

Minister  
of Veterans Affairs



Ministre  
des Anciens Combattants

Mr. Bryan May, MP  
Chair  
Standing Committee on Veterans Affairs  
131 Queen Street, 6th Floor  
House of Commons  
Ottawa ON K1A 0A6

Dear Mr. May:

Pursuant to Standing Order 109 of the House of Commons, I am pleased to provide a Government Response to the Fourth Report of the Standing Committee on Veterans Affairs entitled, *Clearing The Jam: Addressing The Backlog Of Disability Benefit Claims At Veterans Affairs Canada*, which will be tabled in the House of Commons.

I have read your report with interest and value the observations made. I would like to take this opportunity to thank you and the members of the Standing Committee for your work and dedication towards finding solutions to the challenges Veterans, still-serving CAF members, former RCMP members and their families face.

**Government Response to the Standing Committee on Veterans Affairs Fourth Report  
*Clearing the Jam: Addressing the Backlog of Disability Benefit Claims at Veterans Affairs  
Canada***

The Government of Canada (Government) welcomes the opportunity to respond to recommendations made in the Fourth Report of the Standing Committee on Veterans Affairs (ACVA) entitled, *Clearing the Jam: Addressing the Backlog of Disability Benefit Claims at Veterans Affairs Canada*. The Government would like to thank both ACVA for this report, as well as the witnesses who appeared before the Committee.

The Government acknowledges the Committee's recommendations, and generally supports the recommendations brought forward. The Government will be looking at adopting specific measures and relying and improving upon existing measures for the recommendations. The Government is pleased to provide you with a themed response on the progress made to address concerns.

## **A. Public Service Capacity**

### **Committee Recommendation 1**

That the government and department begin planning immediately for a potential influx of benefit applications delayed due to the COVID-19 pandemic.

### **Committee Recommendation 6**

That Veterans Affairs Canada implement the solution proposed by the Parliamentary Budget Officer to retain beyond 31 March 2022 the 160 temporary or reassigned employees funded through Budget 2018 as well as the 300 additional employees hired through temporary funding of \$192 million until the end of the 2021–2022 fiscal year.

### **Committee Recommendation 7**

That Veterans Affairs Canada, when hiring from an internal pool of employees, works to prevent departmental deficiencies by ensuring that the positions of those moved elsewhere in the Department are filled promptly, and that the other sectors of the department begin planning immediately for an increased caseload in its service delivery as the veterans in the backlog move to case management.

### **Committee Recommendation 8**

That Veterans Affairs Canada increase its hiring efforts for bilingual and francophone adjudicators, across Canada including Quebec.

### **RESPONSE:**

VAC recognizes that in order to continue to reduce the wait times for disability benefits applications, a main part of the solution is to have adequate staffing levels to process disability benefits applications. In the plan, *Timely Disability Benefits Decisions: Strategic Direction for Improving Wait Times* public service capacity is identified as a line of effort. Several initiatives have come together under this line of effort including; an investment of \$192 million announced in the 2020 Economic and Fiscal update which included hiring and retaining 540 trained temporary staff, equipping staff properly in a virtual work environment during COVID-19, having operational plans and pools of qualified candidates in place that support staff movement and ensuring VAC has sufficient staffing capacity in both official languages.

As a result of the COVID-19 pandemic, VAC adapted quickly to support staff with the ability to work from home. Once employees were established in safe and remote work environments, improvements were made to support staff to make decisions. An online, self-paced training system was developed to support new staff to become operational by January 2021. VAC has enabled decision-makers to work more efficiently, using available evidence to reach the right decision as quickly as possible. VAC has made adjustments and modified processes during this critical period and will build on lessons learned. With these adjustments and the additional staff, VAC will be prepared for any future increase in applications that may have been delayed due to the COVID-19

pandemic.

Through Budget 2018, and the 2020 Economic and Fiscal update, which included hiring and retaining 540 trained temporary staff, VAC has increased the Department's public service capacity. Spike Teams were established to work on the most common applications, and customized training was completed in January 2021 allowing the new adjudicators to start making decisions. In fact, with these resources, VAC will adjudicate an additional 90,400 applications by early 2022, than it would have had these resources not been in place.

This capacity has the potential to reduce the pending applications beyond the service standard to approximately 5,000 in 2022. Both the Parliamentary Budget Officer (PBO) Report, entitled *Disability Benefit Processing at Veterans Affairs Canada*, and the ACVA Fourth Report, have recommended that additional resources will need to be extended to reduce wait times and the number of applications beyond the 16-week service standard. If necessary, VAC will explore opportunities to extend some resources to bridge the gap if additional efficiencies from process improvements and digital enhancements are not fully realized by 2022.

