



DEPARTMENT OF VETERANS AFFAIRS  
**OFFICE OF INSPECTOR GENERAL**

*Office of Audits and Evaluations*

VETERANS BENEFITS ADMINISTRATION

Posttraumatic Stress  
Disorder Claims Processing  
Training and Guidance Need  
Improvement

REVIEW

REPORT #20-00608-29

DECEMBER 9, 2020



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## Executive Summary

Posttraumatic stress disorder (PTSD) is a mental health condition that some people develop after experiencing or witnessing a life-threatening event, such as combat, a natural disaster, a car accident, or sexual assault.<sup>1</sup> PTSD is the fourth-most-prevalent type of benefits claim processed by the Veterans Benefits Administration (VBA). More than 1.1 million veterans receive compensation benefits for PTSD through VBA's compensation program. Improper processing of PTSD claims can have severe consequences on veterans' lives and can affect their compensation benefits.

A VA Office of Inspector General (OIG) report, published in August 2018, focused on denials of PTSD claims related to military sexual trauma and found that nearly half of claims were not processed properly.<sup>2</sup> However, the largest population of PTSD claims are those not associated with military sexual trauma stressor types.<sup>3</sup> The OIG conducted this review to determine whether VBA claims processors properly followed VA regulations and procedures when deciding service connection for PTSD claims unrelated to sexual trauma.

To establish service connection for PTSD, veterans must have specifically experienced a stressor. For PTSD purposes, a stressor is a psychologically traumatic event that the person experienced, witnessed, or was confronted with that involved actual or threatened death or serious injury, or a threat to the physical integrity of themselves or others.<sup>4</sup> For VBA to grant service connection for PTSD, VBA must have evidence that

- the veteran has a diagnosis of PTSD;
- the stressor occurred during military service; and
- a link, established by medical evidence, exists between the current PTSD symptoms and the in-service stressor.<sup>5</sup>

The requirement for credible evidence of a specific in-service stressor distinguishes claims for PTSD from other types of claims for service connection.<sup>6</sup>

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<sup>1</sup> "PTSD: National Center for PTSD," accessed April 20, 2020, <https://www.ptsd.va.gov>.

<sup>2</sup> VA OIG, *Denied Posttraumatic Stress Disorder Claims Related to Military Sexual Trauma*, Report No. 17-05248-241, August 21, 2018.

<sup>3</sup> The other stressor types include noncombat, combat, fear of hostile military or terrorist activity, prisoner of war, and personal assault.

<sup>4</sup> "Post-traumatic stress disorder," accessed January 14, 2020, [http://epss.vba.va.gov/MEPSS/content/15\\_mental/150000000300.html](http://epss.vba.va.gov/MEPSS/content/15_mental/150000000300.html).

<sup>5</sup> 38 C.F.R. § 3.304(f).

<sup>6</sup> 38 C.F.R. § 3.303.

## What the Review Found

The OIG review covered approximately 118,000 claims completed from October 1, 2018, through September 30, 2019 (fiscal year 2019), that involved veterans' entitlement to service connection for PTSD. The OIG reviewed a statistical sample of 150 of these claims, half of which VBA granted service connection for PTSD and half of which VBA denied. The OIG determined that VBA claims processors inaccurately processed 24 of the 150 claims, and VBA concurred that these 24 claims were inaccurately processed. The OIG estimated that claims processors did not follow VA regulations and procedures when processing 18,300 of 118,000 claims (16 percent), based on the sample results.

The team identified two types of errors:

- Claims processors did not request or verify the in-service stressor in an estimated 14,600 of the 18,300 claims.
- Claims processors did not obtain a medical examination, medical opinion, or clarification of examination inconsistencies in the remaining estimated 3,800 claims.<sup>7</sup>

The team observed in 31 of the 150 claims reviewed, claims processors ordered examinations without a claimed in-service stressor.<sup>8</sup> In four of these claims, the veteran reported a stressor that either did not fit the facts or circumstances of the veteran's service or did not fall under the reduced evidentiary standards for stressor verification. These four examinations would not have been ordered if claims processors were properly following the regulation and manual procedures governing service connection for PTSD. Claims processors whom the review team interviewed were confused about this requirement and said they routinely ordered examinations when reviewing claims for PTSD despite the veteran never having claimed the required stressor. Attempting to "concede" or verify a stressful event without a claimed in-service stressor statement from the veteran can lead to unnecessary examinations and inaccurate decisions.<sup>9</sup>

The OIG estimated that 6,300 of the 18,300 improperly processed claims resulted in errors affecting benefits, totaling improper payments of \$90.6 million to veterans.<sup>10</sup> The improper payments consisted of both overpayments and underpayments. If VBA continues to make PTSD compensation claim processing errors at the rate identified and at payment rates in effect at the

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<sup>7</sup> Projections do not total precisely due to rounding.

<sup>8</sup> Claims where examinations were ordered without a claimed in-service stressor did not necessarily result in an error because a stressor was provided during the examination.

<sup>9</sup> VBA uses the term "concede" to refer to the acceptance that the stressor occurred without verification of its occurrence.

<sup>10</sup> An improper payment is any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Office of Management and Budget, Circular A-123, app. C, "Requirements for Payment Integrity Improvement," June 26, 2018.

time of this review, future improper payments would total an estimated \$271.9 million over the next three years unless VBA takes corrective action.<sup>11</sup>

## **Claims Processors Did Not Fully Understand In-Service Stressors or the Stressor Verification Process**

During interviews with VBA staff, the review team had claims processors describe the various stressor types. Only four of 21 claims processors interviewed were able to correctly identify all four types of claimed in-service stressors, and some claims processors were confused about the requirements for verifying a claimed in-service stressor.<sup>12</sup> Claims processors' general confusion concerning stressor types and the stressor verification process was confirmed during interviews with VBA quality assurance staff, who explained that claims processors are unclear about the different types of PTSD stressors and whether the evidence of record could be deemed sufficient to verify the claimed stressor. However, no specific action was taken because the Compensation Service decides mandatory training courses based on identified national error trends. These trends are based on distinct claims processing tasks, such as whether examinations were properly requested or benefits were granted from the correct date, rather than any disability-specific trends such as with PTSD claims processing.

Two reasons claims processors did not fully understand PTSD stressor types and the stressor verification process included the lack of nationally mandated training on processing PTSD claims, and the ineffective organization of the procedures manual (M21-1, *Adjudication Procedures Manual*) that made it difficult to navigate and implement when processing claims involving entitlement to service connection for PTSD.

## **What the OIG Recommended**

The OIG recommended that the under secretary for benefits determine the actions needed to ensure staff understand evidence-gathering and verification of stressor requirements for PTSD claims and monitor the results to ensure effectiveness once those actions are implemented. The under secretary for benefits should also assess whether the adjudication procedures manual needs to be reorganized or amended for accurate processing of PTSD claims.

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<sup>11</sup> The OIG typically expects all recommendations to be fully implemented within one year. As several recommendations from the August 2018 OIG report on denied PTSD claims related to military sexual trauma still require implementation, the OIG believes it is appropriate to project the monetary impact for three years. The three-year projection for fiscal years 2020 through 2022 merely highlights the significant impact if the recommendations are not fully implemented.

<sup>12</sup> Although the manual recognizes five types of in-service stressors, the claims review did not identify any claims based on former prisoner-of-war status. Therefore, this stressor was not included in the interviews.

## Management Comments

The under secretary for benefits concurred with both recommendations and provided acceptable action plans on implementation. The comments are provided in full in appendix D. The OIG will monitor VBA's progress and follow up on the implementation of the recommendations until all proposed actions are completed.



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## Abbreviations

JSRRC	Joint Services Records Research Center
OIG	Office of Inspector General
PTSD	posttraumatic stress disorder
STAR	Systematic Technical Accuracy Review
VBA	Veterans Benefits Administration



## Introduction

The VA Office of Inspector General (OIG) conducted this review to determine whether Veterans Benefits Administration (VBA) claims processors properly followed VA regulations and procedures when deciding “service connection” for posttraumatic stress disorder (PTSD) claims not related to military sexual trauma.<sup>13</sup>

### PTSD Benefits

The VBA Compensation program provides tax-free monthly benefits to veterans for disabilities caused by diseases, events, or injuries incurred or aggravated during active military service. PTSD is a mental health condition that some people develop after experiencing or witnessing a life-threatening event, such as combat, a natural disaster, a car accident, or sexual assault.<sup>14</sup> PTSD is the fourth-most-prevalent type of benefits claim processed by VBA. There are approximately 4.9 million veterans in receipt of compensation benefits. Of those veterans, more than 1.1 million are receiving compensation benefits for PTSD.<sup>15</sup>

A previous report by the OIG, *Denied Posttraumatic Stress Disorder Claims Related to Military Sexual Trauma*, published in August 2018, found that nearly half of the claims denied for PTSD related to military sexual trauma were not properly processed.<sup>16</sup> However, the August 2018 report reflected only a small percentage of PTSD claims.<sup>17</sup> The largest proportion of PTSD claims are those not based on military sexual trauma stressor types. Improper processing of PTSD claims can have severe consequences on veterans’ lives and can affect their compensation benefits.

### Disability Compensation Claims Process

VA pays monthly disability compensation to veterans with service-connected disabilities according to the severity of the disability. Claims for service connection are reviewed by two types of claims processors: veterans service representatives, who gather evidence needed to determine entitlement, generate the award, and authorize payment; and rating veterans service

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<sup>13</sup> 38 C.F.R. § 3.303. Service connection means that the facts, shown by evidence, establish that an injury or disease resulting in disability was incurred in military service, or if preexisting such service, was aggravated by the military service.

