

DISABILITY BENEFITS PROCESSING TIMES

- The Government is fully committed to the health and well-being of Veterans and their families.
- Between 2015-2016 and 2023-2024, Veterans Affairs Canada experienced a 78% increase in the number of applications received for disability benefits. Since 2020, thanks to the help of additional temporary employees dedicated to the disability benefit decision-making process, we have reduced the backlog by 72%. As of September 30, 2024, there were 6,246 applications over the service standard (i.e., backlog).
- On November 3, 2023, to ensure the Department continues momentum in reducing processing times, the Government announced additional funding of \$164.4 million. Part of this investment will ensure Veterans Affairs Canada is able to retain existing temporary employees, dedicated to processing disability benefit applications, for an additional two years until March 2026.
- We have made progress and we know there is more to be done – which is why we are working to make more decisions faster and putting Veterans first.

WHEN PRESSED:

Q1 – What is the current number of backlog applications for disability benefits?

Between 2015-2016 and 2023-2024, Veterans Affairs Canada (VAC) experienced a 78% increase in the number of applications received for disability benefits. The Department has reduced the backlog by 72% since the spring of 2020. As of September 30, 2024, there were 6,246 applications over the service standard for disability benefit applications. Our service standard accounts for the fact that some files are very complex and take longer to process. Therefore, we will always have a small percentage of applications in the backlog.

Q2 – What is the current backlog in terms of time between when an application for benefits is made and the Veteran finally receives the benefits?

Veterans Affairs Canada'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. All turnaround times and service standard results for disability benefits represent the time between when we receive a complete application and when a payment is made (for favourable decisions).

The average turnaround time for first applications for the 2023-2024 fiscal year was 20.2 weeks, compared to 28.1 weeks and 39.7 weeks for fiscal years 2022-2023 and 2021-2022, respectively. The fiscal year-to-date (April to September) average turnaround time for first applications is 19.4 weeks.

Between 2015-2016 and 2023-2024, Veterans Affairs Canada experienced a 78% increase in the number of applications received for disability benefits. During this same period, Veterans Affairs Canada made improvements to decision-making processes and hired new staff.

Veterans Affairs Canada has made progress and has a better understanding of the challenges in processing disability benefits, and is continuously looking for ways to accelerate the decision-making process. However, it will take additional time for Veterans Affairs Canada's efforts to reduce the backlog of disability benefit applications to be fully reflected in its processing times. The Department is currently focused on completing its oldest claims which, unfortunately, already have lengthy processing times.

Q3 – What are the statistics on wait time reduction (comparison from June 2020 to present – processing times and processing times past the 16-week service standard period)?

For 2023-2024, the average turnaround time for first applications was 20.2 weeks, down from an average turnaround time of 28.1 weeks in 2022-2023, 39.7 weeks in 2021-

2022, and 48.8 weeks in 2020-2021. The fiscal year-to-date (April to September) average turnaround time for first applications is 19.4 weeks.

Veterans Affairs Canada has made significant improvement towards achieving the disability benefits service standard. In the first quarter of 2024-2025, we met the service standard for first applications 66% of the time. This is a slight decline from 2023-2024 results where we met the service standard for first applications 69% of the time. This is a remarkable improvement when compared to previous results. For example, in the 2019-2020 fiscal year we were only meeting our service standards 23% of the time (30% in 2020-2021, 46% in 2021-2022 and 55% in 2022-2023).

Difficulties in meeting the service standard can be attributed to the 78% increase in the number of applications received for disability benefits between 2015-2016 and 2023-2024.

Q4 – What specific steps have been taken to address the backlog, and when was each step implemented?

Reducing the processing times for disability benefits remains one of Veterans Affairs Canada's priorities. Our service standard target for disability benefits is for 80 percent of decisions to be made within: 16 weeks for first applications and reassessments (review as to whether the condition has worsened); and 12 weeks for departmental reviews (review to confirm or change an original decision). For the 2023-2024 fiscal year, we met the established service standard for first applications 69% of the time. Difficulties in meeting the service standard can be attributed to the 78% increase in the number of applications received for disability benefits between 2015-2016 and 2023-2024. While the Department made progress in improving the service standard results, we realize that there is still more work to do and we are committed to ensuring that Veterans receive their decisions in a timely manner.

