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REVIEW OF THE VA AND DOD INTEGRATED DISABILITY EVALUATION SYSTEM

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS UNITED STATES SENATE

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

NOVEMBER 18, 2010

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REVIEW OF THE VA AND DOD INTEGRATED DISABILITY EVALUATION SYSTEM

THURSDAY, NOVEMBER 18, 2010

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10:05 a.m., in room 418, Russell Senate Office Building, Hon. Daniel K. Akaka, Chairman of the Committee, presiding.

Present: Senators Akaka, Brown of Ohio, Burr, Isakson, Johanns, and Brown of Massachusetts.

OPENING STATEMENT OF HON. DANIEL K. AKAKA, CHAIRMAN, U.S. SENATOR FROM HAWAII

Chairman AKAKA. This hearing of the U.S. Senate Committee on Veterans' Affairs will come to order.

Aloha to all of you and welcome to today's hearing on the joint VA and DOD Disability Evaluation System.

VA and DOD used to operate two separate disability evaluation systems. With many individuals being evaluated for the same condition by both agencies, the redundancy in medical examinations and the separate rating processes produced varying results and left many servicemembers confused. Since 2007, VA and DOD have been testing a streamlined program to integrate the two processes. At the heart of this effort is the Joint Disability Medical Examination that would replace DOD's Medical Evaluation Board Physical Evaluation Board process and VA's Disability Compensation Claim process.

The purpose of today's hearing is to examine how well the new system is working. Our review of the program is particularly important now because VA and DOD are planning to expand the program worldwide. While streamlining the two systems is important, the implementation of this joint program has not been without problems. At a few pilot sites, VA staffing shortages due to a lack of personnel to conduct disability medical examinations caused significant delay in the processing of servicemembers. There were also personnel shortages at DOD among those responsible for guiding servicemembers through the new process. Issues of servicemember satisfaction and quality-of-life are also of concern.

Other issues have been identified through committee staff oversight and by the GAO in its draft report on the new processes. These include problems with integrating VA staff at military installations, difficulty in having various IT systems work together, and ensuring that an adequate number of DOD physicians serve on

medical evaluation boards. The Committee needs to hear from VA and DOD on how these challenges are being addressed.

I also want to know how the new joint program will affect veterans who are waiting to have their claims adjudicated by VA. VA is already facing a backlog of claims and medical examinations. I am concerned that veterans already in the VA system could be adversely affected by the resources being diverted to support the new program.

I want to thank the witnesses for being here today and look forward to their testimony.

Senator Burr, your opening statement please.

STATEMENT OF HON. RICHARD BURR,
U.S. SENATOR FROM NORTH CAROLINA

Senator BURR. Thank you, Mr. Chairman. I thank you for holding this hearing and I welcome all that are here today. I want to take just a moment to go off script, if I can.

Mr. Chairman, you and I have devoted a great deal of time to ensuring that VA honors the veterans who served at Camp Lejeune during the three decades when the base water was highly contaminated with carcinogens. While that has not been easy, there have been some signs of slow progress at the Veterans Administration. In September, VA informed the Congress that out of approximately 200 claims of exposure its office received from Lejeune veterans since March of this year, only 20 have been granted. When my staff asked the VA for the justification behind the 180 denials, VA said they did not have the information that was needed.

Then last week, I learned that the VA plans to centralize the Lejeune claims review process in one regional process in Louisville, KY. While this is possibly welcome news, VA did not proactively inform me or any member of this significant change in the process, and my staff only learned about it from a constituent.

Mr. Chairman, some of us on this Committee have expressed concerns and even frustrations with the lack of communication and transparency that this Committee receives out of the Veterans Administration. This latest episode is another example of the broader problem we face with a bureaucratic culture at VA that does not welcome oversight and resists information sharing. If this Committee is to fulfill its mission to serve our Nation's veterans, we need the VA to do a better job of holding up their end of the bargain.

That is my commentary this morning, but this is not something that will end with this hearing.

Now, let us turn to the issue at hand. For any servicemember whose medical conditions keep them from continuing their service in the military, there must be an effective, hassle-free process to get them the benefits and services that they need and help them to smoothly transition to civilian life.

But several years ago, it became clear that the disability system at the Department of Defense and at the VA was not living up to that standard. In 2007, the news reports as well as several panels of experts detailed how injured servicemembers had to go through a long bureaucratic process at DOD, followed by a similar process at the VA, to find out what disability benefits they would receive.

Wounded servicemembers and their families were becoming frustrated, confused, and disappointed with both systems.

Since then, DOD and VA have joined efforts to improve this process by piloting an Integrated Disability Evaluation System. This allowed injured servicemembers to find out what benefits they will get from both agencies before being discharged from the military. A single set of medical examinations are used by both agencies and VA assigns the disability ratings that govern what benefits are provided by both VA and DOD.

Our witnesses today will testify that this joint process has shown potential to reduce delays and confusion in getting benefits from both agencies. In fact, DOD and VA believe the pilot was a success and plan to roll out the program to sites worldwide, including several bases in North Carolina.