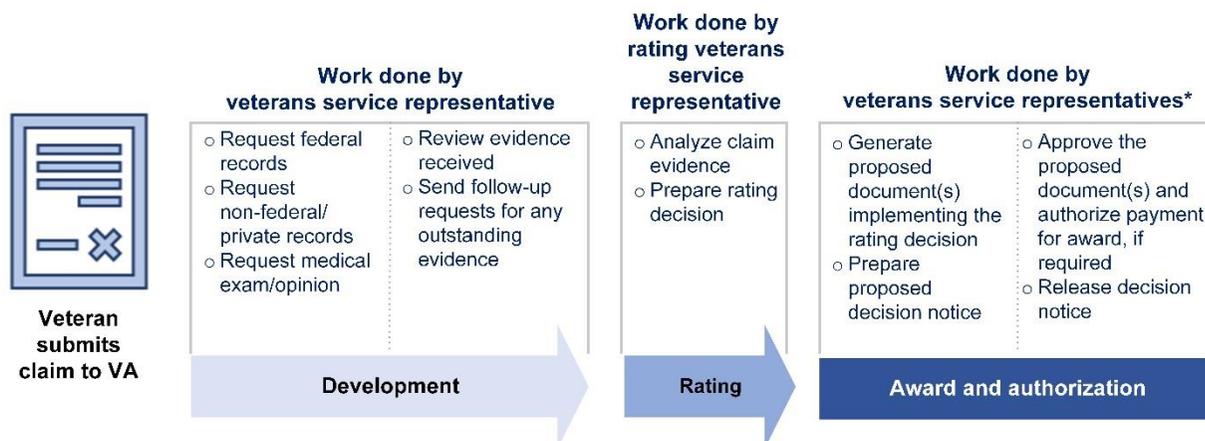
<sup>14</sup> “PTSD: National Center for PTSD,” accessed April 20, 2020, <https://www.ptsd.va.gov>.

<sup>15</sup> VBA, *Veterans Benefits Administration Annual Benefits Report, Fiscal Year 2019*.

<sup>16</sup> VA OIG, *Denied Posttraumatic Stress Disorder Claims Related to Military Sexual Trauma*, Report No. 17-05248-241, August 21, 2018.

<sup>17</sup> The review population included approximately 2,700 military sexual trauma-related claims that VBA staff denied, completed from April 1, 2017, through September 30, 2017.

representatives, the decision-making claims processors who determine entitlement and the rating percentage.



**Figure 1.** VA benefits claims process.

Source: VA OIG analysis of VBA's Manual M21-1, Adjudication Procedures Manual.

\*Decisions cannot be generated (awarded) and authorized by the same veterans service representative.

As shown in figure 1, after a veteran submits a claim to VBA, veterans service representatives review the claim and assist the veteran in gathering relevant evidence needed to evaluate the claim.<sup>18</sup> Such evidence includes the veteran's military service records, medical examinations, and treatment records from Veterans Health Administration medical facilities and private medical service providers. The veterans service representatives may also request medical examinations.

## Processing PTSD Claims

Benefit claims for service connection related to a disability are governed by general principles found in the Code of Federal Regulations. Direct service connection requires a current disability, an injury or disease in service, and a link or nexus establishing that a current disability had its onset or inception in service.<sup>19</sup> However, there is a specific regulation governing the establishment of service connection for PTSD (referred to in this report as "the regulation"), which requires veterans to have specifically experienced a stressor.<sup>20</sup> For PTSD purposes, a stressor is a psychologically traumatic event that the person experienced, witnessed, or was

<sup>18</sup> Veterans service organizations can also assist with applying for benefits and gathering any evidence needed to submit a claim.

<sup>19</sup> 38 C.F.R. § 3.303 and VBA Manual M21-1, part 4, sub. 2, chap. 2, sec. B, "Determining Direct Service Connection," April 22, 2019.

<sup>20</sup> 38 C.F.R. § 3.304(f).

confronted with that involved actual or threatened death or serious injury, or a “threat to the physical integrity of themselves or others.”<sup>21</sup>

For VBA to grant service connection for disability benefits related to PTSD, VBA must have evidence that

- the veteran has a diagnosis of PTSD;
- the stressor occurred during military service; and
- a link, established by medical evidence, exists between the current PTSD symptoms and the in-service stressor.<sup>22</sup>

The regulation requires that there be credible supporting evidence of a specific in-service stressor, which distinguishes claims for PTSD from other types of claims for service connection.<sup>23</sup>

The regulation outlines five exceptions to the requirement for credible supporting evidence that the specific in-service stressor occurred. These exceptions are avenues that allow VA to use a reduced evidentiary standard for consideration of the in-service stressor.

1. The evidence establishes a diagnosis of PTSD during service.
2. The evidence establishes that the veteran engaged in combat with the enemy.
3. A stressor claimed by a veteran is related to the veteran’s fear of hostile military or terrorist activity.
4. Evidence establishes that the veteran was a prisoner of war.
5. Evidence from sources other than the veteran’s service records corroborates the veteran’s account of a stressor based on in-service personal assault, including evidence of behavior changes following the claimed assault.<sup>24</sup>

For the first four exceptions, the reduced evidentiary standard allows the veteran’s lay testimony alone to establish the occurrence of the claimed in-service stressor, provided that there is no clear and convincing evidence to the contrary and the claimed stressor is consistent with the circumstances of the veteran’s service. All other types of in-service stressors that would not fit into one of the five exceptions require credible supporting evidence that the claimed in-service stressor occurred. VBA refers to these as “noncombat” stressors.

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<sup>21</sup> For the diagnostic code and related definitions, see “Post-traumatic stress disorder,” accessed January 14, 2020, [http://epss.vba.va.gov/MEPSS/content/15\\_mental/150000000300.html](http://epss.vba.va.gov/MEPSS/content/15_mental/150000000300.html).

<sup>22</sup> 38 C.F.R. § 3.304(f).

<sup>23</sup> 38 C.F.R. § 3.304(f) and 38 C.F.R. § 3.303.

<sup>24</sup> 38 C.F.R. § 3.304(f).

To properly adjudicate veterans’ claims for compensation, VBA claims processors use VBA Manual M21-1, *Adjudication Procedures Manual* (the “procedures manual”). The procedures manual serves as a general guide for processing and adjudicating claims for compensation, pension, and related benefits for veterans and their dependents. The procedures manual can be accessed electronically through a VA site called Knowledge Management and is accessed by internal stakeholders through VBA’s Compensation and Pension Portal. The manual can be electronically searched for root words and variations of words. The procedures manual is organized by part, subpart, chapter, and section. VBA’s requirements for processing PTSD claims are especially complex. Procedures related to claims for PTSD are separated in the procedures manual among three parts and appear in four subparts, eight chapters, and 10 sections. Figure 2 shows the organization of procedures relating to PTSD in the manual.

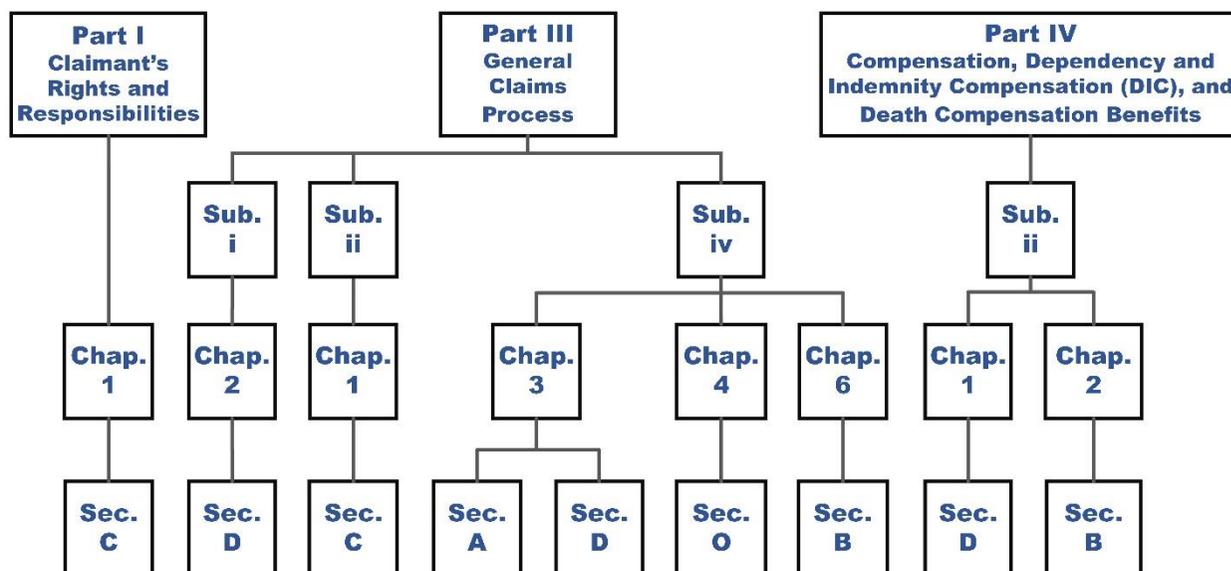


Figure 2. Layout of PTSD guidance in VBA’s procedures manual.

Source: VA OIG analysis of VBA’s Manual M21-1, Adjudication Procedures Manual.

