant problem and backlog in the processing of benefits claims by the VA. In my opinion, we have the technology needed to address and to eliminate this problem. Think for a moment of the forms filling problem that we are all familiar with, filling out forms for income taxes.

If we can develop computer software like TurboTax, which helps us fill out very complex multiple page forms, guides us through the steps to determine what kind of information to put in which kind of field, and then can instantly apply very complex tax regulation codes to calculate to the penny the amount of income tax that we owe, then I don't see why we can't develop software that performs an analogous function for the people who have to fill out forms for VA benefits and the people who have to apply the complex regulations to those.

To take a second example that is even more similar to the problem faced by the VA, consider the current practices for processing benefits claims in the medical insurance industry.

At Highmark Inc., which is a major provider of health insurance in my home State of Pennsylvania, I am told that 90 percent, nine zero percent, of the claims that come in from physician offices and from hospitals are automatically processed without any human intervention.

How do they do this? They do it by using electronic forms instead of paper. They do it by coding the treatments that the patients have received using industry standard (International Statistical Classification of Diseases and Related Health Problems) ICD-9 codes. They do it by developing rule-based software that captures the rules and regulations by which the correct payment is calculated from the details of the treatment received by the patient.

And after the decision is made automatically by the software, the payment is issued automatically. So that process happens in 90 percent of the cases automatically. And the other cases require human intervention.

Can the VA do the same? While the type of benefits claims processed by the VA may be somewhat different from those in the medical insurance industry, it seems to me the problems are similar enough that we ought to expect that the VA can also get a great benefit out of this kind of automation.

In my opinion, it is useful to consider a three-stage introduction of computer technology for claims processing in the VA. First, we can shift from pencil and paper claims to online claims. This alone would improve the accuracy, efficiency, and as we heard in the previous panel, the ability to hold onto and not lose claims.

Second, introducing computer software to help interpret these online claims to apply the regulations about which benefits are due would be a second step. We have well understood technologies for encoding complex regulations in software such as rule-based systems.

And for steps that require some human subjective judgment along the way, we also have technologies such as case-based reasoning, which allow the computer to pull up the two or three most similar previous claims in the system for inspection by the human as they are applying their judgment to this new case.

As the third step, once these claims are online and the processing is automated, the resulting database of claims can itself serve as a resource for data mining. Data mining methods can be applied to the claims data.

For example, data mining can be used to predict and flag new claims that are outliers that might require some specialized expertise to evaluate them, or to identify soldiers, veterans, who should be taking advantage of services that they appear not to and alerting them.

So to summarize, in applications from insurance claims processing to tax filing to customer help centers, there is a growing and widespread use of computer-based tools for capturing data in forms and for applying automatic rule-based inference to those.

Much of this technology comes out of research previously sponsored by Federal agencies such as the National Science Foundation and Defense Advanced Research Projects Agency. But the core technology is by now very well understood. This is not bleeding-edge technology.

The VA should take advantage of this. And I recommend three steps that can be carried on in parallel to get started.

One, conduct a detailed three-month study of the workflow process in the benefits office to determine the different steps and to identify for each of those steps whether it can be automated. If not, whether some computer support such as case-based reasoning can be used to help in the human judgment.

Second, begin immediately to move all of the claims online. Even without any additional processing, just having them online will be a benefit.

And third, consult with large insurance companies and others who process benefits claims more automatically to understand what are the current best practices and to begin a process of adopting those where appropriate.

Thank you, Mr. Chairman, for your attention and for the opportunity to address the Committee.

[The statement of Dr. Mitchell appears in the Appendix.]

Mr. HALL. Thank you, Dr. Mitchell.

Dr. Miller, you are now recognized for your opening statement.

STATEMENT OF RANDOLPH A. MILLER, M.D.

Dr. MILLER. Thank you, Mr. Chairman, for the opportunity to address the Subcommittee this afternoon.

My comments describe the applicability of biomedical informatics to the processes determining veterans' eligibility for disability compensation.

Clinical informatics involves application of computer-assisted technology for information management and decision making during healthcare delivery.

If I could have my slide over here. Don't worry, I am not going to read the whole slide. So the problem we have at hand is first the criteria in CFR 38 part 4 are vague and ambiguous. For example, in section 56, part C, muscle disability is defined as "loss of power, weakness, lower threshold of fatigue, and fatigue pain."

While I can't do as many push ups as I did when I was 20, I can't run the mile like I used to, and they talk on Sundays in the NFL broadcast about the athletes working through the pain of fatigue, I do not consider myself or pro athletes disabled. And so the criteria are very ambiguous.

So the first thing is for Congress to redefine what they really mean in a way that is actionable. Otherwise, computers won't be able to help.

Another key principle of informatics is that you need to identify the most proper, correct, definitive source of information, collect information from that source, once and only once, and record it once in a place where everybody else can access it without overriding it with incorrect information.

So in addition to the veteran himself or herself, there are three places of major activity relative to disability determination. During active duty, when somebody is injured or wounded, they should collect disability information right there—beginning at the time that the service man or woman receives care, and collect it in a way that is relevant to disability claims, so that doesn't have to be replicated later.

After discharge, the veterans are seen within the VA healthcare system, and they should collect disability information there. The Compensation and Pension Record Interchange (CAPRI) system is the beginning of a good way to do that. But it is only used on about 25 percent of disability examinations now.

And then finally, as we have already seen in the previous panel, there is more than ample opportunity to automate the paper records system for VBA.

And in my written statement, I presented three different layers, starting with simple collecting of information to more complicated things like AI applications that can be used to progressively refine the system.

And I would also like to point out, as Dr. Mitchell stated, that once all of this information is automated, not just in scanned records but in actionable form, then you can collect information about which claims are more difficult to process or take longer time, which Regional Offices are efficient and not, which veterans need more attention because they haven't been processed yet, and so on.

When everything is electronic, you can do quality improvement much more effectively than you can with paper.

As I have stated, and the Chairman pointed out in his opening comments, artificial intelligence and expert systems cannot replace human intelligence and human compassion in judging whether veterans qualify for disability benefits. But they can speed up the process and help the VBA make it more uniform and more accurate.

It is very important to realize that you can cause problems by automating things as well as curing problems. So, for example, if in the process of implementing improvements the VBA raters had a half electronic system and half paper system, they would never know whether information was in the paper side or the electronic side. And they would have to go to both all of the time.

So this needs to be done in a thoughtful way, where people are helped at each step and the situation is not made more chaotic or confusing. And it needs be done in a nondisruptive manner.

The way the VA has implemented the VistA system is exemplary nationally in informatics. And that would be a good basis on which to model future changes. Thank you.

[The statement of <u>Dr. Miller</u> appears in the Appendix.]

Mr. HALL. Thank you, Dr. Miller.

Dr. Shahani, you are now recognized for five minutes.

STATEMENT OF MARJIE SHAHANI, M.D.

Dr. SHAHANI. Mr. Chairman, Members of the Subcommittee, thank you for the opportunity to testify before you today on the important topic of processing veterans' claims.

QTC is a nationwide provider of medical examinations and record review services to the medical and disability communities. We actually support Federal, State, local government agencies; property and casualty insurance carriers; third-party administrators; employers and the claimants they serve.

We have been a provider of compensation and pension medical examinations services to the Veterans Benefit Administration since 1998.

QTC provides the detailed medical examination for veterans and then submits the exam report to the VA's claims adjudicators or rating specialists who then, along with the veterans C-file or claims file, rates the veteran's disability claims.

To ensure a quality, timely, customer-focused, and cost-effective process and medical report, QTC pioneered the use of software and technology. In every step of our process, we have created software to facilitate and improve our own efficiency.

Over our nine years of experience working with the VA, we have come to understand the unique and complex challenges of the VA disability process. It is like no other disability program with which we work.

In an attempt to provide value-added services to VBA and for veterans, QTC applied its knowledge and experience specifically to simplify and streamline the information gathering process for VA's rating specialists.

QTC actually developed what we call an Evidence Organizer prototype. It is an automated tool designed to assist VA's rating specialists significantly reduce the time to determine a rating decision.