- On November 3, 2023, the Government announced additional funding of \$164.4 million. Part of this investment will ensure that Veterans Affairs Canada is able to retain existing temporary employees, dedicated to processing disability benefit applications, for an additional two years until March 2026.
- With the help of both our permanent and temporary employees, in the 2023-2024 fiscal year, we completed an average of 4,600 applications per month. This fiscal year-to-date (April to September), we are averaging 5,200 applications per month.
- The Department is modernizing its Entitlement Eligibility Guidelines. The improvements to the Entitlement Eligibility Guidelines will allow adjudicators to make more rapid decisions on the entitlement aspect of a Veteran's application. New Entitlement Eligibility Guidelines for certain conditions will streamline decision-making, reducing the number of handoffs.

- Veterans Affairs Canada is modernizing the Table of Disabilities to reflect the most current health evidence and best practices in assessment to support Veterans. The modernization of the Table includes:
 - Ensuring it is up to date to reflect health medical evidence and practices;
 - Simplifying sections within the Table of Disabilities, making it more user-friendly; and
 - Planning for digitization where possible to improve processes.
- A Gender Based Analysis Plus will be applied to the modernization of the Entitlement Eligibility Guidelines and Table of Disabilities chapters to ensure that these tools consider the diverse health related experience of Canadian Veterans.
- In January 2022, VAC developed and implemented a new Sexual Dysfunction Entitlement Eligibility Guidelines to assist in adjudication of this claim type. This new Entitlement Eligibility Guidelines addresses gaps in guidance of gender consideration related to the adjudication of sexual dysfunction benefit applications.
- A new Service Health Records search tool was developed. It reduces the time taken to search through thousands of pages of material, presenting decision-makers with only the information and evidence pertinent to a specific disability benefit application in one PDF called an “evidence bundle”.
- The tool is used in processing first applications for the following conditions:
 - Hearing Loss and Tinnitus
 - Four Knee conditions - Arthritis, Internal Derangement, Osteoarthritis, Patello-Femoral Syndrome
 - Mental Health conditions – PTSD, Anxiety, Depressive and Adjustment Disorders
- The tool has been further developed to use handwriting recognition when searching digital images to create evidence bundles and automatically uploads the evidence bundle when the claim is moved from Intake to Claim Preparation.
- Several other automation initiatives have been developed including:
 - 1) Prepopulating data into GCcase disability benefits decision letters to help save time by removing the duplication of entering several data fields that have already been input into the system for the decision. The initial letter was for favorable condition decisions where the ruling is for one service type. Work will continue to improve the letter and expand to other decision types and various types of service.
 - 2) The VAC Healthshare platform for medical practitioners (initially audiologists) to electronically submit medical reports, audiograms, and medical questionnaires, along with their invoices for services. We began testing the platform with audiologists in October 2022, and subsequently piloting as of February 2023. This tool allows us to receive medical documents faster.
 - 3) Automatic ordering of Service Health Records (SHR) has streamlined the SHR request process to enable earlier ordering of records. The technology automatically determines if SHRs, or an SHR update, are required when a new application is received.

Q5 – Why is the 16 weeks service standard 80% and not 100%?

Some files are very complex and therefore, take a longer time to process. Complex conditions require the expertise of someone with a medical background, or medical knowledge, to arrive at a decision.

Q6 – With all the improvements, are you confident you can get rid of the backlog?

The Department is working very hard to address this issue. Between 2015-2016 and 2023-2024, Veterans Affairs Canada experienced a 78% increase in the number of applications received for disability benefits. Since 2020, we have reduced the backlog by 72%. As of September 30, 2024, there were 6,246 applications over the service standard (i.e., backlog). There are almost 16,000 fewer cases over the 16-week service standard than on March 31, 2020. In addition, during this period, the total number of pending applications was also reduced from 49,216 to 34,098. Our service standard accounts for the fact that some files are very complex and take longer to process. Therefore, we will always have a small percentage of applications in the backlog.

Q7 – How many positions and how much money will it take to obtain 80% / 16 weeks?