VBA’s procedures manual identifies five basic stressor types—noncombat, combat, fear-based, prisoner-of-war, and personal trauma stressors. Four of the five stressor types align with the instances that have reduced evidentiary standards that are discussed on the prior page. Table 1 illustrates the types of PTSD stressors.

Table 1. PTSD Stressor Types

Types of PTSD stressors	Description of stressors
<b>Noncombat</b>	Stressors that <i>do not fall under one of the reduced evidentiary standards.</i> (emphasis added). Some examples include a car accident or hurricane.
<b>Combat</b>	Stressors in which the veteran personally participated in events constituting an actual fight or encounter with a

Types of PTSD stressors	Description of stressors
	military foe or hostile unit or instrumentality. Requires the veteran to have been a combatant or to have performed duty in support of combatants, such as providing medical care to the wounded.
<b>Fear-Based</b>	Stressors due to fear of a hostile military or terrorist activity. Those are events in which the veteran experienced, witnessed, or was confronted with an event or circumstance that involved actual or threatened death or serious injury, or a threat to the physical integrity of the veteran or others, and the response to that event involved a psychological or psycho-physiological state of fear, helplessness, or horror. Some examples include actual or potential improvised explosive devices; incoming artillery, rocket, or mortar fire; or small arms fire, including suspected sniper fire.
<b>Prisoner of War</b>	Stressors based on the forcible detainment or internment in the line of duty by an enemy or foreign government, the agents of either, or a hostile force.
<b>Personal Trauma*</b>	Stressors based on events involving harm perpetrated by a person who is not considered part of an enemy force. Some examples include assault, battery, robbery, mugging, stalking, and harassment.

Source: VA OIG analysis of 38 C.F.R. § 3.1(y) and VBA's Manual M21-1, Adjudication Procedures Manual.

\* While VBA refers to this stressor type as personal trauma, the terminology in the regulation refers to personal assault.

## Processes for Conceding and Verifying Stressors

VA regulation and procedures require a claimed stressor for a veteran's claim for service connection of PTSD.<sup>25</sup> If there is no claimed stressor, the procedures manual directs claims processors to attempt to obtain stressor details from the veteran.<sup>26</sup> Once there is a claimed stressor of record, depending on the type of stressor, claims processors may rely on the veteran's lay testimony that the stressor occurred or they may attempt to verify that the stressor actually occurred.

VA may solely rely on the veteran's lay testimony that the claimed stressor occurred provided that the stressor falls under one of the exceptions outlined earlier in which a reduced evidentiary standard applies, there is no clear and convincing evidence to the contrary, and the claimed

<sup>25</sup> 38 C.F.R. § 3.304(f) and VBA Manual M21-1, part 4, sub. 2, chap. 1, sec. D, "Claims for Service Connection (SC) for Post-Traumatic Stress Disorder (PTSD)," March 26, 2019.

<sup>26</sup> VBA Manual M21-1, "Claims for Service Connection (SC) for Post-Traumatic Stress Disorder (PTSD)."

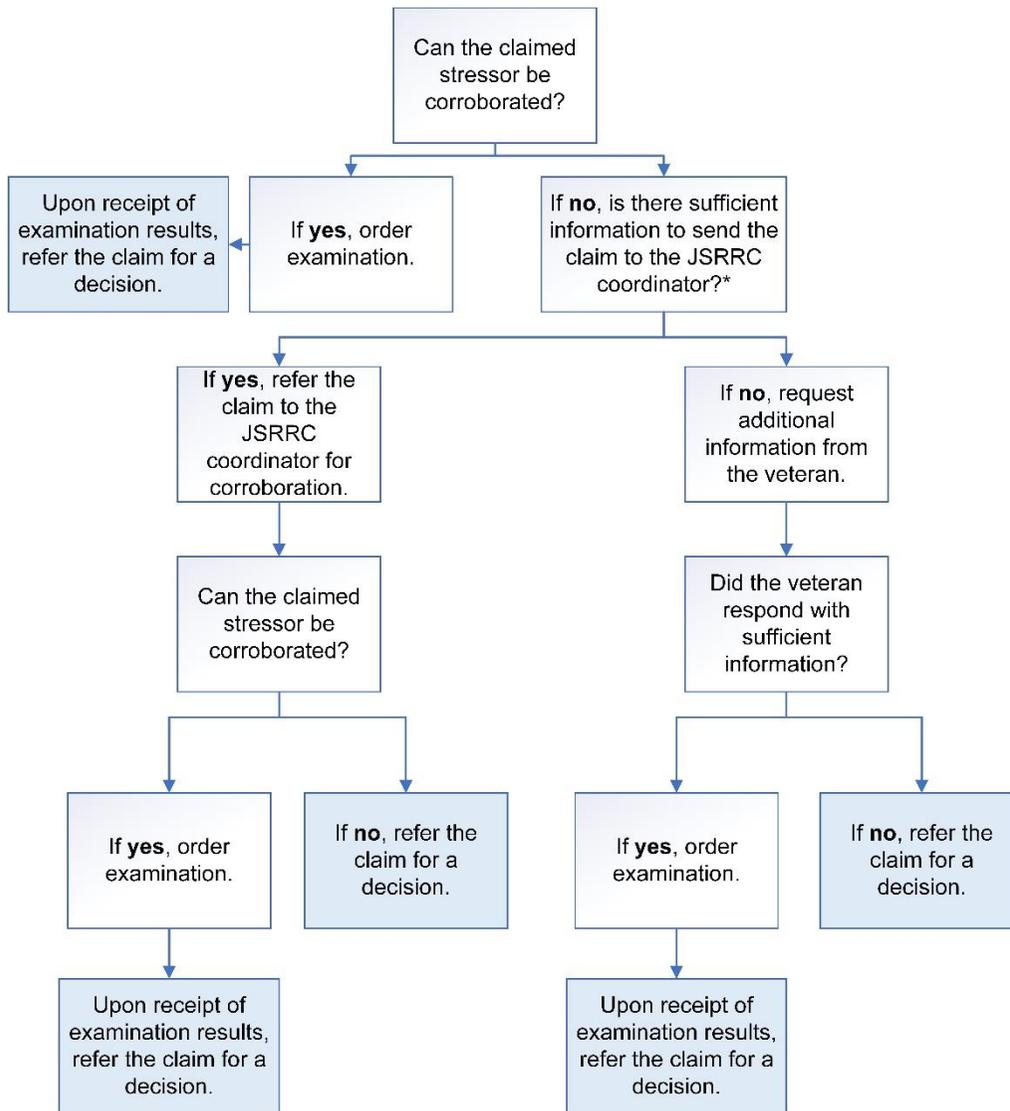
stressor is consistent with the circumstances of the veteran's service.<sup>27</sup> This is referred to by VBA as "conceding" the stressor.<sup>28</sup>

When VBA is unable to concede the stressor, claims processors need to verify that the stressor occurred. Stressor verification can include obtaining additional evidence of the stressor from the veteran, military personnel, and medical records. If the stressor is not conceded, then the claims processor follows the process outlined in figure 3 to attempt to verify the stressor.

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<sup>27</sup> 38 C.F.R. § 3.304(f).

<sup>28</sup> VBA Manual M21-1, "Claims for Service Connection (SC) for Post-Traumatic Stress Disorder (PTSD)."



**Figure 3.** Stressor verification process.

Source: VA OIG analysis of VBA’s Manual M21-1, Adjudication Procedures Manual.

\*The Joint Services Records Research Center (JSRRC) coordinator requests research and corroboration of the stressor from other federal entities, such as the JSRRC, the National Archives and Records Administration, and the Marine Corps Archives and Special Collections.

## The Impact of Relaxing Fear-Based Standards

In September 2009, VBA reported PTSD claims were being granted 42 percent of the time, resulting in approximately 387,000 veterans receiving benefits for this disability. In July 2010, VA amended the regulation governing service connection for PTSD by relaxing the evidentiary standard for establishing the required in-service stressor for cases involving the veteran’s fear of

hostile military or terrorist activity.<sup>29</sup> The purpose of the amendment was to take into consideration the scientific research studies relating PTSD to exposure to hostile military and terrorist actions and acknowledge the inherently stressful nature of the places, types, and circumstances of service in which fear of hostile military or terrorist activities is ongoing. The amendment reduced the evidentiary standard of establishing an in-service stressor and facilitates the timely processing of PTSD claims by simplifying the stressor verification process.<sup>30</sup> This regulatory change created what became known as the fear-based category of stressors for PTSD claims.

After the relaxation of standards related to fear of hostile military or terrorist activity went into effect in July 2010, there was an initial increase in the rate of granted PTSD disability claims. In that month, VBA reported 49 percent of PTSD claims were being granted. Six months later, in January 2011, VBA reported 59 percent of PTSD claims were being granted. The numbers dipped and then climbed back by January 2020 to approximately the same level at 60 percent of PTSD claims being granted.<sup>31</sup>

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<sup>29</sup> 38 C.F.R. § 3.304(f).

<sup>30</sup> Rules and Regulations, 75 Fed. Reg. 39,843 (July 13, 2010).

<sup>31</sup> VBA's Tableau Dashboard Report-PTSD Fact Sheet obtained by the OIG team in January 2020.