The Evidence Organizer has great potential in helping rating specialists search and find relevant medical information critical to make that final rating decision.

How does it work? Basically it converts the cumbersome paper-based c-file to create an electronic record or e-file. I guess that is what everybody is saying. First we have to convert the paper into something electronic.

This document management process begins with a technician scanning in the entire c-file through the use of optical character recognition. The software transforms each record into a text searchable digital record.

At the heart of this process is QTC's core knowledge database, which is built upon our extensive disability examination experience supporting the VA's Compensation and Pension exams.

The knowledge database identifies, highlights, and electronically indexes all keywords. For example, claimed conditions like diabetes, asthma, arthritis, as well as any potential claimable conditions throughout each medical record.

Once the e-file has been established, each record is reviewed, validating the software's indexing, highlighting the records, and now actually linking the referenced medical records and evidence in the c-file to VA's rating requirements or rating codes.

Once all medical records have been reviewed and linked, the e-file is now ready for VA's rating specialist. Right now as we understand it, the c-file is organized or filed according to the date reports or documents are received.

In addition, most rating specialists process a veteran's case addressing and rating one claim condition at a time. Thus, in addressing a veterans' case with four claim conditions, the current average, the rater reviews the entire paper claims file repeatedly, making notes, putting sticky notes, clipping files together to organize the medical evidence.

The Evidence Organizer will not only organize the medical evidence by claim conditions, but also link the available evidence to the actual rating requirements, allowing the rating specialist to still make that final determination and write the rating decision.

Upon consultation with former VA rating specialists, we estimate that turning this manual paper process into an electronic process will actually improve productivity by 37 percent per decision. By applying technologies such as the Evidence Organizer to this paper process, VBA could greatly reduce routine and repetitive administrative tasks for rating specialists, improve their efficiency, and ensure quality and accuracy of each review.

Thank you again for the opportunity to testify this afternoon.

[The statement of Dr. Shahani appears in the Appendix.]

Mr. HALL. Thank you, Dr. Shahani.

Mr. Hunter, you are now recognized for five minutes.

STATEMENT OF NED M. HUNTER

Mr. HUNTER. Chairman Hall and distinguished Members of the Subcommittee, thank you for the opportunity to appear before you today.

Stratizon Corporation is a veteran-owned Software-as-a-Service company, which has utilized the concepts of artificial intelligence to successfully design a software platform and application solely focused on improving the VA claims processing system.

We have gained valuable insight into the underlying success of using AI to solve the VA claims processing system. First, the technology available is in the marketplace. It is adaptable, flexible, scalable, proven, and cost effective. Technology is not to be resisted but embraced.

Second, success will be highly dependent upon the perspective in which AI solutions are constructed. A true veteran-centric solution of the future must be constructed through the eyes and the situation of the veteran to satisfy the requirements of the State and Federal policies and VA systems and not constructed through the eyes of the multiple government entities to independently present the bureaucracy to the veteran.

Stratizon applied this perspective in successfully piloting for the United States Navy, three unique web-based intelligent solutions that demonstrated how the quality of life for sailors could be significantly improved by replacing confusing, complicated, paper intensive, and manually-driven enterprise processes with web-based, easy-to-use, fully automated, and complete self-service solutions, or what we define as "intelligent user interfaces" or "IUIs." And our tool does this without the use of any programs or hard coding.

IUIs can also be designed for numerous veteran events such as transitions from active to veteran status or applications and appeals for VA compensation and health benefits.

The Commonwealth of Virginia's Department of Veteran Services, working with the Joint Leadership Council of Virginia representing 32 veteran service organizations, is implementing such a solution called TurboVet.

Building on a successful pilot in 2007, the Governor of Virginia has included funds in his fiscal 2009 budget that begins on July 1st, 2008, for full production.

TurboVet will provide Virginia veterans, or an authorized representative, or survivor the ability to log online at Virginia.gov, via a personal computer or device such as this Apple IPhone, and select an event that they need assistance with.

Initially a series of statements and questions regarding their status or particular event will be presented. Their personal data currently on file with the State will be retrieved so they may confirm or validate that data, thus improving data integrity and eliminating redundant data entry.

The system will use embedded decision logic to react intelligently to their input to continually refresh and display only the necessary event questions, thus eliminating the frustration of redundant and unnecessary questions.

A list will be displayed of all State and Federal benefits the veteran has earned with all corresponding documents spanning multiple agencies required for the veteran to submit, thus providing a peace of mind to the veteran their solution is holistic.

Each document will then be progressively, simultaneously, and perfectly auto-populated with the proper data, thus eliminating data transcription errors and numerous processing delays.

Finally, the veteran will have the option to save and print each document locally and, at their discretion, electronically submit their data securely to all participating authorities and systems to be processed and tracked fully and completely.

Virginia's success in using an AI platform is dependent upon the continued support and cooperation of all parties, both political and technical. Decision makers need to remain committed to this paradigm shift to the future and must always provide their best institutional knowledge available to ensure the TurboVet IUI not only becomes that benchmark of service but also remains that benchmark.

We need technical cooperation between State agencies to take advantage of TurboVet's ability to seamlessly exchange data with disparate IT systems. We need cooperation and support at the Federal level.

Federal supervisors in Roanoke have projected that a minimum of 100 days of processing time will be eliminated when the TurboVet system is implemented at only the State level.

Stratizon foresees few problems in exchanging data between TurboVet and VA systems such as VistA and VETSNET. We fervently believe there could be significant process cycle time improvement and extraordinary cost savings at the State and Federal level if veteran's data at the State level could first be pre-verified against recognized authoritative national VA databases and then seamlessly exchanged upon claims submission and during the claims management process. Virginia's goal is to fulfill the vision of House Resolution 3047 and have a claim prepared properly with attached medical evidence and documentation for electronic submission to Federal adjudicators for rating, and have those claims calculated fairly, consistently, and automatically.

In summary, using a properly designed AI system would dramatically improve the VA claims processing systems by improving the access to customer solution and service for veterans and their family members, reducing the costs to the State in staff administration, training, and paperwork, and improving the accuracy, throughput, and expediency of claim submissions by the State for VA adjudication.

On behalf of the Stratizon Corporation, I would like to thank the Chairman and all Subcommittee members for this opportunity to be here today.

[The statement of Mr. Hunter appears in the Appendix.]

Mr. HALL. Thank you, Mr. Hunter.

Mr. McGarry, you now are recognized for five minutes.

STATEMENT OF JOHN F. MCGARRY

Mr. MCGARRY. Mr. Chairman, Members of the Subcommittee, I'd like to thank you for the opportunity to testify before you today.

My name is Jack McGarry. I am the Senior Vice President of Benefits and Chief Risk Officer at Unum.

I have submitted written testimony, which has been made available to you. But will briefly present an overview.

I am here today to discuss how our technology facilitates claim management decisions at Unum. We process approximately 400,000 disability claims per year and pay about \$4 billion in benefits directly to our insureds and their families.

Most of Unum's claims are governed by the Employee Retirement Income Security Act (ERISA), the Federal law which generally requires insurance companies to make disability claim decisions within 45 days.

Unum's experience shows that it is possible to manage high volumes of claims in a timely and accurate manner while achieving high levels of customer satisfaction.

Technology is an important component to the solution of managing volumes, timeframes, and customer service. However, the decision about a person's ability to work is also informed by indepth analysis of pertinent documents and discussions with claimants, their employers, and their physicians in order to assess their ability and motivation to work.

In the end, the disability determination is a judgment call that needs to be made by a person.

In order to assure that the right people are reviewing the right claims at the right time, a combination of Unum's technology and people is necessary.

For example, a routine claim may be automatically sent by the system to one person, while a complex claim with multiple diagnoses may go to another based on a combination of systems and management decision making. As robust as our systems are, a person does look at every claim we pay.

Our technology does the following. It manages documents, facilitates workflow, ensures a complete administrative record, and monitors and measures quality and service results.

First, our system manages documents. Our files can grow to hundreds if not thousands of pages. With our image-based system all files are paperless and multiple people can access the claim same—same claim at the same time. Documents are organized and stored in an efficient manner.