There are a number of variables that determine this: intake, production, staff compliment, etc. On November 3, 2023, the Government announced additional funding of \$164.4 million. Part of this investment will ensure that Veterans Affairs Canada is able to retain existing temporary employees, dedicated to processing disability benefit applications, for an additional two years until March 2026.

Q8 – Is the number of applications stabilizing?

Intake is not stabilizing. Although the number of applications received in 2020-2021 decreased, perhaps due to the pandemic, intake continues to increase. Total disability benefit applications received were: 2023-2024 (80,000); 2022-2023 (73,000); 2021-2022 (66,000); 2020-2021 (46,000); and 2019-2020 (63,000).

In 2019-2020, intake averaged 5,200 applications per month. This dropped to 3,800 applications per month in 2020-2021, but increased to an average intake of 5,500 applications per month for the 2021-2022 fiscal year. For the 2023-2024 fiscal year, the average intake was 6,700 applications per month. The fiscal year-to-date (April to September) average intake is 7,000 applications per month.

Q9 – If there is an increase in applications and VAC has the same number of employees, how does VAC handle this?

The Department continues to monitor intake and will make adjustments as needed to manage any increases. Automation and streamlining will help. Eventually, staff will focus less on administrative and repetitive tasks, enabling them to render faster decisions on the more straightforward applications. Please keep in mind that, as of

September 30, 2024, 84% of the total pending applications are from returning applicants for another/new condition.

Q10 – VAC seems to be always 6 months delayed. Late with applications, late in asking for increased funds, late in hiring and training, etc., how can VAC do a better job?

Automation and streamlining will help. Eventually, staff will focus less on administrative and repetitive tasks, enabling them to render faster decisions on the more straightforward applications. Please keep in mind that, as of September 30, 2024, 84% of the total pending applications are from returning applicants for another/new condition.

Q11 – Is there a firm commitment for resources after March 2026? What resources are needed to get rid of backlog fully within two years?

Historically, Veterans Affairs Canada's capacity to address the processing time issue has been a challenge due to the steady increase of applications and lack of stable resource funding. Between 2015-2016 and 2023-2024, Veterans Affairs Canada experienced a 78% increase in the number of applications received for disability benefits.

Currently, there is no firm commitment for resources after March 31, 2026, but the Department will continue to streamline processing and work with central agencies to secure appropriate resources.

Q12 – Broken down by fiscal year since 2015-2016, what is the total number of disability benefit claims received by the department?

Below is a breakdown of the number of applications received from 2015-2016 to 2023-2024:

First Application Intake by Fiscal Year	
Fiscal Year	First Application
2015-2016	24,595
2016-2017	25,667
2017-2018	31,482
2018-2019	37,683
2019-2020	43,156
2020-2021	31,747
2021-2022	49,264
2022-2023	52,286
2023-2024	57,691

Q13 – Broken down by fiscal year since 2015-2016, how many claims were denied by the department?

Below is a breakdown of the number of applications that were favourable and unfavourable from 2015-2016 to 2023-2024:

First Applications Completed by Fiscal Year		
Fiscal Year	Applications	
	Favourable	Unfavourable
2015-2016	17,371	3,333
2016-2017	15,413	3,291
2017-2018	17,803	3,401
2018-2019	18,765	4,064
2019-2020	20,604	4,629
2020-2021	20,833	4,399
2021-2022	33,701	7,354
2022-2023	27,958	8,148
2023-2024	29,677	8,942

Q14 – How many of the claims in the response to question 13 were denied due to insufficient evidence being provided by the claimant, incomplete paperwork being submitted, and incorrect paperwork being submitted?

Veterans Affairs Canada (VAC) does not deny applications due to incomplete or incorrect paperwork, rather the application is withdrawn.

When an application is received that is missing information (e.g., missing proof of identity, medical questionnaire, signature, etc.), the Veteran/member is provided a “missing information” letter. The letter requests the missing information and explains that if the information is not received within 60 days, no further action will be taken with their application. During this 60 day period, it is counted in VAC’s total pending applications. If the information is received after the 60 days, VAC will reinstate the application.