## Results and Recommendations

### **Finding: VBA's Claims Processors Did Not Always Follow VA Regulations and Procedures When Deciding PTSD Claims**

While the majority of claims for service connection related to PTSD were accurately processed, the OIG estimated VBA claims processors inaccurately processed 18,300 of 118,000 PTSD claims (16 percent) completed from October 1, 2018, through September 30, 2019. Of the 18,300 claims in error, an estimated 6,300 decisions affected veterans' benefits and an additional estimated 12,000 decisions had the potential to affect veterans' benefits. Errors that had the potential to affect veterans' compensation benefits payments occurred when claims processors prematurely decided claims before completing all required procedures, such as returning medical exams to obtain clarification when needed. In these cases, the review team could not determine the specific monetary effect of the errors. Had processors completed all required actions, a different decision may have been made on the benefits claim. Also, the OIG estimated that 14,600 of the 18,300 claims in error were the result of claims processors not requesting or verifying the in-service stressor. The remaining estimated 3,800 errors resulted when claims processors did not obtain a medical examination, medical opinion, or clarification of inconsistencies in the examination.<sup>32</sup>

Errors occurred because claims processors did not fully understand PTSD stressor types and the stressor verification process:

- The Compensation Service did not mandate any national training for claims processors regarding stressor development or verification in PTSD claims except during the first year in the position.
- VBA's procedures manual was not effectively organized to allow responsible personnel to easily determine different stressor types and the stressor verification requirements and lacked specific guidance for some aspects of PTSD claims processing.

The OIG estimated that the 6,300 improperly processed claims resulted in errors affecting benefits, totaling improper payments of \$90.6 million to veterans.<sup>33</sup> These included under- and overpayments. If VBA continues to make errors at the rate identified and at payment rates in effect at the time of this review, VBA would issue an estimated \$271.9 million for inaccurately

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<sup>32</sup> Projections do not total precisely due to rounding.

<sup>33</sup> An improper payment is any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements, according to Office of Management and Budget, Circular A-123, app. C, "Requirements for Payment Integrity Improvement," June 26, 2018.

processed PTSD compensation claims over the next three years unless VBA takes corrective action.<sup>34</sup>

## **What the OIG Did**

This review covered an estimated population of 118,000 claims completed from October 1, 2018, through September 30, 2019, involving veterans' entitlement to service connection for PTSD benefits.<sup>35</sup> The OIG team reviewed a statistical sample of 150 of those claims—75 claims granting entitlement to PTSD benefits and 75 claims denying entitlement to PTSD benefits. Using VBA's electronic systems, including the Veterans Benefits Management System, the team reviewed veterans' claims and relevant documentation required to assess whether claims processors accurately decided service connection for PTSD in accordance with agency regulations and procedures. To gain an understanding of VA regulations and procedures for processing PTSD claims, the team conducted site visits at the New Orleans and Houston VA regional offices to interview managers and staff with knowledge about the relevant processes and decision-making. The team also conducted interviews with quality assurance and procedures maintenance staff in the Compensation Service. The team discussed the findings with VBA officials and included their comments in the report as appropriate.

This report discusses the following issues that support the OIG's finding:

- Claims processors inaccurately processed some veterans' PTSD claims.
- Claims processors did not fully understand types of in-service stressors or the stressor verification process.

## **Claims Processors Inaccurately Processed Some Veterans' PTSD Claims**

The OIG determined that VBA claims processors inaccurately processed 24 of the 150 claims involving entitlement to service connection for PTSD benefits, with VBA concurring that these 24 claims were inaccurately processed. As previously mentioned, based on the statistical sample results, the review team estimated VBA staff inaccurately processed 18,300 of 118,000 PTSD claims (16 percent) completed from October 1, 2018, through September 30, 2019.

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<sup>34</sup> The OIG typically expects all recommendations to be fully implemented within one year. As several recommendations from the August 2018 OIG report on denied PTSD claims related to military sexual trauma still require implementation, the OIG believes it is appropriate to project the monetary impact for three years. The three-year projection from fiscal years 2020 through 2022 merely highlights the significant impact if the recommendations are not fully implemented.

<sup>35</sup> The review population included 143,204 claims involving entitlement to service connection for PTSD. The OIG statistician estimated 24,804 claims were determined to be outside the scope of review because PTSD was not claimed or involved military sexual trauma. The estimated population of 118,400 PTSD claims accounts for the difference between the review population and the estimated number determined to be out of scope.

Some of these errors resulted in improper payments to veterans, while the impact of others could not be discerned or calculated. An estimated 6,300 of the 18,300 improperly processed PTSD claims affected veterans' benefits, resulting in improper payments of \$90.6 million. The monetary impact of the remaining estimated 12,000 claims made in error could not be determined but increased the risk that veterans' benefits would be affected.

The reasons for inaccurate processing were generally the same for both grants and denials. The errors the review team identified were the result of claims processors not requesting or verifying the in-service stressor and not obtaining a required medical examination, medical opinion, or clarification of inconsistencies in the examination.

## **Stressor Verification Errors**

According to the regulation that governs service connection for PTSD, there must be credible supporting evidence that the claimed in-service stressor occurred.<sup>36</sup> An estimated 14,600 of the 18,300 claims in error involved improper stressor verification. Of those 14,600 claims with stressor verification errors, an estimated 6,300 affected veterans' benefits and an estimated 8,300 had the potential to affect veterans' benefits. The remaining estimated 3,800 errors were the result of claims processors not obtaining a medical examination, medical opinion, or clarification of the examination.<sup>37</sup> Those 3,800 errors had the potential to affect veteran's benefits. Of the claims with stressor verification errors, 12,300 were estimated to have had a claimed in-service stressor, with the most common type of stressor being noncombat (about 7,700).

Examples 1 and 2 show errors that the review team identified.

### **Example 1**

*A veteran with peacetime military service filed a claim for PTSD and provided two noncombat stressors. The veteran's claimed in-service stressors were a paratrooper's death during training and the veteran's responsibility for marking dead bodies that were pulled out of the ground during maneuvers in Korea.*

*The region in which the veteran claimed the stressor occurred had not seen combat in three years. An examination was incorrectly requested as if the veteran had participated in combat when that was not the case. During the examination, the examiner related the veteran's unverified noncombat stressor to a diagnosis of PTSD. The examiner affirmed that the stressor was not due to the veteran's fear of hostile military or terrorist activity, which supports categorizing the stressor as noncombat and does not fall under one of the exceptions that allows for a lower evidentiary standard. Noncombat stressors must be verified.*

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<sup>36</sup> 38 C.F.R. § 3.304(f).

<sup>37</sup> Projections do not total precisely due to rounding.

*Therefore, although the examiner related the stressor to a diagnosis of PTSD, VBA claims processors needed to verify the stressor before deciding the claim.<sup>38</sup> As the noncombat stressor was unverified, service connection for PTSD was incorrectly granted and the veteran was overpaid approximately \$10,600.*

## **Example 2**

*A veteran filed a claim for service connection related to PTSD but did not provide a stressor. According to VBA's procedures manual, when the veteran does not provide a stressor, claims processors are required to send a letter to the veteran to obtain one or more stressors and the details surrounding the stressful event, such as the location of the incident, unit assignment, and medals or citations received because of the incident. However, a VBA claims processor denied the claim for service connection for PTSD without sending the required letter. The denial of benefits was in error. If the veteran had been able to provide a stressor or stressors and was otherwise eligible, the denial would have prevented the veteran from receiving benefits to which he or she was entitled.*

## **VBA's Assessment of Identified Errors**

The review team assessed the PTSD claims in its sample to determine if VBA was following its own established processes when deciding claims. The review team considered a decision to be in error when

- VA regulations or procedures were not followed,
- no explanation for failure to follow VA regulations or procedures was noted in the claim decision, and
- the failure had an impact or potential impact on a veteran's benefit entitlement.

The review team provided a synopsis of the 24 claims processing errors it found to VBA's quality assurance staff for an opportunity to review and comment. VBA's quality assurance staff reviewed the cases and agreed with the review team's assessments.

## **Claims Processors Did Not Fully Understand In-Service Stressors or the Stressor Verification Process**

As previously stated, for the estimated 14,600 of the 18,300 inaccurately processed claims, claims processors improperly developed or verified the claimed in-service stressors. The regulation and procedures governing the processing of PTSD claims require credible supporting

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<sup>38</sup> 38 C.F.R. § 3.304(f).

evidence that a claimed in-service stressor occurred.<sup>39</sup> For certain stressors outlined in the regulation, the veteran's lay testimony is sufficient to verify the stressor. Because the evidentiary standards differ depending on the claimed stressor, it is important that claims processors recognize the types of in-service stressors that can be claimed and the development and verification requirements for each type.<sup>40</sup>

### **Interviews Revealed Claims Processors Did Not Adequately Understand or Follow PTSD Claims Processing Procedures**

During interviews with VBA staff at the New Orleans and Houston regional offices, the review team asked claims processors to describe various PTSD stressor types to determine their general level of understanding. Although claims processors stated that they have a good understanding of the procedures governing the processing of PTSD claims, most of the personnel interviewed had difficulty accurately describing stressor types. Of the 21 claims processors interviewed by the review team, only four were able to correctly provide examples of the four types of claimed in-service stressors.<sup>41</sup> For example, a claims processor incorrectly described a noncombat stressor as stepping on an improvised explosive device or being in a convoy. Those events would actually fall under two other types of stressors: (1) combat or (2) fear of hostile military or terrorist activity. Claims processors must understand the different types of in-service stressors because they must be verified using different evidentiary standards and types of evidence.

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<sup>39</sup> 38 C.F.R. § 3.304(f) and VBA Manual M21-1, "Claims for Service Connection (SC) for Post-Traumatic Stress Disorder (PTSD)."

<sup>40</sup> 38 C.F.R. § 3.304(f).