Second, our system facilitates workflow. All new documents and other information are electronically scanned into our system upon receipt. Our technology facilitates parallel claims processing and ensures claims issues are promptly addressed.

The act of scanning the documents as they are received creates an online activity for the claim payer to review. In our system, every action a person completes creates another action or follow-up activity.

The system can also trigger an action for someone to review claims and/or contact customers at key times during the claims management process.

Third, our system ensures a complete administrative record. An administrative record is important for ERISA purposes as well as sound claim management.

When a claim changes hands between claim payers, all of the management activities associated with that claim, including future activities, stay with the claim and are automatically assigned to the new claim payer.

The technology keeps the file together in one place and minimizes any disruption in service due to a personnel changes.

Fourth, our system monitors and measures quality and service results. Management and our quality assurance process require the ability to review files real time, at the same time that the claim payers are working on the files. The system automatically tracks and reports on service times and outcomes.

At the initial level, for the shorter terms claims, our intake department reviews each new claim and assigns an ICD-9 diagnosis code. Our technology then separates the levels of disability into those which have shorter durations and those which may be longer term based on the assigned diagnosis code.

Simpler claims are triaged directly to a claim payer. For the most complex claims, our technology triages the claims to a manager who decides which claim payer to assign the claim based on the experience of the individual.

After the initial assignment, our technology initiates reports based on key measures, including diagnosis, generally accepted medical condition guidelines, and our own Unum database information. These reports can identify claims that need additional work or follow up, and help each claim payers to determine what steps to take next.

Disabilities present a complex management challenge, because they are logistically difficult, judgment based, and can be emotionally charged. Technology can help facilitate judgment-based decision making, but we don't see it as ever being able to replace people in the claim management process.

I would like to end by extending an invitation to all of you and for the VA staff to visit Unum and would welcome the opportunity to continue to be a resource for sharing best practices between the public and private sectors as you continue to evaluate the disability adjudication/case management process.

Thank you for the opportunity to testify before the Subcommittee.

[The statement of Mr. McGarry appears in the Appendix.]

MR. HALL: Thank you very much, Mr. McGarry. You and Dr. Miller have helped set standards for efficiency by finishing in under five minutes. Not that we will hold anybody else to that.

Mr. Christopherson, you are next, and are recognized for five minutes please.

STATEMENT OF GARY A. CHRISTOPHERSON

Mr. CHRISTOPHERSON. Chairman Hall, Mr. Lamborn, Members of the Subcommittee, let me applaud you for holding these very important hearings and for your opening remarks.

Today I am going to speak to the enabling role of artificial intelligence, to the true obligation of duty to assist, and to the honor bestowed on those who deliver on time and on target.

When I served as Principal Deputy Assistant Secretary of Defense for Health Affairs, I saw our servicemembers sacrifice and our Nation incurred debt.

I saw our veterans plight when serving as VHA Chief Information Officer and Senior Advisor to the Under Secretary. And I had the great privilege of getting to know servicemembers, veterans, and their support organizations as people providing a great service to our Nation.

All this taught me that everything VA does should be centered around the veteran. It is not today. If we believe that veterans are hurting, and that we have the duty to assist, and that we should be on time and on target, we need a new claims system. And we need it now.

When I was advising VBA in thinking about a new system several years ago, I learned it takes six months to a year or more to complete about eight hours of actual work. Unacceptable.

When a veteran is hurting and needs healthcare, the VA health system assists the veteran and provides care quickly. When a veteran is hurting and needs financial benefits, the VA benefits system does little to assist, forces the veteran to navigate a large bureaucracy and massive paperwork, and provides financial benefits only after months or years. Sadly this all happened to Gunnery Sergeant Cleveland.

So what should happen? First place, VA staff should be coming out and welcoming the veteran, not the way it is done today. They should actively assist the veteran to get everything processed quickly and correctly. Longer term, they should assist as case managers.

Further, we need the continuing and valuable support and assistance of the veterans' service organizations.

In my opinion, changing the process means giving a veteran a temporary financial benefit at least as soon as the veteran files a claim with basic supporting evidence.

For the permanent decision, real time would mean the VA could receive the claim with supporting evidence and make the decision on the same day or at least within a couple of weeks. Further, let us start paying the veteran within 30 days.

In my colleagues' testimony, we heard that technology exists today to greatly improve the speed and accuracy of benefit decisions.

For those who argue claims processing is a much more complicated and difficult process, I counter that it is not. Healthcare, much more complicated and difficult, is figuring out how to provide care in real time without technology and even better with technology.

When I rescued the VistA health information system and moved it to a brighter future, we also made that information available to VBA electronically and in real time.

Now artificial and human intelligence together can help. VA healthcare providers have the decision support to care well for a person in real time. For claims processing, we do not have to wait for the technology. We can start reducing the misery today and even better when the technology arrives. However, getting to a new, veteran-centric, effective claims processing system with the necessary enabling technology will only happen if VA leadership is fully committed to achieving that vision.

Further, VA leadership will need effective management and staff to make all this happen.

Yes, this is all affordable and doable. First, it could be well built into the \$150 billion economic stimulus package moving at this very moment through the Congress.

Secondly, we have to understand that we handle the budget when we send our servicemembers to war. We should do no less when they come home and need our help. This is a part of real cost of preventing or conducting war.

Today, there is a failure to understand and appreciate the veteran's plight. Feel what it is like for a veteran to live in uncertainty and without support for months, or a year, or more. If we did that for healthcare, that would be totally unacceptable.

Bottom line, change the assumptions. Change the process. Use the best technology. Change the attitude. Care for the veteran. On time and on target is what we expected of our veterans and what we should expect of VA. The duty to assist is an obligation that VA with regards to benefits has yet to honorably discharge.

Thank you, Mr. Chairman.

[The statement of Mr. Christopherson appears in the Appendix.]

Mr. HALL. Thank you, Mr. Christopherson.

Eloquent, powerful testimony all. The question I wanted to ask, first of all, Mr. Christopherson, you talked about starting paying veterans once they filed a complete claim within 30 days. First you said immediately. And then you said at least within 30 days. This is something that many of us have been advocating for.

Do you have a figure in mind or a percentage disability rating in mind that would be your best guess average or, you know, baseline to start while the process goes forward?

Mr. CHRISTOPHERSON. Not really. I think what you have to look at the situation of the person's need, the veteran's need at that time.

Secondly, there is obviously a political process you have to go through with budgetary decisions. And what I may ask for and what I think should happen, my sense of right now is if a veteran has a disability, whatever degree is appropriate at that time, that we have some degree of confidence in, grant it. And start paying it within 30 days in terms of that.

Second part is, and by the way, that starts to shift the burden onto the VA rather than onto the veteran. Right now we have got a backward, upside down system. Where we sort of say if you can figure out how to navigate the system, maybe we will let you get benefits. And Lord knows how long it is going to take.

If we start the reverse and say we are going to start paying some benefits, and we will make some mistakes, but by the way, they served. We didn't essentially ask them a lot of questions at that time. They didn't demand a lot of answers at that time. We should be doing the same here.

So I think essentially what you really have now is give as much as you can with a certain reasonable amount of risk. If we do it for a temporary basis and for a relatively short period of time, the government is not at great risk in doing that.

If you couple that with all the things we have talked about here at this table about moving the whole time process down, the risk to the taxpayer goes down very substantially as well.

Mr. HALL. Thank you. Dr. Mitchell, your work in artificial intelligence covers a broad area from computer learning to advanced robotics.

I was wondering what level of technology are we talking about for transforming the VA claims processing system?

Dr. MITCHELL. Well I think the example of Highmark is a good one. They automate the claims processing. And, in fact, TurboTax is another good example. Both of these are systems that essentially are very well understood. These are not bleeding-edge technology. They are based on very well understood techniques that come out of artificial intelligence.

But essentially they are ways of encoding in software a large collection of rules like the one that you mentioned in your own opening remarks that say "if, the form has this kind of data, then this is an appropriate kind of disability rating."