Hiring new staff during a pandemic has its challenges. To ensure that hiring goals are achieved efficiently workforce priorities were established, including immediate and future staffing needs. Many factors are weighed in this planning, including:

- Workforce demographic analysis and reports to support workforce planning, including consideration of such factors as recruitment and turnover rates, position vacancy rates, linguistic capacity and workforce diversity.
- Conducting internal or external advertised staffing processes, but also using existing staffing pools and inventories, including those established by other federal departments or agencies (i.e. Public Service Commission). This approach supports the efficient recruitment and onboarding of new talent to the Department further enabling internal talent management and mobility, which are important for employee morale and retention.

This approach has been adopted not just for initiatives that reduce wait times, but for all areas of VAC. A talented and motivated work force is key to deliver services and benefits to Veterans, still-serving Canadian Armed Forces (CAF) members, former Royal Canadian Mounted Police (RCMP) members and their families.

It is a priority to ensure that there is appropriate bilingual capacity to adjudicate French language claims. As part of recruitment efforts, 25% of the new staff hired is Francophone/bilingual. VAC will continue to refresh staffing candidate pools to maintain this Francophone/bilingual capacity. A new bilingual adjudication unit was established to focus on claims from Francophone applicants. VAC also hired a workload management manager who will monitor completion times for Francophone applications.

Overall, several tangible initiatives have been taken under the Public Service Capacity

line of effort. VAC will continue to monitor, adjust and develop new plans and solutions in this line of effort to help meet the overall goal of reducing wait times for disability benefits applications.

## **B. Integration**

### **Committee Recommendation 2**

That Veterans Affairs Canada provide to the Committee a detailed explanation of the triage process between complex and non-complex cases.

### **Committee Recommendation 3**

That Veterans Affairs Canada include unassigned applications in its backlog of disability benefit claims.

### **Committee Recommendation 4**

That Veterans Affairs Canada submit to the Committee and publish on its website, every six months beginning 1 July 2021, a comprehensive report on the status of the backlog on disability benefit claims, including:

- the number of new applications received;
- the proportion of new applications that are deemed complex;
- the number of decisions made;
- the total number of applications in the backlog, including:
  - unassigned applications;
  - incomplete applications;
  - complete applications pending for less than 16 weeks;
  - complete applications pending for more than 16 weeks (backlog);
- the number of people waiting and the number of people whose applications are backlogged;
- the average and median wait time for RCMP and CAF veterans;
- the average and median wait time for men and women;
- the average and median wait time for anglophones and francophones.

### **RESPONSE:**

Using an integrated approach to produce meaningful information for applicants is key to helping deliver more open and transparent communications related to wait times. Not only is it paramount that VAC reduce wait times but, VAC must be able to adequately report on and provide information to Veterans in an understandable way. Through

integration of systems, and collaboration from different work areas, VAC is improving how this is done.

VAC is committed to providing the Committee a detailed explanation of the triage process related to complex applications. VAC will develop an indicator in the reporting system to accurately reflect the number of complex applications processed. Once this indicator is in place, updates will be provided on a quarterly basis, available on the external website.

In addition, the quality of the reporting will be improved. For many years, reporting was solely through the Facts and Figures publication. However, to enhance transparency, a quarterly summary was created. This report is published within 90 days of the end of each Government fiscal quarter.

One category of information recently added to these reports is the Unassigned Applications category. This refinement will differentiate between incomplete applications where VAC is waiting on more information from the applicant, and applications that are awaiting to be assigned for review by VAC. With improvements in reporting, VAC was able to separate these two groups out versus having them listed as incomplete as was done prior to this change. This information will be refined further into specific areas – either within the service standard or outside the service standard. This level of reporting fidelity will enable more accuracy and comprehension.

One of the goals with these improvements is to be able to provide quarterly reports to ACVA and publish them on the VAC website to track the progress being made. VAC will also proactively commit to sharing the updated quarterly reports with the committee once they are published each quarter.

### **C. Process Innovation**

#### **Committee Recommendation 5**

That Veterans Affairs Canada be required to provide all requested data and information to the Parliamentary Budget Officer in a timely manner whenever requested, provided the Officer does not make any requests that would violate cabinet confidence or divulge trade secrets.

#### **Committee Recommendation 9**

That Veterans Affairs Canada develop a plan to address the anticipated increase in the number of women veterans in the coming years.

#### **Committee Recommendation 10**

That the Canadian Armed Forces ensure that all injuries are recorded in a completed CF 98 to help Veterans Affairs Canada better assess disabilities and medical conditions.

**Committee Recommendation 11**

That the Canadian Armed Forces automatically provide Veterans Affairs Canada with the diagnosis that supported the decision to medically release a member, at least six months prior to release and with the member's consent.

**Committee Recommendation 12**

That the Canadian Armed Forces encourage members, including recruits upon enlistment, to sign a letter in advance consenting to the transfer of information from their medical records to Veterans Affairs Canada.