<sup>41</sup> Although the manual recognizes five types of in-service stressors, the claim review did not identify any claims based on former prisoner-of-war status. Therefore, this stressor was not included in the interviews.

Table 2 shows claims processors' ability to provide accurate examples of stressor types.

**Table 2. Claims Processors' Knowledge of Various Stressors**

Stressor type	No accurate examples of stressors	Accurate examples of stressors
Noncombat	4	16*
Combat	4	17
Fear-Based	11	10
Personal Trauma	11	10

*Source: VA OIG analysis of the responses from the 21 claims processors interviewed.*

*\*One of the claims processors interviewed was not asked the question regarding noncombat stressors.*

Although all claims processors are responsible for understanding all stressor types and the evidentiary standards related to each type, nine of the 21 claims processors interviewed were specifically responsible for obtaining evidence to support veterans' claims. Six of the nine claims processors stated that they do not attempt to request a stressor statement from the veteran if they can concede the stressor by showing that the veteran served in an area of hostile military or terrorist activity or has a combat medal. They do this despite the fact that the regulation allows for a lower evidentiary burden only when there is a *claimed* stressor that is related to combat or the veteran's fear of hostile military or terrorist activity.<sup>42</sup> Veterans are supposed to submit a specific form with stressor details when they file a claim for PTSD. If VBA does not receive the form, claims processors are required to request the stressor information from veterans. A program analyst with the procedures maintenance staff stated that claims processors may be ordering examinations out of a desire to be veteran-centric. However, the program analyst confirmed that before a stressor can be conceded, there would have to have been a claimed stressor.

It is important to recognize that attempting to concede or verify a stressor without having the veteran claim a stressor can lead to unnecessary examinations of veterans and inaccurate decisions. The team's review showed that in 31 of the claims reviewed, medical examinations were ordered without any claimed in-service stressors.<sup>43</sup> In four of these claims, the veteran reported a stressor that either did not fit the facts or circumstances of the veteran's service or did not fall under the reduced evidentiary standards for stressor verification. These four examinations would not have been ordered if claims processors were properly following the regulation and manual procedures governing service connection for PTSD. If the regulation and

<sup>42</sup> 38 C.F.R. § 3.304(f).

<sup>43</sup> Claims where examinations were ordered without a claimed in-service stressor did not necessarily result in an error because a stressor was provided during the examination.

procedures had been properly followed in these claims, they could have been adjudicated without requiring the veteran to report for unnecessary examinations, or a potential incorrect decision could have been avoided.

In addition, some claims processors interviewed by the review team were confused about the requirements for verifying a claimed in-service stressor. For example, one claims processor explained that a veteran would meet the fear-based reduced evidentiary standard just by being in an area like Iraq and always having to be on alert. The claims processor explained that if a veteran is in an area of hostile military or terrorist activity, the processor would order an examination. Another claims processor stated that a veteran would meet the fear-based standard if the veteran had been located in Saudi Arabia and told to prepare for an evacuation. However, neither of these examples meet the regulatory requirement for conceding the stressor, as the fear-based reduced evidentiary standard can apply only if a veteran claims the in-service stressor relates to an event or circumstance that a veteran experienced, witnessed, or was confronted with involving actual or threatened death or serious injury, or a threat to the physical integrity of the veteran or others.<sup>44</sup> The claims processors' general confusion concerning stressor types and the stressor verification process was confirmed during interviews with VBA quality assurance staff. They explained that claims processors are confused by the different types of PTSD stressors and they are unsure when there is sufficient information to verify the stressor.

The following two sections address the underlying causes for the confusion and lack of clear guidance for claims processors considering entitlements for service-connected PTSD benefits: (1) lack of training and (2) guidance in the manual that is sometimes too general and fragmented or buried among lengthy repetition, and therefore difficult to navigate and implement. In order to accurately provide benefits to veterans, training and a procedures manual that are specific and effectively organized are critical to ensure competency when processing claims involving entitlement to service connection for PTSD.

## **Lack of Nationally Required Training**

The review team found that claims processors did not fully understand PTSD stressor types and the stressor verification process in part due to the lack of nationally mandated training on PTSD. All claims processors should receive consistent guidance. Additionally, during the review, the evidence did not indicate that claims processors were voluntarily participating in any training outside of the requirements of the national training curriculum.

The claims processors are only required to take training on the details of PTSD stressors during their first year in the position. The Compensation Service does not provide mandatory training on the subject matter after that initial training. For instance, one claims processor who started in the position in August 2017 stated that following Challenge (first-year) training, she had not

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<sup>44</sup> 38 C.F.R. § 3.304(f).

received any such training recently. Because of the complexity and unique regulatory requirements in processing PTSD claims, it is important that claims processors receive regular training to ensure knowledge is refreshed and retained to support accurate decision-making.

The process for determining service connection for PTSD claims has its own regulation outlining the requirements for granting it.<sup>45</sup> These regulatory requirements are specific to PTSD claims, require distinct determining factors in order to grant entitlement to the benefit, and allow for multiple categories of stressors. Each stressor type then contains its own set of considerations and procedures. VBA's internal training material states that PTSD claims are one of the more complex claim types, as confirmed by several claims processors and the director of policy and procedures when interviewed by the OIG review team.

As indicated above, the Compensation Service has a defined national training curriculum that includes required training for all claims processors within the first year of their position. During this first year, the Compensation Service delivers two types of training: Challenge training, during which employees are provided with hands-on instruction on computer applications, policies, and procedures related to claims processing; and After-Challenge training, which consists of one-time mandated lessons on specific topics.

For all claims processors employed beyond their first year, the Compensation Service requires annual training. Annual training includes 15 hours of nationally mandated training topics for claims processors, and also requires that each regional office determines 25 hours of station-selected training, for a total of 40 hours of training that must be completed each fiscal year.<sup>46</sup> Claims processors who have more than one year of experience are only required to participate in the 40 hours of mandated and station-selected training each year.

The Compensation Service developed training plans for claims processors that outline the courses that they should receive. A review of these training plans shows that claims processors only receive non-military sexual trauma PTSD training, including instruction on stressor development and verification, during their first year in the position. Based on the claims review, 19 of the 24 errors were made by employees with more than two years of experience, also known as journeymen claims processors. This suggests that claims processors are forgetting information received in the first year they were required to perform the task and indicates that PTSD claims processing may be a perishable skill requiring continued training.

Interviews with 21 claims processors revealed a wide variety of experience in the position, ranging from less than two years to 29 years. While some believed that they had been trained in

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<sup>45</sup> 38 C.F.R. § 3.304(f).

<sup>46</sup> "Station-selected training" is the term used in VBA Manual M21-3, *Training Program Manual*, part 1, sub. a, chap. 2, "Training Definitions and Resources." The term refers to the training selected by the regional office for its own employees. These hours were required beginning in fiscal year 2018 and have continued through fiscal year 2020.

the last year, 14 of the 21 claims processors interviewed could not remember the last time they were trained on PTSD not related to military sexual trauma. Since at least 2014, the Compensation Service has not directed any training specifically regarding the processing of non-military sexual trauma PTSD claims outside of the training curriculum that is offered during the first year.

The Compensation Service decides mandatory training courses based on identified national error trends. The Compensation Service training staff reported that for fiscal year 2020, national error trends were determined based on a review of the error trend analysis from national site visits by Systematic Technical Accuracy Review (STAR) and quality assurance staff, and findings with national impact from the Government Accountability Office, OIG, United States Court of Appeals for the Federal Circuit, United States Court of Appeals for Veterans Claims, and the Compensation Service focus groups.<sup>47</sup>

The Compensation Service provided the review team with a list of the error trends identified. However, it did not provide the analysis involved in deciding how these error trends were identified and further reported that there is no formal policy in place for identifying training needs. The error trends identified involved distinct claims processing tasks, such as whether examinations were properly requested or benefits were granted from the correct date, rather than any disability-specific trends such as with PTSD claims processing. Based on the checklist STAR uses to determine whether a claim was processed correctly, there is not a question included to distinguish between errors by types of claims, and therefore this tool does not identify issues with a specific disability type like PTSD.

### **Consistency Study Showed a Substantial Knowledge Gap on Fear-Based Stressors**

Between August 10 and August 22, 2016, the Compensation Service conducted a consistency study on fear-based PTSD claims development. The Compensation Service targeted the study to 5,058 claims processors who were responsible for gathering evidence to support veterans' claims for benefits. The study sought to assess claims processors' ability to determine

- if the evidence corroborates a fear-based in-service stressor,
- if an initial PTSD examination is warranted for a fear-based PTSD claim, and
- the next action to take to complete the development of a fear-based PTSD claim.

Overall, the assessment showed 93 percent of claims processors had knowledge gaps regarding fear-based PTSD development. As part of this study, remedial guidance was immediately

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<sup>47</sup> STAR is the VBA national method for measuring compensation claims processing accuracy in the National Quality Review program.

provided to the claims processors who did not pass the pre-test. Only 31 percent were able to demonstrate full competence on the first attempt of the post-test and 51 percent on the second attempt. The remaining 18 percent required three to 10 attempts.

The results of the study were provided to each regional office, according to the acting director of training for the Compensation Service, but beyond that, he did not know how the results were used. Despite these study results, the Compensation Service did not conduct nationwide follow-up action or training on fear-based PTSD development for all claims processors.