And so that technology for rule-based processing is very well understood. It is something we could do today and is widely done today.

Mr. HALL. How long would you guess it would take, Dr. Mitchell, for such a system to be created?

Dr. MITCHELL. I believe if—so I looked in preparation for this meeting at some of the rules that are used for assigning disability benefits based on these conditions. To take a standard rule-based engine and to input those kind of rules is months. It is well under a year.

Now I can't estimate the additional sort of organizational and bureaucratic adjustments that would be needed—that would have to be done to go along with that. But from a purely technical standpoint, we are talking about months.

Mr. HALL. First to you, and then to anybody else on the panel, how important would it be that we get a digital handoff from the DoD to the VA? I heard when I was in Landstuhl, Germany, in October on my way back from Iraq. The commander who is in charge of the hospital in Landstuhl says that they are bringing back the servicemembers who are injured with an electronic record, which is like an onion. They keep adding another layer to the onion at each place to what they added in theater.

And then they added in, the treatment they are getting while they are being flown, and then when they get to Landstuhl, they add more records about the medications, or the therapies, or the treatments, or surgeries, whatever is happening to that veteran.

When they return to Walter Reed or Bethesda, then another layer is added to the onion. They told me that in December, last month, they were going to be able to start handing this off to the VA. Well, I am not sure if—I haven't gotten a clear answer as to whether this is actually happening yet. But assuming that that happens, how important is that to being able to start this process?

Dr. MITCHELL. Yes. You know, I would leave that to people who know more about the detailed decision—the detailed policy for assigning benefits. But it is clearly the case that these rule-based system can apply only to data that has already been captured on line.

And so if that part of the electronic record is relevant, then it would have to be online, either by being passed off or by being transcribed from paper in some other way.

Mr. HALL. Dr. Miller?

Dr. MILLER. The CAPRI system that the VA has developed for examiners to record the disability exams within VHA to pass along to VBA, I believe it was already in pilot that you are referring to. So the problem is the DoD records are in different format computationally than the VA records are. And that is one of the logjams in the disability determination.

But for the BDD process that Dr. Christopherson referred to it, if in active service they use CAPRI forms to do the quick and dirty disability determination, that is an existing system the VA developed. And they could probably use that as the basis fairly quickly for the initial short-term disability ranking and payment while more electronic work is done.

Mr. HALL. And—

Mr. CHRISTOPHERSON. Mr. Chairman, if I may.

Mr. HALL. Yes?

Mr. CHRISTOPHERSON. Let me fill in. It started when I was at DoD and then continued when I was at VA, which was the idea of doing exactly what you are describing. Which is to make the information that DoD generates electronically available to VA both for healthcare and for benefits determination there.

Much of that information is now available. If it is electronic, it is available to VA both sides of the equation there. What you have to look at, what will slow things down is for older veterans who didn't have much care electronically in DoD. It has to go through the paper route.

The later era, you have a mixed bag of that. You have got to sort of deal with the mixed bag of that. But again, digitalize that and then essentially move it across.

The next generation coming through should be heavily digitized. And the data should be standardized, which means you really can feed it into the rules engines that these folks are talking about here.

Mr. HALL. So the most time-consuming task that we face is entering all of the old data that is in boxes and files, like the ones we saw earlier, into the system. And then starting from whatever point the system is online, hopefully it will be expedited and more or less instantaneous.

Mr. CHRISTOPHERSON. I would suggest, Mr. Chairman, that is not a staff issue. That is more likely going to be a contract issue. You can make that happen as far as you are willing to spend money to make it happen.

Mr. HALL. It always comes down to money, doesn't it? Dr. Miller, I have one more question for you. I have often heard that doctors use a technique called differential diagnosis where they have a hypothesis about a patient's illness and then ask questions to rule out conditions until they come up with a diagnosis.

Can a computer using a rule-based expert system as you described, assist with assigning disability ratings that cover the VA's 700 codes and its zero to 100 percent range of severity that often includes multiple conditions? How long would it take a computer to do that?

Dr. MILLER. I worked on diagnostic systems of the type you are referring to for a quarter century. There is probably seven or eight techniques in addition to rule based that can be used to do what you have asked.

Essentially the idea has already been stated. But you would use electronic means to identify findings in the veterans records or an active service person's records. And that could cue the practitioner taking care of them that this patient is potentially eligible for disability and hone down into the specific categories of the 700 that the veteran might be eligible for.

In the end, it still should be a decision by a human. But reminding people when they might not be thinking about disability in the heat of battle or whatever that that is an important component of the care is something that such tools would be able to do.

Mr. HALL. Thank you very much. Dr. Shahani, we have often heard that claims have become more complex with over eight conditions per claim instead of just one or two.

Could a system such as QTC's rate all of those conditions given that the claim is already in a "ready to rate" format such as the one described by Mr. Hunter? How long would that take?

Dr. SHAHANI. Just to paraphrase your question again, are you asking then for the time it would take to code all the 700 codes, the multiple conditions?

Mr. HALL. Yes.

Dr. SHAHANI. Right. Basically like, you know, what Dr. Mitchell said, anywhere from six to nine months to come up with that system.

Mr. HALL. Can you tell us more about the knowledge library? Though you did not mention it in your testimony, what would its use be once the exams are stored?

Dr. SHAHANI. Basically the knowledge library that we are talking about or the knowledge database contains, you know, the rating codes that are in 38 CFR part 4. The claim conditions that we have encountered throughout the nine years, and all the potentially claim conditions, and all other keywords that are within the rating code, because each rating diagnostic code actually has descriptions. So they will say range of motion limited by 30 degrees or 40 degrees. All of that is within that knowledge database.

So when it actually scans the records, it identifies and highlights those key words. And then later links, through the rule-based technology or artificial intelligence, links that medical evidence to the rating code.

So what the rating specialist will see is actually medical evidence already showing them what rating codes they need to consider. But they need to make the final decision.

Mr. HALL. Thank you, Doctor. Mr. Hunter, I want to ask you if you could describe a little bit more about the system that you developed for the Navy, that you referred to during your testimony.

Mr. HUNTER. Well we took the approach that we have—we have developed what has been discussed today would take another six to nine months. Over the course of last five years, we used open standard technologies, realizing that no matter what software tool we developed would have to work with a multiple set of disparate systems and communicate with that data.

So we—when you put yourself in the seat of the veteran and as the bureaucracy, the IUI will reflect the Boolean logic that is the knowledge library. It actually is that the pages refresh

reflecting that knowledge library to say okay, based on what you have told us, this is the paperwork, what you need to do. Maybe the medical records that need to be attached. And we can do it without programmers. That was a real key, because you don't want to get—when we worked in the Navy with PeopleSoft and you had to write hard code APIs, you get bogged down. And we just do it now in drop-down menus so you can select from a drop-down menu that knowledge library in which to inject into the question.

So we have accelerated. And the technology is not unique or patentable. It is just the way we presented that tool in order to have the institutional knowledge get transferred into that IUI. That is what is critical.

Virginia refers to it as the unlucky or lucky vet. It does take three to five years to scale up a Federal adjudicator or veterans service representative. So if the veteran is lucky to call in and get someone who has just been there two months, well they don't know all the questions to ask or the right questions. And that is the key.

If we don't catch this problem at the tip of the spear, it just rolls through the entire system. And that is what we are finding. They want to get the person who has had 35 years. It is just critical that they have a consistency of every veteran with the access to be asked the right questions and all the questions, because that starts the claim bill process.

So some of the other companies here today can take a claims management process forward. And we have done that unique and successful—successfully.

Mr. HALL. So how long should it take to rate a claim in your opinion?

Mr. HUNTER. Well in our opinion it should take less than 48 hours, depending if the right Boolean logic is put in.

Now I also agree it will never take the place of a human. All we are doing is shifting the job focus from those people from this data entry and doing what they really are set out to do, which is the human interaction.

I also believe that the technology will never solve 100 percent of the problems. What we found is it is more of an 80-20, 90-10 rule. That you do not want to take the time or the money to put in this logic for the person with the extreme case. That person needs to be immediately put to personal attention, because they need that.