VAC also withdraws applications that do not contain a medical diagnosis. The Veteran/member will receive a letter from VAC explaining that the Department is unable to proceed with a decision and their application has been withdrawn. If the information is received in the future, VAC will reinstate the application.

The following table outlines the number of applications withdrawn each year due to missing information, including those that do not have a confirmed diagnosis. Withdrawn reason codes were introduced in the fiscal year 2019-2020; therefore the information is not available from 2015-2016 to 2018-2019.

Fiscal year	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Withdrawn - Failure to provide required applicant information	72	105	101	162	224
Withdrawn - Failure to provide required medical information	990	1,536	2,269	2,667	4,846
Withdrawn - Released Canadian Armed Forces (CAF)/Royal Canadian Mounted Police (RCMP) - Medical Questionnaire does not provide confirmed diagnosis	28	103	241	229	371
Withdrawn - Serving Service and Health Records (SHR) do not provide confirmed medical diagnosis	169	580	1,291	1,190	1,588

Q15 – How many of the claims in the response to question 13 were denied due to ineligibility of the claimant?

All applications listed as unfavorable in the response to question 13 would be due to the Veteran/member not meeting one or more of the eligibility requirements. For example, an unfavorable decision could be the result of the claimed condition not being linked to service, or because the condition is not permanent.

Veterans Affairs Canada (VAC) makes decisions on eligibility for disability benefits which are based on evidence and are made within the legislative authorities of the *Pension Act* or the *Veterans Well-being Act* and applicable regulations and policies. To be eligible for disability benefits from VAC, applicants must provide a completed application that includes evidence:

- of a diagnosed medical condition by a qualified health professional;
- that the condition is permanent; and
- that the condition is related to their military service.

In general, to determine that a disability exists, VAC requires a diagnosis of a medical condition. As part of this diagnosis, the medical evidence should demonstrate that the medical condition is symptomatic and generally expected to persist.

Every application for a disability benefit is reviewed by a decision-maker who is specially-trained to review and make decisions on claims for a disability benefit. The decision-maker must base their decision on the evidence they receive which may include medical questionnaires and the service records. The results of the decision depend on the information and circumstances of each application.

BACKGROUND - DISABILITY PROCESSING TIMES AND ACTION PLAN

Current State (September 30, 2024):

- For 2023-2024, the average turnaround time for first applications was 20.2 weeks, down from an average turnaround time of 28.1 weeks in 2022-2023 and 39.7 weeks in 2021-2022. The fiscal year-to-date (April to September) average turnaround time for first applications is 19.4 weeks.
- Between 2015-2016 and 2023-2024, Veterans Affairs Canada experienced a 78% increase in the number of applications received for disability benefits. Veterans Affairs Canada reduced the backlog by 72% since the spring of 2020. As of September 30, 2024, the total number of pending disability benefit applications was 34,098. Of this total, 6,246 are beyond the service standard (i.e., backlog).
- Applications are fast-tracked for those who are medically at risk (e.g., palliative, advanced age, etc.) or who have an immediate, unmet health need related to their claimed condition.

Veterans Affairs Canada Action:

- Reducing processing times for disability benefit applications is a priority for Veterans Affairs Canada.
- To keep pace with the rise in demand, the Government committed to a series of temporary funding measures for resourcing and automation.
- On November 3, 2023, the Government announced additional funding of \$164.4 million. Part of this investment will ensure that Veterans Affairs Canada is able to retain existing temporary employees, dedicated to processing disability benefit applications, for an additional two years, until March 2026.
- Veterans Affairs Canada has made significant improvement towards achieving the disability benefits service standard. In the first quarter of 2024-2025, we met the service standard for first applications 66% of the time. This is a slight decline from 2023-2024 results where we met the service standard for first applications 69% of the time. This is a remarkable improvement when compared to previous results. For example, in the 2019-2020 fiscal year we were only meeting our service standards 23% of the time (30% in 2020-2021, 46% in 2021-2022 and 55% in 2022-2023).
- As we work from the oldest, we expect to see even further improvements as we reduce the number of applications over the service standard. Difficulties in meeting the service standard can be attributed to the 78% increase in the number of applications received for disability benefits between 2015-2016 and 2023-2024.