Additionally, the consistency study focused on the development of fear-based claims for PTSD and was offered to claims processors responsible for gathering evidence in support of those claims. No similar studies have assessed how consistently claims processors develop other types of non-military sexual trauma PTSD stressors. Further, there have been no comparable consistency studies for decision-making claims processors to assess their knowledge gap.

The Compensation Service national training curriculum calls for 25 hours of station-selected training to be decided by each regional office. PTSD training may be conducted as part of this regional office training but is not required. The acting director of training for the Compensation Service stated that even though the Compensation Service provides the training materials for the regional offices, the information is presented at 56 different regional offices by 56 different instructors, which allows for inconsistency in the presentation of the material. He also indicated that this results in different interpretations of the material and varied answers to questions by the instructors. Because regional offices have discretion on training topics, VBA lacks assurance that claims processors receive the same information through station-selected training in a uniform manner that would address the types of nationwide errors the OIG review team identified. Addressing the complexity of PTSD claims processing through regular national training and other instructional aides or guidance would help ensure that claims processors bridge the knowledge gaps found during this review.

## **Procedures Manual Was Ineffectively Organized**

VBA staff informed the review team that the manual procedures for processing PTSD claims were confusing and contained an overwhelming amount of detail scattered across different procedures. This was confirmed by the review team's analysis of the procedures manual. The purpose of the manual is to provide a picture of the adjudication process that is reasonably complete and easy to understand, and that enables VBA employees to properly adjudicate claims.<sup>48</sup> Clear procedures for processing PTSD claims are particularly important because, unlike other types of claims, they require credible evidence of an in-service stressor. The regulation governing PTSD claims processing also adds a layer of complexity by requiring specific types of

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<sup>48</sup> VBA Manual M21-1, "Prologue."

evidence depending on the type of stressful event and circumstances of the veteran's military service.

The OIG found that VBA's procedures manual was not organized to help claims processors accurately obtain evidence to support and decide claims involving entitlement to service connection for PTSD. The manual does not align with the regulation governing service connection for PTSD, but instead introduces unnecessary repetition and presenting information in fragmented ways.

## **Procedures Manual Organization Does Not Align with the Regulation**

The regulation governing service connection for PTSD, 38 C.F.R. § 3.304(f), is structured by stressor type and in a more concise manner than the section of the procedures manual on obtaining evidence for PTSD claims. The regulation starts with a description of the fundamental requirements to grant service connection for PTSD resulting from military service:

Service connection for posttraumatic stress disorder requires medical evidence diagnosing the condition in accordance with § 4.125(a) of this chapter; a link, established by medical evidence, between current symptoms and an in-service stressor; and credible supporting evidence that the claimed in-service stressor occurred.

The regulation then provides five specific avenues to determine service connection for PTSD in addition to the general requirements previously outlined in this report.

- **Diagnosis.** A diagnosis of PTSD during service.
- **Combat.** The veteran engaged with the enemy and the claimed stressor is related to that combat.
- **Fear.** The veteran experienced, witnessed, or was confronted with an event or circumstance due to hostile military or terrorist activities that involved actual or threatened death, serious injury, or threat to the physical integrity of the veteran or others, and the claimed stressor is related to the veteran's fear of such an event.
- **Prisoner of War.** The veteran was a prisoner of war and the claimed stressor is related to the experiences as a prisoner of war.
- **In-Service Personal Assault.** The veteran claims PTSD due to an event involving harm perpetrated by a person who is not considered part of an enemy force.

The regulation requires less evidence to support claimed in-service stressors when they fall into one of the five specific avenues. For example, for veterans who served in combat—in the absence of clear and convincing evidence to the contrary and provided that the claimed stressor

is consistent with the circumstances, conditions, or hardships of the veteran’s service—their lay statement alone is sufficient to meet the requirement that there be credible supporting evidence that the claimed in-service stressor occurred.

Unlike the regulation, the manual provisions related to developing PTSD claims are not organized by stressor type. (The only exception is the stressor type involving personal assault, which has its own topic.) Instead, the manual combines this information, including stressor types and the stressor verification process, in a section covering 49 pages of often repetitive information that can make finding the needed guidance difficult. This section is separated into six topics.<sup>49</sup> The procedures for the fear-based stressor type are addressed in multiple topic areas. Additionally, stressor verification procedures are widely spread across four of six topics. This requires claims processors to read through each of the topics to ensure they are following all the procedures for that stressor type, rather than looking in one place for the applicable procedures. Although many of the procedures contain hyperlinked cross-references to additional information, these references are circular, repetitive, and often do not link directly to the applicable procedures. The hyperlinks further confuse the user because using the “back” button within the manual does not always take the user back to the previous spot within the manual. As a result, if the link does not provide the relevant information, the user must restart their search for the necessary information.

Failure to follow stressor-verification procedures was the most common error the review team found in PTSD-related claims processing. Claims processors informed the review team that it was hard to find information in the manual. One claims processor explained that when searching the manual, he had to comb through a lot of miscellaneous information.

The review team also observed problems with how procedures in the manual’s PTSD stressor development section were organized:

- Personal trauma was the only stressor type with its own topic within the section on PTSD development.
- Fear of hostile military or terrorist activity was addressed in four of the six topics.
- Noncombat verification was only mentioned once, although it is supposed to encompass all the stressors that do not fall under one of the reduced evidentiary standards.

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<sup>49</sup> VBA Manual M21-1, part 4, sub. 2, chap. 1, sec. D further separates guidance on gathering evidence for PTSD claims under six topics: (1) General Information on Developing Claims for Service Connection for PTSD; (2) Development for Medical Evidence, Service Records, and Stressor Information; (3) Concession of an In-service Stressor; (4) Requesting Corroboration of an In-service Stressor; (5) Developing Claims for Service Connection for PTSD based on Personal Trauma; and (6) Examinations in Claims for Service Connection for PTSD.

- Guidance on stressor verification was under the topic for concession of an in-service stressor but should fall under the topic of requesting corroboration of an in-service stressor.
- Sections addressing the use of the JSRRC coordinator, who is responsible for determining whether submission of a request for stressor verification is appropriate, were found under three separate topics, one of which was concession of an in-service stressor.

Because PTSD has unique claims processing requirements that are organized by stressor types in the regulation, the organization of the manual should match this structure. All veterans service representatives interviewed stated that organizing the manual by stressor type would be helpful to claims processors. Additionally, many other VBA staff supported structuring the manual to more closely align with the regulation. Two policy and procedures staff members explained during interviews that while they believed the manual has a logical organization, they were not certain why the procedures manual section on the development of PTSD claims is organized differently from the regulation. VBA has already taken steps in this direction by separating out the requirements for processing claims for PTSD involving personal assault type stressors, including stressors due to military sexual trauma, from the general PTSD processing procedures.

### **VBA Staff Confirmed That the Procedures Manual Lacks Specificity in Some Areas and Needs to Be Streamlined**

The procedures manual is poorly organized and unnecessarily long, which makes it difficult for staff to find guidance on processing PTSD claims. At the same time, the manual does not provide the level of specificity needed in some areas. The manual does not adequately address the types of stressors (noncombat) that do not fall under one of the five avenues requiring lower evidentiary standards. Some of the procedures relating to the reduced evidentiary standard also lack detail. For example, the manual directs claims processors to concede stressors based on fear of hostile military or terrorist activity if the veteran served in an area with such activity, but provides only the barest of guidance about the circumstances under which veterans would be considered to have served in such areas. Some VBA staff interviewed by the review team were confused about how to determine whether a veteran served in an area of hostile military or terrorist activity. For instance, one claims processor stated that there is no formal list of what constitutes a hostile environment and claims processors have their own definitions. Reflecting further confusion, two quality review specialists informed the review team that there is a list of such areas in the manual even though no such list exists.

The procedures manual also lacks guidance about requiring a claimed stressor before requesting a VA medical examination for the veteran. The regulation requires a claimed stressor in all situations. The manual requires claims processors to contact the veteran to establish an in-service

stressor when the veteran did not provide it. The only exception is if the veteran has received a combat decoration. In this case, the claims processor can assume that the stressor is combat related.<sup>50</sup>

Other procedures within the manual did not make it clear that the claims processor needs to ensure that the stressor fits with the circumstances of the veteran's service before it can be conceded. For instance, the procedure on establishing a stressor related to fear of hostile military or terrorist activity notes that claims processors should concede a stressor when the veteran's service records show service in an area of hostile military or terrorist activity. This procedure does not explain that merely serving in such an area is insufficient without a claimed stressor related to the veteran's fear.<sup>51</sup>

Confusion is evident from how some claims processors routinely ordered examinations based on credible evidence of an in-service stressor, despite the veteran never having claimed one. In 31 of the 150 claims reviewed, claims processors ordered medical examinations without a claimed stressor. Interviews confirmed that claims processors did not understand this requirement. Veterans service representatives, who are claims processors who assist veterans in developing evidence to support their claims, stated that they routinely ordered examinations for veterans without a claimed stressor solely if they determined that the veteran served in an area of hostile military or terrorist activity.

Overall, VBA staff interviewed by the review team found PTSD procedures in the manual were overly lengthy, lacked sufficient examples, or were unclear. There was general consensus among claims processors, quality assurance staff, and program analysts that the procedures could be improved. Twelve of the 21 VBA claims processors interviewed by the review team indicated that the procedures manual could be streamlined. This was echoed by other VBA employees such as a regional office manager and VBA quality assurance staff. For example, one consultant with VBA's STAR staff explained that the procedures manual is not clear and claims processors do not know when there is enough information to verify a stressor.

