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July 31, 2009

The Honorable Eric Shinseki
Secretary U.S. Department of Veterans Affairs
810 Vermont Avenue, N.W.
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I write you today regarding serious concerns that I have about the Veterans Affairs office in Houston, Texas. In July 2009, the VA reports that Houston has 18,318 claims pending. Of those claims, 11,581 are appealed, and 10,667 require Adjudicative Action. A recent article in the Houston Chronicle reported that a Veteran will have to wait 2-5 years for the VA to determine the outcome of his appeal. This response time is unacceptable and we owe our Veterans a more streamlined process.

Reviewing January 5, 2008 Houston claims statistics, there were a total of 19,925 claims, and only 7,953 appeals. The percentage of claims appealed, 39.9% seemed to be consistent with other VA claims centers nationwide. But as 2008 progresses, the percentage of appeals rises sharply. By December 29, 2008, 10,212, or 61.2% of claims were appealed. As of July 25, 2009, 63.2% of Houston office claims were on appeal. Since December 2008 the number of appeals in the Houston office has never been below 10,000.

I am requesting an investigation into why the number of appeals continues to rise in the Houston office. Other centers nationwide do not have appeals near this level and outsourcing claims to other VA offices is not alleviating the workload or addressing the root of the problem. This is sending a message that Houston VA claims are not being handled properly at the initial stages. This issue needs to be addressed immediately.

I have reviewed the July 29, 2009 Government Accountability Office report titled "Veteran's Disability Benefits Preliminary Findings on Claims Processing Trends and Improvement Efforts" that was requested by the Senate Veteran's Affairs Committee.

While this report does shed light on challenges facing the VA by focusing on four Veteran's Benefit Administration regional offices, it tells us little about the Houston office. The report discusses trends in VA compensation claims and appeals, and the steps the VA is taking to improve disability claims processing, it does not address the problem in the Houston office. While the Houston office outsources some of its claims, we cannot

determine from this report whether outsourcing is an effective tool because the VA has not collected data to evaluate the effect of its workload redistribution effort. The report identifies trends in appeals workload with data from the Board of Veteran's Appeals, but again, does not address Houston, the office with the highest number of appeals in the nation. It seems to me the offices that need the most improvement should have been the area of focus when this research was conducted.

I agree with the GAO report's addressing productivity and its importance to the claims and appeals process. What concerns me is while this research continues, the number of appeals in the Houston office continues to rise.

Based on the complexity of disabilities of veterans returning from Iraq and Afghanistan, the high number of appeals and reopened claims brings us to question whether the Houston office has the necessary number of appropriately trained case workers to address these claims.

Human capital challenges in Houston must be solved. On July 14, 2009, it was reported in the Houston Chronicle that Valerie Martinez, spokeswoman for the Houston VA office said that claims to her office had increased 26 % in the past year, more than twice the national average. Ms. Martinez said that to facilitate speedier processing, some of the Houston claims have been outsourced to other centers and the facility has been authorized to hire 105 additional employees. But according to VA hiring and training practices, it takes an average of two years to train new claims specialists.

The Houston VA office needs immediate help. I believe giving incentives to 105 experienced claims specialists to take temporary duty positions in Houston for 6-12 month rotations to handle initial claims and appeals would be a more effective approach.

In addition to expediting experienced specialists to reduce the backlog, I believe the VA would benefit from studying the Houston office's problems in processing veteran disability and claims appeals. With the support of the American Legion in my district, the University of Houston, College of Business, stands ready to assemble a team of bright, young graduate students, who under faculty supervision, will undertake such a study. This idea comes from Dr. Allen Commander, of Brenham, who is a former business professor at the University of Houston and an American Legion member.

I look forward to an immediate response and implementation of a strategy to permanently solve the backlog of claims and appeals in our Houston office.



Michael T. McCaul

Member of Congress