But for the bulk of the people, the frustration of going through the same questions and same paper, it is ridiculous.

And we take a position it is more about the data than the document. You need some documents by mandate. But documents to us are online receipts, box and lines around the data. It is the data that is really the back-end systems need, which was to close. We put that in standard, native XML so we can very confidently talk with any back-end system without trying to change that system. That just seemed—that really lengthens the time.

They just need good data to do what they do well.

Mr. HALL. Thank you. Mr. McGarry, I just wanted to ask you—well first of all, thank you for being here again. You have been a help to the VA system in the past. And I appreciate you being here again.

It is curious, you mentioned that you can process some claims within three days but must process them within 45 days in order to be ERISA compliant. Should VA be required to meet the same standard for processing a claim?

Mr. MCGARRY. I think it is certainly possible for the VA to meet the same standard for processing a claim. You know, my view of it is that the processing part isn't the only piece. There is the definition of disability as well as the resources applied.

And so my only recommendation is in addressing this problem. You address all three of them to get a holistic and consistent solution to it.

Mr. HALL. Does-

Mr. MCGARRY. Mandating one or the other I think is going to be—fall short of the total solution.

Mr. HALL. Right. Does Unum have a backlog of claims?

Mr. MCGARRY. We do not.

Mr. HALL. Do you see a lot of fraud?

Mr. MCGARRY. We see—you know, fraud is a high standard requiring intent. We do see misrepresentation or people—

Mr. HALL. Misunderstanding?

Mr. MCGARRY. Misunderstanding. And so there is a reasonable amount of that. You know, we discover a fair amount of claims through investigation and surveillance for instance.

Mr. HALL. Do you think that if the VA used a triage system similar to Unum's where the claims got sent to a subject matter specialist, it would improve their success?

Mr. MCGARRY. Our actual triaging is less around subject matter specialists and more around the duration and complexity of the claim.

I think one of the biggest drivers of our success is quickly separating claims into those that can be solved readily and quickly versus those that need more in-depth analysis and investigation.

Mr. HALL. The 80-20 or 90-10.

Mr. MCGARRY. And the thing is, you know, is don't mingle those two. Don't have the same people doing the 90 and the 10, because the 90 are quick hits that you can do in 10-15 minutes all day long. It is a processing work. Whereas the 10 is more of an investigative work that takes real expertise to do. And so one of our successes is separating those right up front.

Mr. HUNTER. And, Mr. Hall, may I add that quickly, we have found in Virginia's pilot that less than 95 percent of the claims are ready to rate when they are submitted by the hardworking VSOs in the State, only five percent. So if they are not ready to rate, the claims management process can't proceed properly.

Mr. HALL. Thank you. We are going to have—since Mr. Lamborn is not here, we will have the Minority Counsel ask a few questions. And then we will move along to the next panel.

Mr. LAWRENCE. Thank you, Mr. Chairman. Many of your questions were similar to Ranking Member Lamborn's, so I just have a couple.

For Mr. McGarry and Dr. Shahani, in your testimony you mentioned that your systems have the capability of managing and organizing multiple documents.

Veterans claims files, as you know, can be rather voluminous. They can submit anything they feel is pertinent as evidence. Would that be problematic to your systems?

Dr. SHAHANI. When we ran the prototype basically and scanned c-files, we are able to separate duplicates. We are also able to separate non-medical from medical records. And so we don't see that to be a problem. We can build in rules again to separate out all those different records.

Mr. MCGARRY. We have files too that stand six feet tall stacked one on top of the other, which is why it is such a must to have a document—a document management system is such a big piece of the file so that you can footnote and identify those documents that are germane to the decision.

Mr. LAWRENCE. Thank you. And, Mr. McGarry, how long did it take Unum to establish your system?

Mr. MCGARRY. It took approximately three years.

Mr. LAWRENCE. And for Dr. Mitchell, you had mentioned additional benefits that may accrue from more advanced technologies that can be adopted once the claims are captured and managed online. Could you elaborate on that just briefly please?

Dr. MITCHELL. Sure. I was primarily thinking of data mining that collection of benefits claims and how they were ruled on finally. So if you had that kind of data, you could data mine that for example to detect the features of the claim that indicate, for example, that this is likely to require a particular type of special processing. And to do the kind of, you know, initial sorting that these gentleman were talking about.

You could do data mining to detect the features of the claim that suggest perhaps this should be looked at as a potential case of fraud or misunderstanding. That is very common in the insurance industry.

So primarily I was thinking of the—of the uses of that data in a data mining.

Mr. LAWRENCE. Thank you.

Mr. HALL. I would like to thank our panel. It is very, very interesting. You have exceeded my expectations. I don't know about anybody else, but I trust that these are very exciting possibilities that you raise. So thank you again for your testimony, and for your responses to our questions.

This panel is dismissed, And we will ask our third panel to come forward.

Kim Graves, the Director of the Office of Business Process Integration of the Veterans Benefits Administration, U.S. Department of Veterans Affairs, and Stephen W. Warren, Principle Deputy Assistant Secretary of the Office of Information and Technology, U.S. Department of Veterans Affair.

And if we are lucky, the votes will be held off until after we hear from our two panelists and ask a couple of questions.

While you are getting settled, I will tell you that within the last couple of months, our office up in New York's 19th District resolved a claim for a Navy vet from World War II which was the most extreme case that I have come across yet.

A man who had two ships blown out from under him in the Pacific, one by a kamikaze pilot, one by a torpedo. Twice was floating in the ocean with sharks and body parts floating by him. Had to be pulled back off the ship by his buddies, because he kept on trying to rescue more of his shipmates and get them in the lifeboat.

He has a drawer full of medals for it. He is 84 years old now, and had been diagnosed as schizophrenic, which of course is not a service-related diagnosis. With the help of his friend who happens to be the local Veterans of Foreign Wars commander of the post that he belongs to, and my staff, and working with the local VA, and the VSOs in our area, and so on, we corrected it.

And Sailor Ken McDonald had a happy Christmas with \$100,000 of back disability pay, and \$2,400 a month, and 100 percent post traumatic stress disorder rating, which is evident when one talks to him about—even all these years after. He was 20 when these incidents happened. Yet today he still shakes and has a hard time, when you bring it up and ask him about it.

But we can prevent worst case scenarios. I guess the worst case is, if he didn't live to have the resolution. But hopefully we can move this all toward a quicker, more efficient resolution.

And Director Graves, we have your statement—your written statement is in the record. So you have five minutes give or take. And you are now recognized.

STATEMENTS OF KIM A. GRAVES, DIRECTOR, OFFICE OF BUSINESS PROCESS INTEGRATION, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS; AND STEPHEN W. WARREN, PRINCIPLE DEPUTY ASSISTANT SECRETARY FOR INFORMATION AND TECHNOLOGY, OFFICE OF INFORMATION AND TECHNOLOGY, U.S. DEPARTMENT OF VETERANS AFFAIRS

STATEMENT OF KIM A. GRAVES

Ms. GRAVES. Mr. Chairman and Members of the Subcommittee, it is a privilege to be here today to talk about the use of information technology to enhance claims processing within the Veterans Benefits Administration.

VBA has made significant strides in the use of information technology to improve claims processing in all of our benefit programs.

Our current focus is the development of a comprehensive strategy to integrate the various initiatives already underway and leveraging successes already accomplished. VBA is collaborating with the Office of Information and Technology in developing this strategy to ensure our mission needs are met and that the appropriate enterprise architecture is employed.

At the core of our strategy is the implementation of a business model for compensation and pension processing that is less reliant on paper documents. The use of imaging technology and computable data to support claims processing in our insurance, education and loan guaranty programs has been successful for many years.

Initial pilot efforts in our compensation and pension business line have demonstrated the feasibility of using this type of technology for these benefit programs as well.

Our comprehensive strategy, the Paperless Delivery of Veterans Benefits initiative, is envisioned to employ a variety of enhanced technologies to support end-to-end claims processing.

