

June 2024 Final Report - Government Response to the Twenty-Fifth Report of the Standing Committee on Public Accounts (PACP) entitled: *Processing Disability Benefits for Veterans*

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

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

Recommendation 1

That, by 15 June 2023, Veterans Affairs Canada and the RCMP present the House of Commons Standing Committee on Public Accounts with a progress report about establishing a formal costing process and determining the right level of funding, and how that funding is directed, as required to process applications from RCMP Veterans in accordance with its service standard. A final report should also be provided by 15 June 2024.

Government Response

The Government agrees with this recommendation.

The newly amalgamated joint RCMP–VAC Member Injured on Duty Steering and Oversight Committees, work closely together since their initial meeting in April 2019, to improve governance, and effective management including putting more robust processes in place to support the forecasting of financial requirements related to disability benefits. These processes include developing an application-based costing framework which takes into account not only the number of forecasted applications but also the anticipated complexity of each application. This framework will help in determining the right level of resources and funding required to process both CAF and RCMP applications. A final report on the costing framework will be provided to PACP by 15 June 2024.

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VAC, in consultation with the RCMP, has developed an application-based resource determination model for the disability benefit decision making process. This model will be used to help determine the appropriate amount of funding required to process applications from current and former members of the RCMP, in accordance with the service standard, to ensure funding is properly directed. This model takes into consideration not only the number of applications, but also the anticipated complexity of these applications to help determine the right complement of staff required to address the demand. This is an evergreen, scalable model that will be reviewed and updated triennially or as required based on the latest trends, projections and any other relevant information.

This information will help support any future funding requests. Details on the funding agreement between VAC and RCMP will be documented through a Memorandum of Understanding.

The RCMP–VAC Member Injured on Duty Steering and Oversight Committees have continued to work closely together since their initial meeting in April 2019 to improve governance and effective management, including putting more robust processes in place to support the forecasting of financial requirements related to disability benefits.

Recommendation 2

That, by 15 June 2023, Veterans Affairs Canada provide the House of Commons Standing Committee on Public Accounts with a progress report about how it has improved the consistency and accuracy of reporting its performance against its new standard, and demonstrating improvements with quantifiable metrics. A final report should also be provided by 15 June 2024.

Government Response

The Government agrees with this recommendation.

As of 1 April 2022, VAC updated how it defines the processing times for the purpose of its service standard. The processing time starts when an application and all necessary documents have been received, and ends when the final decision is made, and now includes the calculation, verification and issuing of a payment if the decision is favourable. Previously, processing times showed the time between when VAC received a complete application and when a decision is made. VAC will provide the updated methodology and a report on performance against the service standard by 15 June 2024. The VAC service standard for processing disability benefits applications is for 80% of decisions to be made within 16 weeks for First Applications and Reassessments; and 12 weeks for Departmental Reviews (the clock begins when the Department has received all the information needed to make a decision). In 2022-23, 55% of disability benefits First Applications have been completed within the service standard compared to 46% in the last fiscal year. By summer 2023, the Department expects to have cut the number of applications which do not meet the service standard (i.e., backlog) 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.

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

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This recommendation has been fully implemented.

In 2023-24, 69% of disability benefits First Applications have been completed within the service standard compared to 55% in 2022-23, 46% in 2021-22, 30% in 2020-21 and 23% in 2019-20. It should be noted that the 2023-24 and 2022-23 results reflect the new methodology, while the results for the preceding years reflect the old methodology, which measured a shorter point in the process.

With the old methodology, processing times showed the time between when VAC received a complete application to when a decision was made. With the new methodology, the processing time starts when an application and all necessary documents have been received, and when the final decision is made. It now includes the calculation, verification and issuing of a payment, if the decision is favourable.

Recommendation 3

That, by 15 June 2023, Veterans Affairs Canada provide the House of Commons Standing Committee on Public Accounts with an interim progress report about addressing weaknesses in the quality and organization of its data, including steps to ensure adequate training of department staff in proper data management. A final report should also be provided by 15 June 2024.

Government Response

The Government agrees with this recommendation.

VAC implemented several initiatives in recent years to make application processing more efficient but recognizes that it has been challenged to demonstrate any resulting improvements statistically, given the lack of quality data available to support these initiatives.

In June 2020 the Department published a strategic direction document for improving wait times entitled, *Timely Disability Benefits Decisions: Strategic Direction for Improving Wait Times*. This document outlined the measures being taken to make faster disability decisions and reduce the backlog. The Department updated this document, which was published on the Department's website on 3 March 2023, to reflect current progress and to chart a path forward.

Since the release of the document in June 2020, VAC has made progress on a number of the initiatives such as the Service Health Record Search Tool and the Veteran Benefit Team structure. These initiatives will support VAC in making swifter decisions. VAC will continue to develop and refine its ability to access data that will allow for effective reporting and better informed decisions related to process improvements.

Training of departmental staff in proper data management is not required as the source of VAC's data quality and organization challenges are related to processes. Currently, VAC collects

data from two operating systems – the legacy Client Service Delivery Network (CSDN) and the new GCCase. While significant modernization was achieved through the Department’s Pension for Life project and the introduction of GCCase, complex components of the program remained in CSDN while other benefits/programs remained out of scope for modernization at that time. As a result, users must navigate multiple systems and data is de-centralized across multiple systems making it more complex to align data in support of departmental reporting.

GCCase will gradually replace the existing CSDN user interface as programs are updated and modernized, which will support data centralization, data collection plans and create an accessible, consistent and less complex user and reporting experience when processing the Department’s benefits and programs.

Treasury Board Secretariat has been working on the Renewal of the Data Strategy for the Federal Public Service which were recently released in April 2023. VAC will be developing a new VAC Data Strategy guided by the Data Strategy for the Federal Public Service that will respond to the Department’s needs for reliable, accurate, current, and readily available data required for program monitoring.

In addition, VAC has been building validated datasets and creating a data lexicon to ensure that all VAC employees who use data for reporting and program monitoring, have access to reliable and valid data.

A final report on VAC’s actions in addressing weaknesses in the quality and organization of its data will be provided to PACP by 15 June 2024.

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VAC is continuously improving data quality and data organization. We have developed and are implementing a data lexicon that standardizes the terms used in reporting resulting in quality data and reporting that is consistent and trustworthy. VAC continues to develop validated datasets for internal and external program reporting; to date, eight program datasets have been validated and are operational including the Disability Benefits dataset. In addition, VAC is updating its Departmental Data Strategy and will be implementing data collection and developing a planning guide to standardize how VAC collects, stores, uses, and safeguards data including personal information required for disaggregation. VAC is also implementing a Digital and Data Literacy Program to ensure that employees understand the value and ethical use of data. Each of these activities is aligned with the Federal Data Strategy released by TBS.

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.

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With the additional temporary resources, originally announced in 2020, VAC has reduced the number of disability benefit applications over the service standard by more than 75% since the Spring of 2020 from 22,138 to 5,637 as of March 31, 2024.

On 3 November, 2023, the Government of Canada announced \$164.4 million in funding over two years for the processing of disability benefit applications. This funding allows VAC to retain temporary employees working in disability benefits for an additional two years, until March 2026.