

Question on notice no. 299

Portfolio question number: 37

2019-20 Additional estimates

Foreign Affairs, Defence and Trade Committee, Defence Portfolio

Senator Jacqui Lambie: asked the Department of Veterans' Affairs on 4 March 2020

I asked last estimates about the time it takes for a veteran's claim to be processed. You told me that the average processing time ranges from 92 to 127 days, depending on the claim type.

But I've been told that it can take 200 days for a claim to get allocated to a delegate! That would mean it can take three hundred 300 days for a claim to be determined after it first gets submitted to the Department.

- At this point in time, how many veterans have been waiting for more than 90 days for a claim to be allocated to a delegate? How long have those veterans been waiting, on average?

I've seen an email from a DVA senior delegate on Tuesday the 18th of February this year stating that:

o "DVA is experiencing a significant backlog of claims which has had an adverse effect on processing times. Currently, claims lodged in July 2019 are being allocated as delegate capacity becomes available." The email goes on to state that the wait time for the veteran to have their claim allocated to a delegate is uncertain. The senior delegate acknowledges that "this is not the service you deserve and not the service we want to provide to you".

- What proportion of claims have been delayed as a result of this backlog?
- How many staff does DVA have reviewing claims? How many of those are APS employees? How many claims are there per employee?
- How do these figures compare with five years ago?
- How many similar emails has the DVA sent over the past three months explaining that the Department is experiencing a significant backlog in claims?
- You aren't meeting the Commonwealth's legislated commitment to process MRCA compensation claims within 90 days, as per the Australian Veterans' Recognition Act 2019. What do you do if you don't meet that commitment on a claim?
- The email I quoted earlier stated that the DVA would be putting on more resourcing in late-February or early March to get through the claims backlog. Has that happened? Is that the 72 staff that Sen Reynolds mentioned in the estimates hearings?
- Has the average wait time on claims processing reduced since you hired 72 more staff after MYEFO? Has the backlog reduced? If so, by how much?

Answer —

Answer attached

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**Senate Standing Committee on Foreign Affairs, Defence and Trade
Additional Estimates 2019 - 2020 – 4 March 2020
Answers to questions on notice from the Veterans' Affairs portfolio**

Question 37

Outcome: 1 Program: 1.2 and 1.6

Topic: Claims processing – wait-times
(Written Question on Notice)

Senator Jacqui Lambie asked:

I asked last estimates about the time it takes for a veteran's claim to be processed. You told me that the average processing time ranges from 92 to 127 days, depending on the claim type.

But I've been told that it can take 200 days for a claim to get allocated to a delegate! That would mean it can take three hundred 300 days for a claim to be determined after it first gets submitted to the Department.

1. At this point in time, how many veterans have been waiting for more than 90 days for a claim to be allocated to a delegate? How long have those veterans been waiting, on average?
I've seen an email from a DVA senior delegate on Tuesday the 18th of February this year stating that:
 - "DVA is experiencing a significant backlog of claims which has had an adverse effect on processing times. Currently, claims lodged in July 2019 are being allocated as delegate capacity becomes available." The email goes on to state that the wait time for the veteran to have their claim allocated to a delegate is uncertain. The senior delegate acknowledges that "this is not the service you deserve and not the service we want to provide to you".
2. What proportion of claims have been delayed as a result of this backlog?
3. How many staff does DVA have reviewing claims? How many of those are APS employees? How many claims are there per employee?
4. How do these figures compare with five years ago?
5. How many similar emails has the DVA sent over the past three months explaining that the Department is experiencing a significant backlog in claims?
6. You aren't meeting the Commonwealth's legislated commitment to process MRCA compensation claims within 90 days, as per the Australian Veterans' Recognition Act 2019. What do you do if you don't meet that commitment on a claim?
7. The email I quoted earlier stated that the DVA would be putting on more resourcing in late-February or early March to get through the claims backlog. Has that happened? Is that the 72 staff that Sen Reynolds mentioned in the estimates hearings?
8. Has the average wait time on claims processing reduced since you hired 72 more staff after MYEFO? Has the backlog reduced? If so, by how much?

Answer

1. Of the claims received on or after 1 November 2019, as at 31 March 2020, there were 4,289 claims under the *Military Rehabilitation and Compensation Act 2004* (MRCA) claims over 90 days old and not allocated to a delegate. This comprised of 3,940 initial liability and 349 permanent impairment claims.

Of the claims received on or after 1 November 2019, as at 31 March 2020, the average age of claims not allocated to a delegate was 75.6 days for MRCA claims. This is comprised of 79.1 days for initial liability and 53.7 days for permanent impairment claims.

2. As at 31 March 2020, there was a total of 43,069 claims on hand, and of these 20,721 had been allocated to a delegate. This includes disability claims under the *Veterans' Entitlements Act 1986* (VEA), as well as liability, permanent impairment, and incapacity payment claims under MRCA and the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA). Approximately 50 per cent of claims are pending allocation to a delegate, and this includes MRCA claims to which the 90 days timeframe applies.

The Department of Veterans' Affairs (DVA) has experienced a significant increase in claim numbers, particularly for conditions arising from service after 1 July 2004, with an increase in MRCA initial liability (126 per cent) and permanent impairment (97 per cent) claims from 2017-18 to 2018-19.

Overall claims increased around 42,000 (83 per cent) across most claim types, but driven predominately by increases in MRCA and DRCA initial liability and permanent impairment.

To manage the volume of cases, DVA continues to screen and prioritise claims for any client assessed as being 'at risk'.

In addition, DVA provides assistance to clients upfront and prior to claims finalisation through:

- Extending early access to treatment through Non-Liability Health Care (NLHC) for all mental health conditions for any veteran with a single day of continuous full-time service;
 - Provisional Access to Medical Treatment (PAMT) which provides veterans with access to medical treatment for specified conditions while their claim for liability under the MRCA and DRCA is being processed;
 - The Veteran Payment (VP) which provides an interim income support to eligible veterans who lodge an initial liability claim for a mental health condition under the MRCA and DRCA who are incapable of working more than eight hours per week; and
 - Implementing interim payments for permanent impairment cases.
3. The average full time equivalent (FTE) for March 2020 for initial liability, permanent impairment and incapacity claims processing was 190.1. This number includes ongoing, non-ongoing, and contractors but not team leaders/management.

Of those, the number of ongoing and non-ongoing APS employees for March 2020 was 102 FTE.

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As at 31 March 2020, the average number of initial liability, permanent impairment and incapacity claims on hand per FTE was 227.

4. We are not able to provide meaningful comparisons between these periods as the claims processing environment has changed and some historical FTE records do not clearly differentiate between those processing claims and those undertaking other functions. In particular, there has been a significant increase in claims received by DVA over the past two years. This increase is due in part to the success of the Veteran Centric Reform Program, as well as a range of other factors including veterans lodging their claims closer to the time of injury, and a better knowledge throughout the veteran community of DVA entitlements.
5. DVA responds to a high volume of enquiries across a number of different communication channels. Whilst each interaction is tailored to respond to the question, DVA is not able to provide the specific number of emails that inform the client or representative about the progress of a claim, as this information is recorded against the individual client.
6. The Department endeavours to meet the newly established target but this is not possible in all cases.
7. Yes. The additional funding provided at the Mid-Year Economic and Fiscal Outlook has allowed DVA to hire an additional 72 contracted staff to assist with claims processing.
8. No. Due to the need to recruit and train additional staff to get to full operational efficiency, coupled with a continued increase in claims received, it will take some months for there to be a decrease in the time taken to process. The backlog is starting to reduce as a consequence of these additional resources.