In addition to imaging and computable data, we will also incorporate enhanced electronic workflow capabilities, enterprise content, and correspondence management services, and integration with our modernized payment system, VETSNET. In addition, we are also exploring the utility of business rules engine software for workflow—for both workflow management and to potentially support improved decision making by claims processing personnel. A recent request for information (RFI) to industry yielded a variety of products that may be useful in our end-state vision.

As part of our strategy for improving the claims processing business model, VBA recently contracted with IBM to conduct a study of the current process and suggest improvements. We expect their report shortly and will assess their findings as we move forward with documenting our information technology strategy.

As noted previously, two pilot programs are currently underway and have demonstrated the utility of imaging technology in our compensation and pension business line. Both projects utilize our Virtual VA imaging platform and related applications. Virtual VA is a document and electronic claims-folder repository.

The first pilot supports our income-based pension program. It involves imaging documents received in conjunction with the annual income reporting process.

Imaging allows the three Pension Maintenance Centers to make the necessary claims adjustments without need for retrieval and review of the paper claims file.

The second pilot supports the compensation program at our centralized rating activity sites for our Benefits Delivery at Discharge program. The separating servicemember's medical records and supporting claim information are imaged at the outset of the claims process. This allows rating veteran service representatives to make decisions based solely upon review of the imaged records rather than reliance on the paper claims file.

Further refinements of the business process are now underway and will be factored in as we evaluate options for expanding use of this technology.

An additional pilot project is also under development. This project will examine issues such as user authentication and using on-line forms to provide the capability for the initial "electronic" filing of benefit claims. This is a first step in implementing on-line self-service to allow veterans to manage some of their interactions with VA electronically.

Integration with VETSNET is also a critical success factor in our overall strategy. We have made significant progress in the implementation of VETSNET over the past two years.

Approximately 98 percent of all original compensation claims are now being processed end-toend in VETSNET. And we are now paying monthly compensation benefits to more than 850,000 veterans or approximately one of every three compensation recipients using our modernized platform.

With our next conversion of records from the legacy Benefits Delivery Network scheduled for April, VETSNET will become the primary payment system for compensation benefits.

Integration and data exchange with the Department of Defense are also essential, as is our continued expansion of exchange of healthcare information with the Veterans Health Administration.

As we continue to move forward with the efforts described here, we are focused on developing an integrated project plan, ensuring the needs of our veterans and their families are documented and attainable. Demonstrable milestones and performance metrics will be incorporated so that we and our stakeholders are able to assess our progress in achieving our vision.

To assist in developing this plan, we are working closely with our Office of Information and Technology partners to develop a request for proposals to engage the services of a lead systems integration contractor.

The integrator will provide support in documenting both the business and technical requirements for implementation of our long-term strategy.

I assure you that the Under Secretary for Benefits is committed to implementation of the Paperless Delivery of Veterans Benefits initiative.

Together with our partners in the Office of Information Technology, we believe this goal is not only attainable, but is imperative to ensure the best possible service to our Nation's veterans.

We thank you for the opportunity to address these important issues and would be happy to address any questions that you may have. Thank you, Mr. Chairman.

[The statement of Ms. Graves appears in the Appendix.]

Mr. HALL. Thank you, Ms. Graves.

Mr. Warren, you are now recognized for five minutes.

STATEMENT OF STEPHEN WARREN

Mr. WARREN. Mr. Chairman and Members of the Subcommittee, I would like to thank you for the opportunity to testify today on the use of information technology to enhance claims processing, within the Department of Veterans Affairs, as well as utilize data from the Veterans Health Information Technology and Architecture System or VistA system to assist in the processing of disability claims. These are very important issues that affect the life of every veteran and their just compensation for disabling injuries received while serving our Country.

I would like to begin by addressing VA's efforts at leveraging information technology to improve the timely delivery of veterans' benefits. The Office of Information and Technology has been collaborating with the Veterans Benefits Administration in the development of a comprehensive strategy to achieve their target business model.

The operational concept of the Paperless Delivery of Veterans Benefits initiative is to employ enhanced technology platforms to include imaging, computable data, electronic workflow capabilities, and enterprise content and correspondence management services. Some of the same technologies you heard from earlier panelists.

The initiative will integrate with the Veterans Benefits Administration's core business application and modernized payment system, the Veterans Service Network known as VETSNET.

My office also supports the Veterans Benefits Administration's market research of business rules engine software and other decision support technologies, which can be leveraged to improve and expedite decision making by claims processing personnel.

We recently released a Request for Information from industry or RFI. This request for information resulted in the demonstration of technologies that may be appropriate for the Veterans Benefits Administration's target business strategy.

The request for information process helps us gain a better understanding of how private industry and other government agencies have employed these types of technologies to support their specific business models.

We also have conducted an analysis of technical architectures, business applications, and Commercial-Off-The -Shelf products, utilized to support the business processes of the Social Security Administration, as well as the Veterans Affairs Organization of Australia and Canada.

A Statement of Work is currently being prepared to engage the services of a Lead Systems Integration Contractor. The purpose of this contract is to assist with the development of the overarching strategy and business requirements for the Paperless Delivery of Veterans Benefits initiative.

These key deliverables will enable us to begin specifying the supporting technical architecture and business applications.

Mr. Chairman, I would like—now to highlight how the utilization of data from the VistA system, the one used by the Veterans Health Administration, assists in the processing of disability claims.

The business application used by the Veterans Benefit Administration to navigate and retrieve clinical data within the VistA system, is called the Compensation and Pension Record Interchange or CAPRI. Online access to medical data, housed in the Veterans Health Administration VistA system, supports the disability benefits determination.

CAPRI also provides access to some of Department of Defense medical records through integration with the Federal Health Information Exchange framework. CAPRI was nationally deployed during fiscal year 2001, and delivered cutting edge "point and click" technology to the users' desktop at that time.

Since its deployment, the application has been repeatedly enhanced as new categories of clinical data in the Veterans Health Administration and Department of Defense became available.

Mr. Chairman, in closing I want to assure you that we remain steadfast in our efforts to continuously optimize any and all information technology improvements, as we strive to improve our veterans' benefits IT environment.

Our goal is that these efforts, coupled with the support of the Veterans Benefit Administration and our partners in the private sector, will greatly improve the business processes, which will significantly enhance the disability claims process that our Nation's heroes undergo.

Thank you for your time and opportunity to address these issues. I would be happy to answer any questions you may have.

[The statement of Mr. Warren appears in the Appendix.]

Mr. HALL. Thank you, sir.

Ms. Graves, I just wanted to ask you, in November of 2007, VA testified that it has received \$20 million in a supplemental appropriation for electronic processing initiatives.

When this Subcommittee asked about IT expenses, we were given an analysis that showed that VA spent approximately \$300 million on VETSNET since 1986. With all that time and money, how is it that we still do not have a system that satisfies veterans' claims processing needs?

Ms. GRAVES. Thank you, Mr. Chairman. Moving to the VETSNET environment, off of our antiquated and outdated payment system has been a paramount concern to the Veterans Benefits Administration.

The actual software development component of VETSNET began in 1996. And it has taken us a significant amount of time to make these accomplishments.

Over the past two years, Under Secretary Cooper instituted a variety of changes to include restructuring the overall management of the VETSNET project. We believe that the progress that we have made demonstrates that we have learned some very significant lessons in how to better manage the business process of IT development.

We hope to bring to bear these lessons learned as we move forward with our next initiative, which is that next step in bringing a paperless environment to the Veterans Benefits Administration.

Mr. HALL. It sounds like your current plan to make the system paperless means that the rater does the same things with the screen that they did with the paper record unless I am mistaken.

What is the plan to make an electronic record computable so that data can be mined, matched, and manipulated?

Ms. GRAVES. There are a number of efforts that we will have to address with our information technology partners.

I think as you heard in the prior panel, some of the issues that we must contend with deal with the records of veterans who may have exited the service many years ago. Many of these documents are handwritten. This presents a number of challenges in turning that into computable data. We will be looking at all of our opportunities for moving forward from a paper environment, whether it is images, computable data, all along the spectrum, to enable us to better utilize the data in support of claims processing.