**Committee Recommendation 13**

That Veterans Affairs Canada continue to automatically approve applications for medical conditions presumptively attributed to service in the Canadian Armed Forces or the Royal Canadian Mounted Police, table to the Committee its list of such medical conditions, and continue to expand it through research in Canada and in allied countries.

**Committee Recommendation 14**

That Veterans Affairs Canada conduct a study on women-specific medical conditions related to service in the Canadian Armed Forces and Royal Canadian Mounted Police, and, when applicable, add them to the list of medical conditions presumptively connected to military service.

**Committee Recommendation 15**

That the Minister of Veterans Affairs amend the Veterans Well-being Regulations to allow for the automatic pre-approval of disability benefit claims, and that Veterans Affairs Canada implement a pilot project to identify the risks and advantages of such automatic pre-approval of claims.

**Committee Recommendation 16**

That Veterans Affairs Canada conduct an in-depth review of the Veterans Emergency Fund in the context of its use to support veterans waiting in the backlog and report back to the committee with their findings.

**RESPONSE:**

The majority of the recommendations in the Fourth Report of the Standing Committee on Veterans Affairs (ACVA) aligns with the Process Innovation line of effort. Improving processes will have significant impacts on reducing the wait times for disability benefits applications. Process innovation improvements can include many different initiatives such as how VAC shares and receives information, workload management and developing new processes.

The need to provide accurate and timely information to the PBO is fully understood. VAC currently has processes in place at the departmental level to ensure that

information sharing is coordinated and follows appropriate guidelines. When there are challenges identified with the content or timelines of information shared, VAC will work collaboratively to find solutions.

Connected to the information sharing is the ability to continue to work collaboratively with colleagues in the Canadian Armed Forces (CAF) and the Royal Canadian Mounted Police (RCMP). VAC recognizes there are processes for sharing health information that need to be reviewed and improved upon. VAC will commit to work with CAF to find solutions to the issues that were identified in ACVA's Fourth Report. Beyond that, VAC commits to reviewing other processes and information sharing with the CAF and RCMP to help reduce wait times. It is important to note that sometimes there are legislative and privacy authorities that need to be considered when reviewing information sharing processes.

Such privacy concerns apply to recommendation 12 to encourage members, including recruits upon enlistment, to sign a letter in advance consenting to the transfer of information from their medical records to VAC, particularly as this recommendation relates to the disclosure of information yet to be created. Upon receiving an application, VAC and the CAF can share information through various governance bodies and by leveraging Liaison Offices in both Departments. This collaborative approach has resulted in the reinforcement of protocols for completion of Reports on Injury, Disease, or Illness (form CF 98), as well as ongoing progress for Canadian Forces Health Information System record sharing with VAC.

The CAF have adopted a number of measures to improve CF 98 completion. Given that the first person responsible to complete the form is the injured member, the CF 98 is introduced early in a CAF member's career and mentioned often in the context of General Safety briefings. CAF physicians and health care providers are trained to advise injured CAF members to ensure that a CF 98 is initiated as quickly as possible after an injury occurs. Of note, CF 98 requirements are discussed as part of the Commanding Officer courses and training, signaling the importance of completing this form.

The CAF and VAC also continue to collaborate to improve medical record information sharing. It should be noted that with the member's consent, VAC has access to a CAF member's records at any time during the member's career. In addition, the CAF continues to advertise transition services to encourage medically-releasing members to make contact and apply for medical benefits. Early ill or injured CAF members can also receive support for their transition to civilian life through a posting to the CAF Transition Group. While posted to the CAF Transition Group, CAF members receive advice to prepare the consent form disclosing their health records for potential medical benefits. The CAF is progressing towards a 2024 objective that would provide the CAF Transition Group with greater flexibility to support a larger number of ill and injured personnel prior to their transition.

As noted in this latest ACVA report, direct access to the CAF Health Information System was also recently granted to VAC adjudicators in Charlottetown to expedite access to this kind of data. VAC and the CAF continue to collaborate to further expand this direct access, through centers in Ottawa, Winnipeg, and Montreal. This collaboration seeks to provide direct access to all VAC adjudicators, however, the COVID lockdowns have slowed planned progress on the rollout of additional “direct connect” access points.

Process innovation does not apply to information sharing alone. It touches on so much more. A major focus is planning and monitoring the workload to ensure fairness and equity in processing claims. VAC has made progress on this front within the past year. Of note, a dedicated manager will be responsible for workload management and will monitor the completion times for applications from female and Francophone Veterans. This new appointment was introduced to specifically address the issue of longer wait times for both female and Francophone Veterans’ disability applications. From a planning perspective VAC collaborates with CAF and the RCMP for awareness of any recruitment campaigns so VAC can better prepare and improve the processes for groups that will be releasing in the future.

