



# Office of Inspector General

## EVALUATION OF VETERANS BENEFITS ADMINISTRATION'S IMPLEMENTATION OF CUSTOMER SERVICE STANDARDS

*VBA has made good progress in  
implementing customer service  
standards.*

**Report No.: 9R1-B18-127**

**Date: June 30, 1999**

Office of Inspector General  
Washington DC 20420



DEPARTMENT OF VETERANS AFFAIRS  
Office of Inspector General  
Washington DC 20420

**Memorandum to the Under Secretary for Benefits (20)**

**Evaluation of VBA's Implementation of Customer Service Standards**

1. The Office of the Inspector General (OIG) conducted an evaluation of the Department of Veterans Affairs (VA) Veterans Benefit Administration's (VBA) implementation of customer service standards under the Government Performance and Results Act (GPRA). The purpose of this evaluation was to assess VBA's progress in implementing customer service standards, to include measuring customer satisfaction, handling customer complaints, and providing improved access to VBA's toll-free customer service number.
2. The GPRA, enacted in August 1993, requires the head of each agency to submit a strategic plan for program operations to the Director of the Office of Management and Budget and the Congress. Through the strategic planning process, GPRA requires agencies to create performance measures, including measures of customer service. Executive Order 12862, *Setting Customer Service Standards*, issued in September 1993, aimed at "Ensuring that the Federal Government provides the highest quality of service to the American people." In September 1994, in response to the Executive Order, VBA prepared a Customer Service Plan and established Customer Service Standards. In Fiscal Year (FY) 1998 VBA introduced the Balanced Scorecard to its performance measurement process. The five core performance measures are (1) customer satisfaction, (2) accuracy, (3) speed, (4) cost, and (5) employee development/satisfaction. VBA's Balanced Scorecard was designed for use as a strategic management system to align operational goals to VBA's strategic planning. Recent GAO and OIG reviews have shown that VBA continues to make progress in setting goals and measuring program performance, but faces significant challenges in the areas of data validity and the establishment of outcomes in successfully implementing GPRA.
3. Our scope included an assessment of VBA's progress in implementing *customer* service standards to include conducting customer satisfaction surveys, developing customer complaint processes, and providing access to VBA's toll-free customer service number. We met with VBA management and reviewed VBA's FY 1998 Business Plan, customer service standards, and customer satisfaction surveys. Additionally, our methodology included the following:

- Conducted a national sample of toll-free calls made to VAROs between August 20, 1998 and October 14, 1998.
- Assessed ongoing initiatives designed to improve customer service and access for veterans and beneficiaries who call VBA toll free numbers.

4. We found that VBA management established customer service standards as measures of customer service as required by GPRA. We determined that VBA can use the following three tools to further improve service to customers and better achieve customer service standards; (1) taking customer satisfaction surveys, (2) developing customer complaint processes, and (3) providing access to VBA's toll-free customer service number. VBA has made good progress in all three areas:

- Customer satisfaction surveys have been conducted for the Compensation, Pension, and Education programs; and, efforts were under way to develop surveys for both the Vocational Rehabilitation and Counseling, and Loan Guaranty programs in Fiscal Year 1999. VBA's survey results show that customer satisfaction levels achieved have not met expected performance levels. By monitoring actions taken by VAROs to improve performance gaps between current satisfaction levels and established performance levels, VBA will better achieve customer service standards.
- Customer complaint processes have been established to allow customers access to VARO Internet web sites to register complaints or inquire about basic benefits/specific claims. VBA management needs to track and analyze complaint data received to improve service to its customers. By tracking and analyzing complaint data, VBA can identify areas for improvement and ensure that recurring customer concerns are addressed resulting in improved customer satisfaction.
- Access to VBA's toll-free customer service number has been improved by the nationwide expansion of the Education Service's toll-free access number on February 1, 1999. Additionally, by implementing the National Automated Response System, a menu-series of programmed messages allowing callers to receive general benefits information, customers will be afforded increased accessibility to VBA information and services, and VBA will be better able to respond to the needs of its customers.

5. By fully implementing planned customer satisfaction surveys, customer complaint processes, and improving access to VBA's toll-free customer service number, we believe VBA will enhance service to its customers and continue making good progress towards achieving customer service standards. Therefore, we are not making formal recommendations. You concurred with our findings and we consider the issues resolved.

