

Government Response to the Twenty-Fifth Report of the Standing Committee on Public Accounts (PACP) entitled: *Processing Disability Benefits for Veterans – Updated Final Report to Recommendation 4*

[PACP Report 25 - Processing Disability Benefits for Veterans \(Tabled: 14 February, 2023\)](#)

[Government Response](#) (Tabled: 8 June, 2023)

Recommendation 4

That, by 15 June 2023, Veterans Affairs Canada provide the House of Commons Standing Committee on Public Accounts with an interim report about working with central government agencies to establish a sustainable long-term resourcing plan for processing disability benefits applications in a timely manner, including its business case for establishing this plan. A final report should also be provided by 15 June 2024.

Government Response

The Government agrees with this recommendation.

Between 2015-16 and 2022-23, Veterans Affairs Canada experienced a 61% increase in disability benefits applications reaching almost 73,000 in 2022-23. This includes applications from still-serving and former RCMP members which have nearly doubled as a proportion of the overall application intake. The intake levels led to a significant increase in the number of applications awaiting a decision, and in particular, in the number of applications over the Department's service standard, often referred to as the backlog, which reached a high of over 23,000 applications by May 2020.

In December 2020, the Standing Committee on Veterans Affairs (ACVA) released a report entitled "Clearing the Jam: Addressing the Backlog of Disability Benefit Claims at Veterans Affairs Canada" that offered 16 recommendations, all of which the Government generally supported. The report noted that the increase in the volume of applications at VAC was due to many factors, including new benefits and changes to existing benefits; heightened awareness about VAC's services and benefits; the growing demand for mental health services; the increase in medically releasing Veterans; and staff reductions. The additional resources of 350 term employees hired in summer/fall of 2020 have been instrumental in reducing the backlog. These new team members began making decisions in January 2021, and by 31 March 2022, the Department had reduced the backlog by approximately 50% compared to the spring of 2020.

To maintain this momentum, on February 23, 2022, the Government announced funding of \$139.6 million over two years to extend the temporary positions as part of the action to

reduce processing times for disability benefits applications at VAC. The Department is also developing more efficient application and decision-making processes using digital technologies. By summer 2023, the Department expects to have cut the number of applications waiting longer than the service standard to about 5,000, provided application intake levels stay consistent. If the number of applications received remains stable, VAC aims to meet the service standard in 2023-24. VAC's efforts remain focused on maintaining the resourcing already in place to make timely decisions and continue its progress to permanently solve the issue.

A final report on this recommendation will be provided to PACP by 15 June 2024.

July 2024 – Updated Final Report

Since the interim update in June 2023, the Government of Canada has made further commitments in funding for two years for the processing of disability benefits with, most recently, \$164.4 million additional funding confirmed on November 3, 2024. Part of this investment allowed Veterans Affairs Canada (VAC) to retain employees working in disability benefits for an additional two years, until March 2026.

VAC has realized significant success as a result of investments in resources through Budget 2020, and the commitment in 2022 to extend those resources through to March 2024, and the further commitment in 2023 to carry those resources through 2026.

Since 2020, through the help of additional employees dedicated to the disability benefit decision-making process, VAC has reduced the number of applications over the service standard (i.e., backlog) by 75%. Additionally, VAC has made significant improvement towards achieving the disability benefits service standard. VAC's service standard for disability benefits applications is 16 weeks for first applications and reassessments, and 12 weeks for departmental reviews, 80% of the time. In 2023-2024, VAC met the service standard for first applications 69% of the time. This is marked improvement when compared to previous results. For example, in the 2019-2020 fiscal year, VAC was only meeting its service standards 23% of the time (30% in 2020-2021, 46% in 2021-2022 and 55% in 2022-2023).

At the same time, application intake continues to rise. Between 2015-2016 and 2023-2024, VAC experienced a 78% increase in the number of applications received for disability benefits. More and more Veterans, Canadian Armed Forces (CAF) and Royal Canadian Mounted Police (RCMP) members are coming forward to get the benefits and services they need to improve their well-being.

VAC also has made progress on a number of automation and processing improvement initiatives. For example, the Service Health Records Search Tool now automatically gathers relevant information related to a client's claimed condition. The tool was launched on April 1, 2023, for all decision-makers and helps to reduce the administrative tasks associated with processing disability benefits, e.g. reviewing thousands of pages of

medical records, and allows staff to dedicate more time to complex claim types while contributing to greater consistency in decision-making.

Additionally, the VAC Healthshare platform is used by medical practitioners (currently audiologists) to electronically submit medical reports, audiograms, and medical questionnaires, along with their invoices for services. This platform lessens paperwork burden for Veterans and their care providers and receiving these required documents sooner means applications can progress to the decision-making stage earlier, which improves service.

VAC continues to work on a multi-year plan to modernize two tools that are used to support decision-making for Disability Benefits: the Entitlement Eligibility Guidelines (EEG) and the Table of Disabilities (TOD). These tools are used to assess eligibility and the extent of a disability for the purposes of determining disability benefits. As part of this modernization, these tools are being reviewed to ensure that they continue to be based on the most up-to-date health related evidence and provide for consistent and efficient decision-making. A Gender Based Analysis Plus (GBA+) methodology has been developed specific to this work and is being applied to the revisions of the EEGs and the TOD to ensure that these tools consider the diverse health related experience of Canadian Veterans.

The approval to extend the resources for an additional two years (2024-2026) and to further develop automated process improvements will allow VAC to continue to work towards meeting its service standard. VAC continues to work with Central Agencies to explore options for sustained long-term resources while investing in automation and overall process improvement. Given the increasing demand beyond that projected in the past, stabilizing VAC's central workforce is crucial to making timely decisions and continuing VAC's progress. The mix of sustained investment in decision-making staffing, process improvement and automation are all part of the plan to meet and maintain VAC's service standard.