## Conclusion

Some claims processors did not accurately process claims for non-military sexual trauma PTSD. The team determined that VBA claims processors inaccurately processed 24 of the 150 claims involving entitlement to service connection for PTSD benefits, with VBA concurring that these 24 claims were inaccurately processed. The OIG estimated that claims processors did not follow VA regulations and procedures when processing 18,300 of the 118,000 PTSD claims completed in fiscal year 2019. An estimated 6,300 errors resulted in an estimated \$90.6 million in improper

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<sup>50</sup> VBA Manual M21-1, "Claims for Service Connection (SC) for Post-Traumatic Stress Disorder (PTSD)."

<sup>51</sup> 38 C.F.R. § 3.304(f) and VBA Manual M21-1, "Claims for Service Connection (SC) for Post-Traumatic Stress Disorder (PTSD)."

payments. If errors continue at the same rate, VBA could administer an estimated \$271.9 million in inaccurate processing of compensation claims involving PTSD over the next three years.<sup>52</sup> The majority of errors were due to improper or inadequate stressor verification. The review team determined that claims processors do not fully understand the various types of in-service stressors nor the stressor verification procedures when required, which contributed to inconsistencies and errors in the process. This was the result of a lack of training on non-military sexual trauma PTSD after the first year, coupled with the lack of clear and concise guidance. If VBA implements the OIG's recommendations, it could make more accurate decisions on veterans' claims for PTSD benefits and reduce errors in payments.

## Recommendations 1–2

The OIG made two recommendations to the under secretary for benefits:

1. Determine the actions needed to ensure staff understand evidence-gathering and verification of stressor requirements for posttraumatic stress disorder claims, and monitor the results to ensure effectiveness once those actions are implemented.
2. Assess whether reorganizing or amending material in the Veterans Benefits Administration's Manual M21-1, *Adjudication Procedures Manual*, related to the development of claims involving entitlement to service connection for posttraumatic stress disorder is needed for accurate processing.

## Management Comments

The under secretary for benefits concurred with both recommendations. To address recommendation 1, the Compensation Service will implement a plan to determine the best approach to ensure claims processors understand evidence-gathering and verification of stressor requirements for PTSD claims and monitor the effectiveness of actions taken. To address recommendation 2, the Compensation Service will assess whether reorganization of the *Adjudication Procedures Manual* is needed for accurate processing of claims involving entitlement to service connection for PTSD. The under secretary's comments are presented in full in appendix D.

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<sup>52</sup> The OIG typically expects all recommendations to be fully implemented within one year. As several recommendations from the August 2018 OIG report on denied PTSD claims related to military sexual trauma still require implementation, the OIG believes it is appropriate to project the monetary impact for three years. The three-year projection for fiscal years 2020 through 2022 merely highlights the significant impact if the recommendations are not fully implemented.

## **OIG Response**

The under secretary for benefits provided acceptable action plans for both recommendations. The OIG will monitor VBA's progress and follow up on the implementation of the recommendations until all proposed actions are completed.

## Appendix A: Scope and Methodology

### Scope

The review team conducted its work from December 2019 through October 2020. The team reviewed a sample of compensation claims involving entitlement to service connection for PTSD that were completed from October 1, 2018, through September 30, 2019. The review team excluded PTSD claims related to military sexual trauma.

### Methodology

To accomplish the objective, the review team assessed applicable laws, regulations, procedures, and guidelines related to PTSD claims. The team interviewed and obtained information associated with these claims from management and staff at VBA's Central Office in Washington, DC, and at two VA regional offices. The review team performed site visits at the regional offices in New Orleans, Louisiana, and Houston, Texas, in January 2020.

In coordination with an OIG statistician, the team reviewed a statistical sample of 150 claims involving entitlement to service connection for PTSD—75 claims granting entitlement to PTSD benefits and 75 claims denying entitlement to PTSD benefits—completed from October 1, 2018, through September 30, 2019. The team then used the Veterans Benefits Management System and other VBA programs to review the sample veteran electronic claims records and relevant documentation required to assess whether the claims processors properly followed VA regulations and procedures when deciding service connection for PTSD claims. The review team discussed the findings with VBA officials and included their comments where appropriate.

Appendix B provides more details on the statistical sampling methodology.

### Internal Controls

The review team assessed VBA's internal controls significant to the objective. This included an assessment of the five internal control components, which include control environment, risk assessment, control activities, information and communication, and monitoring. In addition, the team assessed the principles of those internal control components. The review team identified internal control deficiencies with two components and three principles:

- Component 3: Control Activities
  - Principle 12: Management should implement control activities through policies

- Component 5: Monitoring
  - Principle 16: Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results
  - Principle 17: Management should remediate identified internal control deficiencies on a timely basis

## **Fraud Assessment**

The OIG assessed the risk that fraud, violations of legal and regulatory requirements, and abuse could occur during this review. The OIG exercised due diligence in staying alert to any fraud indicators by conducting actions such as

- identifying laws, regulations, and procedures related to the review subject matter to help detect noncompliance or misconduct;
- examining previous reviews, audits, and inspections as reported by VA OIG and other auditing organizations regarding VBA;
- completing the Fraud Indicators and Assessment Checklist; and
- requesting relevant OIG Hotline complaints for reports of fraud in the area under review.

The OIG did not identify any instances of fraud or potential fraud during this review.

## **Data Reliability**

The OIG used computer-processed data from VBA's Corporate Database. To test for reliability, the team determined whether any data were missing from key fields, included any calculation errors, or were outside the time frame requested. The team also assessed whether the data contained obvious duplication of records, alphabetic or numeric characters in incorrect fields, or illogical relationships among data elements. Furthermore, the team compared veterans' names, file numbers, dates of claims, and end product closed dates as provided in the data received to the 150 Veterans Benefits Management System records reviewed.

Testing of the data disclosed that they were sufficiently reliable for the review objective. Comparison of the data with information contained in the veterans' Veterans Benefits Management System records reviewed did not disclose any problems with data reliability.

## **Government Standards**

The OIG conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

## Appendix B: Statistical Sampling Methodology

### Approach

The review team obtained data on claims involving entitlement to service connection for PTSD that were completed from October 1, 2018, through September 30, 2019. From the data, the team selected a random sample of claims, excluding cases where PTSD was not claimed or involved military sexual trauma.

### Population

The review population included 143,204 claims involving entitlement to service connection for PTSD—78,524 grants of service connection for PTSD and 64,680 denials of service connection for PTSD—completed from October 1, 2018, through September 30, 2019. For the purposes of the review, the OIG statistician estimated the population to be 118,400 PTSD claims. The difference between the review population and the estimated population occurred because the review team excluded 24,804 claims because they were determined to be outside the scope of review, as either PTSD was not claimed or involved military sexual trauma.

### Sampling Design

In coordination with the OIG statistician, the team reviewed a statistical sample of 150 PTSD claims—75 grants of service connection for PTSD benefits and 75 denials of service connection for PTSD benefits—completed from October 1, 2018, through September 30, 2019. The statistical samples are based on a design precision of 6 percent of the number of records, a 90 percent confidence level, and an expected error rate of no more than 10 percent of the total.

### Weights

The OIG calculated estimates in this report using weighted sample data. Samples were weighted to represent the population from which they were drawn. The OIG team uses the weights to compute estimates. For example, the OIG team calculated the error rate point estimates by summing the sampling weights for all sample records that contained the error, then dividing that value by the sum of the weights for all sample records.