I think as you heard from the panels before, the rating process in and of itself is significantly difficult. There is much human judgment that must be applied. It is not only a matter of determining a level of disability, but making a judgment as to whether the disability itself was incurred in or aggravated by service.

So there are a number of factors that must be brought to bear. And as we work with our IT partners, we will be looking for all of the opportunities that we can utilize to facilitate bringing this to a more streamlined process.

As we mentioned in the testimony, IBM Global Services has been with us for the past number of months conducting a study of the claims process. We are anxiously awaiting their findings to help us look at the business model itself and match that up with technologies that are available to improve the claims process.

Mr. HALL. Thank you. The VA already has Veterans Online Application (VONAPP) so that veterans can file online. So, I am wondering what would be the purpose of an additional pilot project you mentioned to study this capability if the capacity already exists, or are they dissimilar?

Ms. GRAVES. The current VONAPP process that we have is an online application. The veteran can fill in the application, by typing in their information in the application. They can either email that document, that application into us, or mail it in hard copy.

In either case, we accept the application. We must also go out and get a physical signature from the veteran. Regardless of whether they have submitted it online, we must have the signature.

And also in its current form, the information that we receive on the veteran's application is rekeyed into the claims processing system.

The pilot that we are working with our IT partners on will take the next step, and hopefully begin to utilize fillable forms, computable data, and also explore our ability to accept an electronic signature as we move forward with the appropriate business process that will allow us to accept that online signature.

Mr. HALL. Thank you, Ms. Graves. Mr. Warren, what is the Under Secretary for Benefits' commitment to fully instituting an automatic claims processing system? What has he done in six years, in your opinion, to get to this goal, and why has it taken so long with so few results?

Mr. WARREN. Mr. Chairman, I probably should caveat my remarks with stating that I have only been at the VA for the last nine months. So I can only give you my observations for the last nine months.

Mr. HALL. That is good.

Mr. WARREN. The commitment that I have seen by our partners in the Veterans Benefits Administration is a commitment to make the dramatic changes necessary to go forward.

And I think one of the things that it is good to keep in mind as we talk about how do you take an old paper-based system and move it into the nirvana, if you will, or at the punch of a button it makes a determination, there are many steps you need to go through. And some of them were touched upon.

It is moving from paper data to electronic data. It is moving to electronic data that is computable. It is utilizing workflow tools or technologies that allow you to move the information to the appropriate folks.

Then there is the need for tools that assist in the determinations up to to the point where maybe you can have a tentative determination. And then somebody having to look at it. Each one of those things take time, especially with a consideration for what are the rules that the organization has to follow?

And the Department, through the Veterans Benefits Administration, is looking at those rules and trying to understand what does it take to automate those rules and are there limitations in the rules themselves?

As an example, our colleagues in the Australian Veterans Administration went through this process themselves. And working with their legislature, it took them four years from going to "we want to do this" to, "how do we need to change the rules?" How do we need to make the rules actionable, so we actually can use automated tools to make the determinations?

So I would love as a veteran for it to be easy. However, we have complex rules and complex systems that need to be taken forward through a deliberative process so we don't mess it up along the way, sir.

Mr. HALL. Some of our previous panelists suggested, coming from their private sector positions, their view was that a system like this could be developed in six to nine months. Do you think that is accurate? I don't mean completely dialed in and have all the data entered into it, but to have the actual system.

Mr. WARREN. And to give you a sense in terms of how quickly you can do things, prior to the Department of Veterans Affairs, I was the Chief Information Officer at the Federal Trade Commission. And we brought on the Do Not Call Registry in 100 days. So you can do complex things quickly. But the National Do Not Call Registry is actually a trivial effort in comparison to what it will take to make the system, and the processes, and the rules that the folks need to use into an automated system.

I wish it was six to nine months, because then we could get it done. But it actually is going to take longer once you look at the complexity of the rules and the ambiguity in some of the rules.

And we will need your assistance and the assistance of this body as we identify what rules might be too ambiguous for the utilization of advanced technology to make the determination.

Mr. HALL. There used to be a VA Office of Seamless Transition, which has now become a VHA/DoD Outreach Coordination Office. How has VBA been dropped from the process? How are veterans, who seem to have a difficult enough time in getting claims processed, supposed to navigate the system without this level of support? I guess that could be to either of you. But—

Ms. GRAVES. Mr. Chairman, I apologize. But I am not aware of the change that you have stated.

Mr. HALL. Referred to?

Ms. GRAVES. Referred to. We can certainly take that question back and get you a response on that. I apologize for not having that information.

[The response was provided by <u>VA in the answer to Question 3</u> from the post hearing questions for the record, which appear in the Appendix.]

Mr. HALL. Well, I will just ask one more. And then turn it over to Mr. Lamborn for his questions. But I am just wondering why the Clevelands, Gunnery Sergeant and Mrs. Cleveland, even though they went through the BDD process and—well, you—were you here for their testimony?

Ms. GRAVES. Yes, sir.

Mr. HALL. Do you—would you hazard a guess as to why it would take a year to rate and compensate Mr. Cleveland? Or is this just one of those stories that you hear about where things fell through the cracks repeatedly?

Ms. GRAVES. Mr. Chairman, first and foremost, I want to apologize and did apologize to Mr. and Mrs. Cleveland for the difficulty that they endured moving through the claims process.

I do not have the specifics on the timeline that Mrs. Cleveland so eloquently went through. I give you my assurance that we will be doing that when we go back to the office to make sure that we have not only addressed any issues that still may be outstanding. Unfortunately, when we become aware of cases that in falling through the cracks is such a—it doesn't do justice obviously to what the family endured.

But certainly as we become aware of these types of circumstances, we do look at these. And try to make adjustments where we can to ensure that we put procedures in place to try to prevent these from occurring in the future.

Mr. HALL. I would guess that maybe we were talking about the 80-20 or 90-10. And this might be in the 10 or the 20. In other words, it is the more dramatic instances of evident disability. Like I have had a couple that my office has dealt with like the sailor with the two ships blown

out from under him for instance. If one had 80 or 90 percent of the cases being processed with the computerized, automated system primarily, and then have the ones that need special care being diverted to human resources, you would hope that would solve the problem.

I am just curious it would seem that an automated registry, a record, right from the word go, would eliminate the many times they were asked to resubmit, the many times they were told the record couldn't be found, that there was no "this or that" form or medical report.

So let us all hope that we are after the holy grail here. I guess my last question to either or both of you is are the systems that you already have in place and that you are—that the VA is developing, going to be, or are the people who have put those in place going to be, open to changing them or adding things like some of the previous panelists talked about?

Ms. GRAVES. If I may, certainly one of the lessons that we have learned in the last couple of years with the VETSNET initiative that there is a pull from our employees for the types of technologies that we have been delivering and that we will continue to deliver.

Our paperless rating process and the benefits delivery at discharge pilot has also demonstrated from our ratings specialist, our rating veterans service representatives, that not only can they rate a claim in a paperless environment, but they prefer it, at least the ones who have gone through that process.

That has given us a demonstrated capability that this is something that can be accepted and will be accepted by at least a group of our employees.

So we are looking at that process right now on how we can expand that. And that would certainly, in taking Mr. Cleveland's case, if, as we expand the BDD process and the paperless BDD process, when Mr. Cleveland—coming through now, were in that population, we would have received his paper records at the time of his discharge. And then imaged them immediately into the system. So at least that opportunity for a loss of a record would be certainly greatly mitigated or diminished.

So we believe that our employees are open. And would welcome the advanced technologies that are available. And we are very anxious to set a course that is achievable and to move forward to a better system for our veterans.

Mr. HALL. Thank you very much, Ms. Graves.

The Chair will now recognize Ranking Member Lamborn.

Mr. LAMBORN. Thank you, Mr. Chairman. And this is for either one of you. Can you give some examples of some of the types of questions that you expect the IBM study to be able to answer?

Ms. GRAVES. Thank you. We have just received a very preliminary report from IBM. But we are hopeful that the IBM group will be able to point us in a direction of where we may be able to improve the process.