For the Assistant Inspector General for Auditing,

*(Original signed by:)*

THOMAS L. CARGILL, JR.  
Director, Bedford Audit Operations Division

## OBSERVATIONS

As part of our assessment of Veterans Benefits Administration's (VBA's) progress in implementation of customer service standards under the Government Performance and Results Act (GPRA), we have made observations in the following areas:

- **Customer Satisfaction Surveys**
- **Customer Complaint Handling**
- **Access to VBA's Toll-Free Customer Service Number**

### Customer Satisfaction Surveys

We found VBA management established customer service standards as measures under the GPRA. These standards established performance levels in four areas of service delivery; Courtesy and Respect, Communication, Timeliness, and Responsiveness.

VBA is in the process of measuring and assessing customer satisfaction with its programs and services. VBA's Surveys and Research Staff in the Data Management Office has measured customer satisfaction levels in areas of service delivery through customer satisfaction surveys of the Compensation, Pension, and Education programs. Survey results show that customer satisfaction levels have not met expected performance levels.

- The customer satisfaction surveys of the Compensation and Pension (C&P) programs conducted from 1996-1998 measured veterans' satisfaction with the claims process. Survey results of applicants for benefits showed declining levels of satisfaction with the C&P claims process. For example:
  - The percent of veterans who were somewhat or very satisfied with the way their claims were processed decreased for the second time in 3 years (59.3 percent in 1996, 57.7 percent in 1997, and 56.7 percent in 1998). VBA management has established the Fiscal Year (FY) 1999 performance level at 65 percent.
- The Education program conducted customer satisfaction surveys during FY's 1998 and 1999 to measure satisfaction with the education benefits claims process. Survey results showed that customer satisfaction has improved but is still below established goals. For example:
  - The percent of surveyed education beneficiaries in FY 1998 who were somewhat or very satisfied with the way their claims were handled totaled 75.2 percent. The survey conducted in FY 1999 showed that this level of satisfaction had improved

to 78.1 percent. Management had established 80 percent as an acceptable performance level for FY 1999.

VBA has efforts underway to develop customer satisfaction surveys for both the Vocational Rehabilitation and Counseling, and Loan Guaranty programs during FY 1999.

VBA management does not have a system to monitor actions taken by VA Regional Offices (VAROs) in response to areas of customer service that need to be improved in order to better achieve customer service standards. VBA management needs to establish a system to monitor actions taken by the VAROs to improve performance gaps between current satisfaction levels and established performance levels.

### **Customer Complaint Handling**

In March 1998, agencies covered by Executive Order 12862 were directed to put in place a process to address customer complaints.

In September 1998, VBA established an electronic mail link to its VAROs. This link provides electronic mail contact points for VBA benefit issues and allows customers to access 37 VARO web sites. As of March 1999, this page had been accessed approximately 48,000 times.

VBA has also provided, through its 1-Stop Service Inquiry Page, a means that allows individuals to make electronic inquiry to VA on a number of issues. Through the Consumer Affairs Service (CAS) Internet web page customers can report compliments on good VBA service, offer suggested improvements, or register complaints. Customers can also contact VBA representatives by calling the toll-free customer service number, local VARO telephone numbers, writing VBA representatives or visiting local benefit offices.

Although VBA provides customers various means to register complaints/inquires, VBA does not track and analyze customer complaints in order to ensure complaints are responded to and service is improved.

One element of VBA's customer satisfaction survey addresses veterans' complaints. During the period 1996 through 1998, C&P Service's customer satisfaction survey results showed a statistically significant decline in the level of satisfaction regarding veterans perceptions of how well their complaints were handled. For example, the percent of veterans who felt VA fully addressed all of their questions, concerns, and complaints decreased from 65.1 percent in 1996 to 63.4 percent in 1997, and to 61.8 percent in 1998.

VBA management should track and analyze complaint data in order to improve service to its customers. By tracking and analyzing complaint data, VBA can identify areas for

improvement and ensure that recurring customer concerns are addressed resulting in improved customer satisfaction.

### **Access to VBA's Toll-Free Customer Service Number**

VBA officials have established the following customer service standards (VA Manual M27-1, Part I) for telephone calls:

- Blockage Rate - No more than 10 percent of callers should receive busy signals,
- Abandonment Rate - No more than 10 percent of callers should hang-up before Regional Office personnel are available to answer inquiries
- Waiting Time - Regional Office personnel should answer calls within 180 seconds.

We found that VBA was not meeting customer service standards for telephone calls. We conducted a nationwide sample of telephone calls to test current access to VBA's toll-free customer service number. OIG staff made 180 attempts to contact VBA on their toll-free number at various times during duty hours between August 20 and October 14, 1998.

