Recommendations for the VBA Employee Work Credit System

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CNA
ANALYSIS & SOLUTIONS

Approved for distribution: November 2009

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Introduction

This report provides recommendations for improving the Veterans Benefits Administration's (VBA's) employee work credit system, which was one of the topics included in a study that the Department of Veterans Affairs (VA) asked CNA to conduct. The overall study addressed the effectiveness of the current employee work credit system and the work management system (i.e., the Claims Process Improvement Model, also called the CPI model) that is used in claims adjudication. The study is a requirement that came from Section 226 of Public Law 110-389 (the Veterans' Benefits Improvement Act of 2008). Additional information on our analysis and the development of these recommmendations is included in our report *Qualitative Analysis of VBA Employee Work Credit and Work Management Systems* (September 2009).

Main Recommendations

Stakeholders' main concerns about the current employee work credit system are that it emphasizes quantity over quality and that the work credits don't accurately reflect the time required to perform each action. To address both the issues of work credit values and perceptions that quantity receives more emphasis than quality, we recommend conducting a pilot test of the effectiveness of taking the following steps, in the order indicated:

1. Replace the current list of employee actions that receive work credit. The purpose of developing a new list is to define the actions so that, for each action, an employee almost always requires the same amount of time to perform the action. In order to achieve this goal, the criteria used in the definitions of the new set of actions will probably need to include the number of issues and the specific medical conditions for the claim on which the action is being performed. (In the next section, we discuss two examples of options for redefining actions.)

2. Determine the time required (i.e., the work credits) to perform each action at a certain average level of quality. This will require incorporating the fact that employees with different levels of experience (i.e., different GS levels) will need different amounts of time to achieve the same average level of quality.

3. Communicate information to employees about the methodology used in developing the new work credits. The goal is for employees to understand that the work credits accurately reflect the time required for each action. In addition, they should understand that the accuracy of claims processing was explicitly factored into the work credit values, reflecting the importance that VA places on quality.

4. Set the daily work credit performance standards for each individual employee to match the number of available work hours per day. Since the work credits from step #2 above will have been developed to equal the time required for each action, setting daily standards to match the time available ensures that employees should not perceive a need to rush.

5. Set the Regional Office (RO) production standards so that they can be attained when employees are working at the work credit standards from step #4 above. (This contrasts with what we heard about the current RO standards, which apparently cannot be met if all frontline employees are working only at their minimum work credit standards.)

6. Develop mathematical models to predict how the number and complexity of claims translate into the number of employees needed to complete those claims. Then, apply the model to the predicted caseload to calculate the number of employees needed in the future to handle that caseload. Plan to increase or decrease the number of claims processing employees accordingly.

7. Conduct ongoing analysis and revisions of the actions, work credit values, and number of employees needed. The ongoing analysis is required to account for the fact that there are continuing changes in the complexity of claims, in the legal requirements about what must be done for each claim, and in IT system capabilities.

The purpose of steps 1, 2, 3, and 7 is to make sure that the work credits are both accurate and perceived by frontline employees to be accurate. The purpose of steps 4 and 5 is to make sure that employees are not pressured to feel that they need to work at a rate that will reduce quality below the level that was selected as appropriate in step 2. The purpose of step 6 is to make use of the new work credit standards to help determine the workforce that VA needs to handle their workload.

Options for Redefining Actions

We consider the following options for redefining actions (step 1 in our recommendations in the previous section) as only two examples among the numerous possible alternative approaches.

One option is to base the detailed list of actions on the four main types of actions proposed by the Veterans Service Representative (VSR) Performance Standards Workgroup: (1) initiating development, (2) making a claim ready to rate, (3) deciding an award, and (4) authorizing the award. Within each of those four types of actions, the work credit values would vary to account for differences in complexity of claims by number of issues, types of medical conditions, and any other factors found to be good predictors of how much time the action requires.

One advantage of this approach would be that employees could focus more on the actual performance of actions rather than spending time recording a lot of separate smaller actions. Another advantage would be that employees would have a lot of incentive to perform only those activities that make a definite contribution to completing the claim. A disadvantage of this approach would be that work credits would be "lumpy," by which we mean they would be relatively large but there would be only a few points in processing a claim at which work credits could be claimed. This could be a problem if there were a day or even a week in which a VSR was working on development for a large number of claims, but by chance none of the claims became ready to rate during that period because the external parties from whom supporting information had been requested were not responding. In that case, the VSR would earn zero credits for that time period. This example illustrates that "lumpy" work credits could make it difficult for frontline employees and managers to always use work credits as a reliable measure of how much work the employees have actually done within any relatively small interval of time.

A second option is to base the detailed list of actions on a comprehensive list of all the individual activities that employees perform in the process of doing their jobs. The main advantage and disadvantage of this option would be directly opposite to those described in the first example above. Specifically, the disadvantages would be that not all actions make a direct contribution to completing the claim and that the frontline employees would need to spend time recording each of their many separate actions in ASPEN (Automated Standardized Performance Elements Nationwide).[1] However, the advantage would be that this approach would produce detailed records on each frontline employee's specific activities, which would provide both frontline employees and managers with very precise information on exactly how much work the employees have done for any given time period and therefore how well they are on track to meet the month's minimum work credit standards.

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1. Ideally, VETSNET (Veterans Service Network) would be able to capture actions and the associated work credits automatically as a claim is processed. However, that capability does not yet exist.

Additional Individual Recommendations

In addition to the seven recommended steps that we describe above, we have the following individual recommendations for actions that would contribute to the effectiveness of the work credit system:

- Conducting more quality reviews would help to communicate better to employees that quality is a priority for VBA.

- The RO internal quality reviews should count deviations from official procedures for claiming work credits as errors (instead of just as "comments"). This would improve adherence to procedures, thereby improving quality.

- Impose work credit deductions for actions on which there are errors. This would improve quality.

- In the long term, modify VETSNET so that it can capture work credits automatically as a claim moves through the stages of processing. This would save time for employees in recording their work credits, and it would ensure that work credits are logged accurately and consistently.

CRM D0020936.A4/1Rev