I certainly expect that we will hear from IBM some of the things that we have heard today on the panel. That our reliance on a paper-based system is detrimental to the overall efficiency of the process. I am speculating on that. But certainly we would expect to derive great benefit from IBM's observations as they have gone and looked at our claims process.

Mr. LAMBORN. Now apart from the rules-making ability or excuse me the claims adjudicating ability that hopefully will eventually be realized as a goal. Just in the meantime, it seems that document management would be a huge benefit. You know seeing the picture that the Chairman showed of an eight-inch stack of paper, or we saw something like that on the table in front of us today.

Is the IBM study looking at that only, or are they going beyond that? Or what are they looking at again?

Ms. GRAVES. The IBM study was designed as a comprehensive review of the compensation claims process. I believe their charge was to come back with any suggestions that they would have, whether it is regulatory, legislative, or information technology that might be brought to bear to improve the claims process.

The pictures that were shown today and the look, the physical look at Mr. Cleveland's—the portion of Mr. Cleveland's records, again, certainly demonstrates that as we become better able to turn that paper into something that is easier to manager, easier to keep control of, we can only speculate that that will improve our ability to manage that workflow.

Some of the technologies that we have been exploring with our partners in the Office of Information and Technology, we are looking forward to evaluating how those types of workflow management and document management tools will enable us to not only take those paper records and turn them into an image or some type of computable data, but also to manage the flow of that information throughout the claims process.

Mr. LAMBORN. Now I take it that they are not looking at the ability to come up with decisions through artificial intelligence or anything like that. They are not going that far on the cutting edge, are they?

Ms. GRAVES. Sir, I would presume that if IBM, in their review of the process, believes that that is a viable opportunity that they will present that. Their charge was relatively open to come in and review the claims process and provide recommendations for improvement. And they were not constrained on the types of the improvements that they can provide to us.

Mr. LAMBORN. And you have seen a preliminary version of that?

Ms. GRAVES. Very preliminary. Just a couple of pieces of it. I have not had a chance to go through it. And it has not been formally released to the Veterans Benefits Administration yet.

The only look I got at it was to ask so they could ask a couple of clarifying questions as they were putting some touches on their draft.

Mr. LAMBORN. Okay. Well I look forward to helping or learning with you some of their recommendations and helping the VA as we go forward to make this a better process. Whether it is just document management or even beyond that into the processing of claims.

So thank you for what you are doing. And thank you for your testimony today.

I yield back, Mr. Chairman.

Mr. HALL. Thank you Mr. Lamborn. Ms. Graves and Mr. Warren, thank you for your testimony and for the work that you are doing. And I echo the Ranking Member's comments that, we are here to help, and to nudge, and to stir the pot.

And we would love to see a copy of the report as soon as it is in presentable enough form that you can share it with us. The sooner the better. It couldn't happen too fast for us.

We all have veterans in our own districts that we deal with on a day-to-day basis and our staffs deal with on a day-to-day basis. And we see, as with the Clevelands here, the cases I think that get to a Congressional office are the ones that have had trouble. So we don't necessarily see a scientific sample.

But what we see are the ones where the system failed to come through in an adequate or in a timely fashion. And that is, for me, what motivates me, and I think all of us to, want to cover and take care of our veterans without these problems arising, and to give them the service that is commensurate with that that they gave to our country.

So thank you for your comments. Thank you for your conversation with the Cleveland's, which I also had. I think that it is the best thing that we can do as a tribute to them and to others like them is to continue and speed up this process of modernizing a system that, as one of the previous witnesses said, we would not tolerate if it were our own health insurance.

In private business we have grown accustomed to a higher standard or quicker standard of technological resolution of these issues.

So institutional momentum being what it is, we are going to work together and move into the 21st century with both feet.

So if there is no further statements, no further questions, I thank you and all the panels. And this hearing stands adjourned.

[Whereupon, at 4:54 p.m., the Subcommittee was adjourned.]

APPENDIX

Prepared Opening Statements:

Prepared statement of <u>Hon. John J. Hall</u>, Chairman, and a Representative in Congress from the State of New York

Prepared statement of <u>Hon. Doug Lamborn</u>, Ranking Republican Member, and a Representative in Congress from the State of Colorado

Prepared Witness statements:

Prepared statement of <u>Gunnery Sergeant Tai Cleveland</u>, USMC (Ret.), Dumfries, VA
Prepared statement of <u>John Roberts</u>, National Service Director, Wounded Warrior Project
Prepared statement of <u>Tom M. Mitchell</u>, Ph.D., E. Fredkin Professor and Chair, Machine
Learning Department, School of Computer Science, Carnegie Mellon University, Pittsburgh, PA
Prepared statement of <u>Randolph A. Miller</u>, M.D., Donald A.B. and Mary M. Lindberg University
Professor of Biomedical Informatics, Medicine, and Nursing, Vanderbilt University School of
Medicine, Nashville, TN

Prepared statement of <u>Marjie Shahani</u>, M.D., Senior Vice President, Operations, QTC Management, Inc., Diamond Bar, CA

Prepared statement of <u>Ned M. Hunter</u>, President and Chief Executive Officer, Stratizon Corporation, Atlanta, GA

Prepared statement of <u>John F. McGarry</u>, Senior Vice President of Benefits, Chief Risk Officer, Unum, Portland, ME

Prepared statement of Gary A. Christopherson, University Park, MD

Prepared statement of <u>Kim A. Graves</u>, Director, Office of Business Process Integration, Veterans Benefits Administration, U.S. Department of Veterans Affairs

Prepared statement of <u>Stephen W. Warren</u>, Principle Deputy Assistant Secretary for Information and Technology, Office of Information and Technology, U.S. Department of Veterans Affairs

Submissions for the Record:

Prepared statement of <u>Raymond C. Kelley</u>, National Legislative Director, American Veterans (AMVETS)

Prepared statement of <u>Steve Smithson</u>, Deputy Director, Veterans Affairs and Rehabilitation Commission, American Legion

Prepared statement of <u>Kerry Baker</u>, Associate National Legislative Director, Disabled American Veterans

Prepared statement of <u>Paralyzed Veterans of America</u>

Material Submitted for the Record:

Post Hearing Questions and Responses for the Record:

Hon. John J. Hall, Chairman, Subcommittee on Disability Assistance and Memorial Affairs, Committee on Veterans' Affairs, to Tom Mitchell, Ph.D., School of Computer Science, Machine Learning Department, Carnegie Mellon University, Pittsburgh, PA, letter dated February 4, 2008, and April 2008 response from Dr. Mitchell

Hon. John J. Hall, Chairman, Subcommittee on Disability Assistance and Memorial Affairs, Committee on Veterans' Affairs, to Randolph Miller, Ph.D., Professor and Former Chair, Department of Biomedical Informatics, Vanderbilt University School of Medicine, Nashville, TN, letter dated February 4, 2008, and February 28, 2008, response from Dr. Miller

Hon. John J. Hall, Chairman, Subcommittee on Disability Assistance and Memorial Affairs, Committee on Veterans' Affairs, to Marjie Shahani, M.D., QTC Management, Inc., Diamond Bar, CA, letter dated February 4, 2008, and response letter dated March 3, 2008

Hon. John J. Hall, Chairman, Subcommittee on Disability Assistance and Memorial Affairs, Committee on Veterans' Affairs, to Ned M. Hunter, President and Chief Executive Officer, Stratizon Corporation, Atlanta, GA, letter dated February 4, 2008, and March 6, 2008, response from Mr. Hunter

Hon. John J. Hall, Chairman, Subcommittee on Disability Assistance and Memorial Affairs, Committee on Veterans' Affairs, to Gary A. Christopherson, Strategic Management and Performance, University Park, MD, letter dated February 4, 2008, and response from Mr. Christopherson

Hon. John J. Hall, Chairman, Subcommittee on Disability Assistance and Memorial Affairs, Committee on Veterans' Affairs, to Hon. James B. Peake, M.D., Secretary, U.S. Department of Veterans Affairs, letter dated February 4, 2008, and VA responses