The results of our test of the availability of the toll-free number in our national sample showed that 103 (57 percent) of 180 calls we attempted were not answered by VARO personnel within the 180 seconds standard. We found the following:

- 35 (19 percent) of 180 calls received busy signals when they tried to call VBA's toll-free number,
- 68 (38 percent) of 180 calls were not answered within 180 seconds and we abandoned the call, and
- 77 (43 percent) of 180 calls met the waiting time standard by being answered by a VBA representative within 180 seconds.

In addition, management reports of FY 1998 VARO telephone traffic showed that VBA has had difficulty in meeting customer service standards for telephones. As of September 1998, telephone call statistics to the toll-free customer service number showed the following:

- 52 percent of calls received busy signals,
- 13 percent of callers hung up before VARO personnel were available to answer inquiries, and
- 26 percent of calls received were not answered within 180 seconds.

### **Access Has Improved**

We found through April 1999, VBA was making considerable progress towards achieving goals and customer service standards. Management reports of VARO

telephone traffic through April 30, 1999 showed that VBA had made the following improvements in all three measures of telephone service as compared with the FY 1998 year end telephone call statistics shown above:

- 36 percent of calls received busy signals,
- 9 percent of callers hung up before VARO personnel were available to answer inquiries, and
- 17 percent of calls received were not answered within 180 seconds.

The following table demonstrates VBA’s significant improvement in reducing blocked calls and improving access from February - April 1999:

<b>Month</b>	<b>Call Attempts</b>	<b>Connected Calls/Percent</b>	<b>Blocked Calls/Percent</b>
October	2,375,019	1,335,064 56	1,039,955 44
November	1,651,287	954,673 58	696,614 42
December	1,719,645	1,002,472 58	717,173 42
January	1,963,553	1,081,354 55	882,199 45
February	1,573,013	1,048,951 67	524,062 33
March	1,296,695	1,080,829 83	215,866 17
April	1,128,811	1,020,021 90	108,790 10
<b>Fiscal Year To Date</b>	<b>11,708,023</b>	<b>7,523,364 64</b>	<b>4,184,659 36</b>

VBA officials indicated that improvements in telephone access were due in part to management monitoring of call data and making adjustments in staffing levels as needed. Additional attention has been paid to the telephone line to staff ratio and lines have been increased where necessary. VBA officials indicated that monitoring of call data combined with recently implemented initiatives discussed below have helped contribute to improving telephone access.

**VBA Initiatives To Address National Telephone Access**

VBA management has identified a number of initiatives to improve access to the toll-free customer service number and better ensure that customers obtain the information and services needed. Two of these initiatives are:

- Expanding the National Automated Response System (NARS). NARS is a menu-series of programmed messages that allows callers to receive general benefits information on all five of VBA’s business lines. This initiative was implemented in February 1998 with Des Moines as the prototype VARO. In February 1999, NARS was expanded to 5 additional VAROs (Houston, Nashville, Roanoke, St. Paul and



Winston-Salem) which, except for St. Paul, historically had high blocked call rates. The goal is to improve customer satisfaction by affording increased accessibility to VBA information and services. Preliminary results have shown that the FY 1999 blocked call rate for these 6 VAROs was reduced from 65 percent (October – January) to 11 percent (February – March).

- Greater use of Education Service's Toll-Free Number. The Education toll-free assistance number (1-888-GI BILL 1) was implemented nationwide on February 1, 1999. This initiative is designed to connect calls about VA education benefits to the appropriate VBA Regional Processing Office. This initiative should also reduce call volume and blocked call rates to the 1-800 number and enhance access and service to all of VBA's customers.

VBA officials have indicated that through NARS and the Education Toll-Free Service combined with other ongoing initiatives VBA should be better able to achieve its customer service standards for telephone calls.


**MEMORANDUM FROM THE DEPUTY UNDER SECRETARY FOR  
MANAGEMENT DATED JUNE 18, 1999**

**Department of  
Veterans Affairs**

**Memorandum**

Date: **JUN 18 1999**  
From: Deputy Under Secretary for Management (20)  
Subj: Draft Report, Evaluation of Veterans Benefits Administration's  
Implementation of Customer Service Standards  
To: Assistant Inspector General for Auditing (52)

1. We appreciate the opportunity to review the subject draft report. We concur with your assessment of the Veterans Benefits Administration's progress in implementing customer service standards under the Government Performance and Results Act.
2. Thank you for this report.

  
Nora E. Egan

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