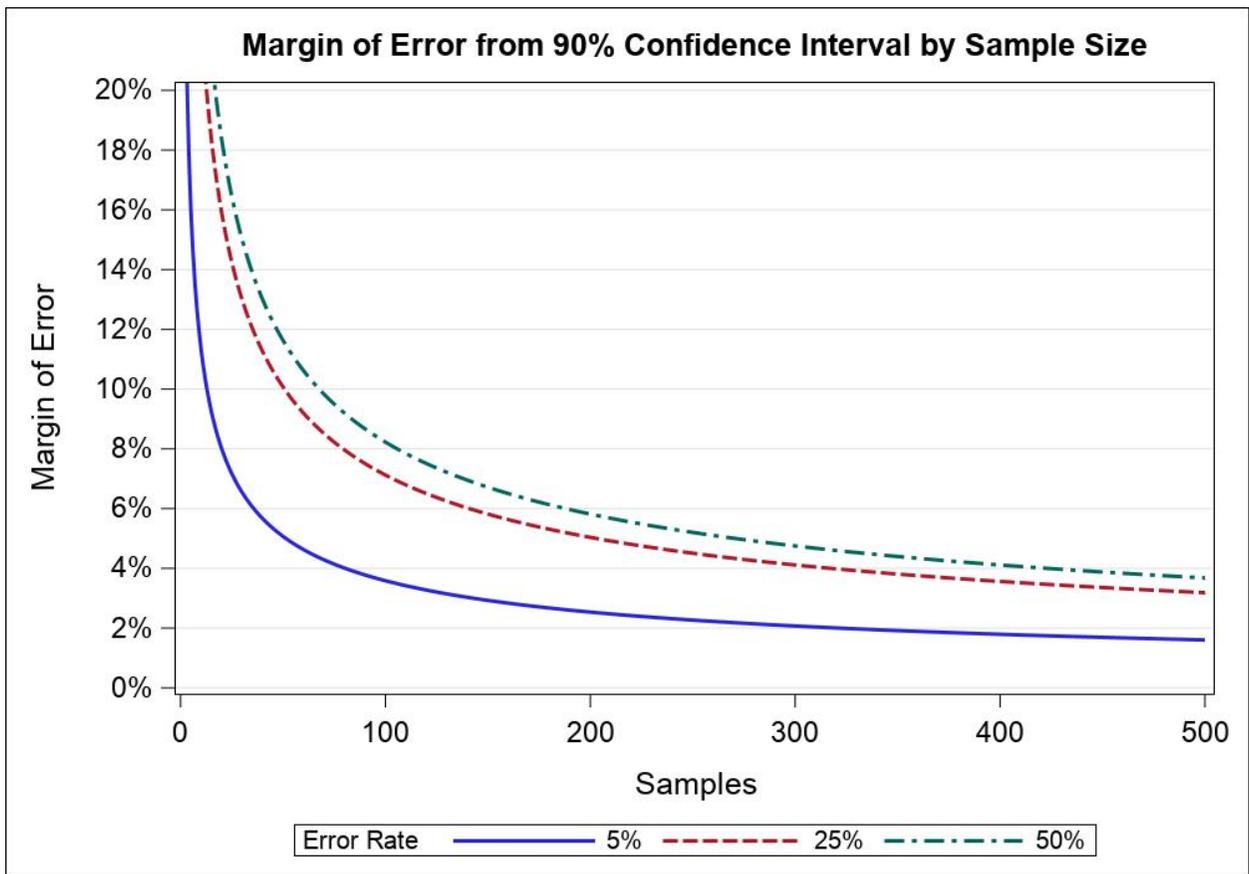
### Projections and Margins of Error

The point estimate (e.g., estimated error) is an estimate of the population parameter obtained by sampling. The margin of error and confidence interval associated with each point estimate are a measure of the precision of the point estimate that accounts for the sampling methodology used. If the OIG repeated this review with multiple samples, the confidence intervals would differ for each sample but would include the true population value 90 percent of the time.

The OIG statistician employed statistical analysis software to calculate the weighted population estimates and associated sampling errors. This software uses replication methodology to calculate margins of error and confidence intervals that correctly account for the complexity of the sample design.

The sample size was determined after reviewing the expected precision of the projections based on the sample size, potential error rate, and logistical concerns of sample review. While precision improves with larger samples, the rate of improvement does not significantly change as more records are added to the sample review.

Figure B.1 shows the effect of progressively larger sample sizes on the margin of error.



**Figure B.1.** Effect of sample size on the margin of error.

Source: VA OIG statistician’s analysis.

The tables below detail the review team's analysis and projected results.

**Table B.1. Summary of Projections and Confidence Intervals for Estimated Populations on Veterans' Claims for PTSD**

Result	Projection	Margin of error	Lower limit 90% confidence interval	Upper limit 90% confidence interval	Sample size
Estimated population	118,400	6,694	111,705	125,094	150
Grants population	61,993	5,459	56,533	67,452	75
Denials population	56,407	3,874	52,533	60,281	75

Source: VA OIG statistician's projection of estimated populations.

Note: Projections and confidence intervals may not total precisely due to rounding.

**Table B.2. Summary of Projections and Confidence Intervals for Estimated Cases with Errors on Veterans' Claims for PTSD**

Result	Projection	Margin of error	Lower limit 90% confidence interval	Upper limit 90% confidence interval	Sample size
Cases with errors	18,348	5,590	12,758	23,938	24
Cases with errors resulting in improper payments	6,315	3,633	2,682	9,948	8
Cases with errors resulting in a potential for improper payments	12,033	4,514	7,520	16,547	16
Cases with stressor verification errors	14,588	5,158	9,429	19,746	19
Cases with medical exam, medical opinion, or clarification errors	3,760	2,714	1,046	6,475	5

Result	Projection	Margin of error	Lower limit 90% confidence interval	Upper limit 90% confidence interval	Sample size
Cases with stressor verification errors resulting in improper payments	6,315	3,633	2,682	9,948	8
Cases with stressor verification errors resulting in a potential for improper payments	8,273	3,874	4,399	12,147	11
Cases with medical exam, medical opinion, or clarification errors resulting in a potential for improper payments	3,760	2,714	1,046	6,475	5

Source: VA OIG statistician's projection of cases with errors.

Note: Projections and confidence intervals may not total precisely due to rounding.

**Table B.3. Summary of Projections and Confidence Intervals for Estimated Error Rate on Veterans' Claims for PTSD**

Result	Projection	Margin of error	Lower limit 90% confidence interval	Upper limit 90% confidence interval	Sample size
Error rate	15.5%	4.7%	10.8%	20.2%	24

Source: VA OIG statistician's projection of error rate.

Note: Projections and confidence intervals may not total precisely due to rounding.

**Table B.4. Summary of Projections and Confidence Intervals for Cases with Stressor Verification Errors and Claimed In-Service Stressors on Veterans' Claims for PTSD**

Result	Projection	Margin of error	Lower limit 90% confidence interval	Upper limit 90% confidence interval	Sample size
Cases with stressor verification errors and claimed in-service stressors	12,331	4,836	7,495	17,167	16
Cases with stressor verification errors and claimed noncombat stressors	7,670	3,879	3,791	11,549	10

Source: VA OIG statistician's projection of cases with stressor verification errors and claimed in-service stressors.

Note: Projections and confidence intervals may not total precisely due to rounding.

**Table B.5. Summary of Projections and Confidence Intervals for Estimated Improper Payments on Veterans' Claims for PTSD**

Result	Projection	Margin of error	Lower limit 90% confidence interval	Upper limit 90% confidence interval	Sample size
Total improper payments	\$90,622,261	\$63,373,654	\$27,248,607	\$153,995,916	8

Source: VA OIG statistician's projection of improper payments.

Note: Projections and confidence intervals may not total precisely due to rounding. In addition, the OIG estimated VBA's inaccurate processing led to an estimated \$90.6 million in improper payments during fiscal year 2019. If VBA staff continue to make errors on a yearly basis, as estimated in table B.2 of appendix B and based on rates at the time of the review, this could lead to an estimated \$90.6 million in improper payments. VBA could make an estimated \$271.9 million in improper payments over the next three years. The three-year projection is an extrapolation of the one-year estimate of \$90.6 million as noted in table B.5.

## Appendix C: Monetary Benefits in Accordance with Inspector General Act Amendments

Recommendation	Explanation of Benefits	Better Use of Funds	Questioned Costs
1-2	The OIG estimated that errors in processing veterans' compensation claims resulted in approximately \$90.6 million in improper payments. In addition, the OIG estimated approximately \$271.9 million in improper payments could occur over the next three years unless VBA takes corrective action.		\$362.5 million
	<b>Total</b>		<b>\$362.5 million</b>

Note: The OIG estimated VBA's inaccurate processing led to an estimated \$90.6 million in improper payments during fiscal year 2019. The estimate includes payments that were either incorrect or unsupported. However, the results for these categories were not precise enough to be included in this report due to small sample size.

If VBA staff continue to make errors on a yearly basis, as estimated in table B.2 of appendix B and based on rates at the time of the review, this could lead to an estimated \$271.9 million in improper payments over the next three years. The three-year projection is an extrapolation of the one-year estimate of \$90.6 million as noted in table B.5. The OIG typically expects all recommendations to be fully implemented within one year. As several recommendations from the August 2018 OIG report on denied PTSD claims related to military sexual trauma still require implementation, the OIG believes it is appropriate to project the monetary impact for three years. The three-year projection for fiscal years 2020 through 2022 merely highlights the significant impact if the recommendations are not fully implemented.

## Appendix D: Management Comments

### Department of Veterans Affairs Memorandum

Date: November 13, 2020

From: Under Secretary for Benefits (20)

Subj: OIG Draft Report – Posttraumatic Stress Disorder Claim Processing Training and Guidance Need Improvement – [Project No. 2020-00608-BI-0002] – VIEWS 03778908

To: Assistant Inspector General for Audits and Evaluations (52)

1. Attached is VBA's response to the OIG Draft Report: Posttraumatic Stress Disorder Claim Processing Training and Guidance Need Improvement.

*The OIG removed point of contact information prior to publication.*

(Original signed by).

Paul R. Lawrence, Ph.D

Attachment

**Veterans Benefits Administration (VBA)  
Comments on OIG Draft Report  
Posttraumatic Stress Disorder Claim Processing Training and Guidance Need Improvement**

VBA concurs with the findings in OIG's draft report and provides the following comments in response to the recommendations:

Recommendation 1: Determine the actions needed to ensure staff understand evidence gathering and verification of stressor requirements for posttraumatic stress disorder claims and monitor the results to ensure effectiveness once those actions are implemented.

VBA Response: Concur. Compensation Service will implement a plan to determine the best approach to ensure claims processors understand evidence gathering and verification stressor requirements for posttraumatic stress disorder (PTSD) claims. The plan will include a method to monitor the effectiveness of actions taken.

Target Completion Date: June 30, 2021.

Recommendation 2: Assess whether reorganizing or amending material in the Veterans Benefits Administration's M21-1, *Adjudication Procedures Manual*, related to the development of claims involving entitlement to service connection for posttraumatic stress disorder, is needed for accurate processing.

VBA Response: Concur. Compensation Service will assess whether reorganization of the Adjudication Procedures Manual is needed for accurate processing of claims involving entitlement to service connected PTSD.

Target Completion Date: March 31, 2021.

*For accessibility, the original format of this appendix has been modified to comply with Section 508 of the Rehabilitation Act of 1973, as amended.*

## OIG Contact and Staff Acknowledgments

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<b>Contact</b>	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
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