After a successful pilot, VAC has introduced 18 Veteran Benefit Teams (VBT). These teams bring together Disability Services Assistants, Benefits Program Officers and Disability Adjudicators to guide disability applications from the moment they are submitted to the time a payment is made. While it will still take time before this initiative is fully implemented, VAC expects VBTs to result in faster disability application decisions for Veterans and their families by removing administrative steps and file handoffs. The VBT pilot, which ran from September 2018 to March 2019, showed positive results:

- disability application decisions were completed in a third of the time: 17 weeks on average compared to 50.5 weeks; and
- for all the pilot files processed, more than 300 hand-offs were eliminated between the time an application was received to the time a decision was made.

VAC is aligning the new Spike Teams in this manner and VAC expects that this new way of processing claims will continue to reduce wait times for disability benefits applications. By introducing this, VAC has improved the adjudication process for disability benefits applications.

With respect to implementing a system that would allow for the automatic pre-approval of disability benefit claims, such an initiative would require amendments to the *Veterans Well-being Regulations*, *Veterans Well-being Act* and the *Pension Act* because current legislation specifically requires that before the Minister may pay a disability

benefit, the member or Veteran must “establish” that they are suffering from a service-related disability, or a non-service-related disability that was aggravated by service.

Automatic approvals for disability benefits is often proposed to reduce wait times. This approach is used in certain circumstances in other countries, such as Australia and the United States. VAC is reviewing how this could be applied in the Canadian context and what conditions may be conducive to consideration for presumptive, or automatic, approvals.

Concurrently, VAC is looking at other accelerated processing opportunities such as automation. Automation is the notion of using technologies to minimize administrative work, alleviate repetitive tasks, ease the sharing of information, and enhance collaboration in the disability benefit application submission and review processes. VAC has made progress towards introducing additional automation and computer assisted tools to improve the Department’s decision making process. VAC has analyzed ways to increase efficiency by leveraging process automation and digital enhancements. The work on enhancing guided web-forms and using data provided on My VAC account by Veterans has enhanced information sharing. There has been significant research through the Innovation Hub related to Hearing Loss and Tinnitus, the first and second most commonly applied for conditions. VAC is looking into automating key aspects of disability benefit application processing to increase productivity for these types of claims and allow staff to focus on more complex claims – which tend to most commonly extend past VAC’s 16 week service standard.

By applying automation to several different processes VAC expects a reduction in wait times. VAC will consult with federal, provincial and municipal jurisdictions on issues such as the sharing of health records, which might impact automation in processing applications, and advance solutions development. Additionally, amendments to legislation and regulations or increased funding authority may be required.

Further, VAC will undertake research to examine the impacts of military service on females. Given that the overwhelming majority of VAC clients - approximately 88% - are male there is less available research on the impacts of service on females. As such, a deliberate research effort is warranted.

#### **D. Digital Solutions**

There are no specific recommendations in ACVA’s 4<sup>th</sup> report that fall directly under the Digital Solutions line of effort. Digitization like scanning and uploading documents, for example, supplements and plays a key role in how VAC will move forward. Any time a

new solution or initiative is being discussed, VAC looks at it through the lens of the lines of effort identified in the strategic plan - *Timely Disability Benefit Decisions – Strategic Directions for Improving Wait Times*. This allows VAC to take a fulsome approach and deliver more concrete material for reducing wait times.

**CONCLUSION:**

In conclusion, it is clearly recognized that delays in disability benefit application decisions can potentially affect the well-being of Veterans. VAC takes a holistic approach to each Veteran's individual circumstance. The mission is to improve their well-being through services and benefits. In the same vein that there is not a one-size-fits-all solution to reducing wait times, there is often not a one-size-fits-all solution to supporting a Veteran's well-being. VAC offers a multitude of services and benefits that can range from rehabilitation support, education and career training, mental health support, emergency support and much more to enable well-being. VAC routinely reviews and evaluates programs and services to ensure they are meeting the needs of CAF and RCMP members, Veterans and their families.

There is a focused and sustained commitment to reducing the wait times for disability benefits applications. It is the number one priority of the Department. VAC needs to adapt to the ever-growing disability benefits application case load. With the current and future initiatives initial results are trending in the right direction. VAC will continue to update the Committee with the progress that is being made on this issue.

Sincerely,

A handwritten signature in black ink that reads "Lawrence MacAulay". The signature is written in a cursive, flowing style.

The Honourable Lawrence MacAulay, PC, MP

c.c.: Benoit Jolicoeur, Clerk, Standing Committee on Veterans Affairs

The word "Canada" in a serif font, with a small Canadian flag (a red maple leaf) positioned above the letter 'a'.