But as we will discuss today, this pilot did have a number of significant challenges. Pilot sites ran into logistics problems, staffing shortages, surges in caseload, and other issues that led to long delays for servicemembers. On top of that, servicemembers have expressed concerns about the quality of their life while going through this process. Some have pointed out that they were not given meaningful work to do and spent too much time being idle. Others are frustrated that they cannot accept civilian jobs, enroll in school, or otherwise plan for civilian lives because they just do not know how long the process will take. As one Marine from Camp Lejeune put it, DOD and VA should, "set a time and date so we can plan our lives."

Mr. Chairman, I realize that DOD and VA are taking steps to address many of these challenges and I look forward to hearing about those efforts today, particularly now as these agencies plan to expand this process to more sites. We need to be sure that these sites would be ready with the staff, with the facilities, and the other tools they need to provide wounded servicemembers with the high level of service that they have earned, and more importantly, they deserve. More importantly, we must make sure that whatever system is in place meets the needs of wounded servicemembers and their families and actually helps improve their lives.

With that in mind, Mr. Chairman, I hope that we will have a candid discussion today about how to best move forward with improving the Disability Evaluation System for our Nation's injured veterans. I thank the Chair once again. I yield.

Chairman AKAKA. Thank you very much, Senator Burr.

Senator Burr, we have worked so well together. He has been a leader in the Camp Lejeune issue. I just want him to know that I will continue to work with him in all oversight issues.

Now, we will hear the opening statement of Senator Johanns.

STATEMENT OF HON. MIKE JOHANNS, U.S. SENATOR FROM NEVADA

Senator JOHANNS. Mr. Chairman, thank you. Mr. Chairman and Ranking Member, thank you for your efforts to put this hearing together. To our witnesses, I really appreciate you being with us today.

I am sure all of us would agree it is important to make the process by which our servicemembers access the benefits they deserve

as straightforward as we can. I am always going to be willing to support efforts to streamline that process and I commend all those with the VA who have spent countless hours attempting to solve this backlog issue which we never get too far away from on this Committee.

I participated in the Senate Veterans' Affairs Committee hearing in July 2009 when we heard an assessment of the pilot program and I look forward to hearing the testimony today about progress, improvements, and what next steps might be.

I am encouraged that the pilot program has the potential to effectively assess servicemembers' fitness and provide disability ratings. I am concerned that some of the problems associated with the pilot maybe have not yet been resolved, and I am anxious to hear about that. It is my hope that DOD and VA are working hard to implement some of the lessons learned from the pilot program so we can provide our veterans with benefits quickly and efficiently.

To our witnesses, again, thank you for being here. I look forward to the testimony. I know we are all working hard to deal with these issues and my hope is we continue to see progress.

Thank you, Mr. Chairman.

Chairman AKAKA. Thank you very much, Senator Johanns.

Now we have the opening statement of Senator Isakson.

STATEMENT OF HON. JOHNNY ISAKSON, U.S. SENATOR FROM GEORGIA

Senator ISAKSON. Thank you, Mr. Chairman, for calling this hearing. Thank you, Mr. Chairman, for calling this hearing. I look forward to hearing from our witnesses and having a good discussion on how we can improve the disability evaluation system for our Nation's injured servicemembers.

Chairman AKAKA. Thank you very much, Senator Isakson.

I want to welcome the witnesses on today's panel. In the interest of opening a dialog amongst our witnesses, we have only one panel.

First, we have Daniel Bertoni, Director of Education, Workforce, and Income Security Issues at the Government Accountability Office; next, we have John R. Campbell, Deputy Under Secretary, Office of Wounded Warrior Care and Transition Policy at the Department of Defense; and we have John Medve, Executive Director of VA/DOD Collaboration Service, Office of Policy and Planning of the Department of Veterans Affairs.

I thank all of you for being here this morning. Your full testimony will appear in the record.

Mr. Bertoni, you are now recognized for 5 minutes, and then we will move to Mr. Campbell and Mr. Medve. Mr. Bertoni?

STATEMENT OF DANIEL BERTONI, DIRECTOR OF EDUCATION, WORKFORCE, AND INCOME SECURITY ISSUES, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Mr. BERTONI. Mr. Chairman, Members of the Committee, good morning. I am pleased to comment on the Departments of Defense and Veterans Affairs' efforts to integrate and streamline their Disability Evaluation Systems.

More than 40,000 servicemembers have been wounded or injured in Iraq and Afghanistan, and many who cannot continue their mili-

tary service must navigate complex Disability Evaluation Systems in both DOD and VA. GAO and others have identified problems with these systems, including delayed decisions, duplication of processes, and confusion among servicemembers.

In 2007, DOD and VA designed and piloted an Integrated Disability Evaluation System, or IDES, with a goal of improving and expediting the delivery of benefits to servicemembers. My statement today will briefly summarize key findings of our pending report, which examined the agency's evaluation of the pilot results, implementation challenges to date, and DOD and VA's effort to mitigate those challenges.

In summary, in their August 2010 evaluation report, the agencies noted that the pilot has improved servicemember satisfaction relative to the legacy system and met their target goals for delivering VA benefits to active duty and reserve members within 295 and 305 days, respectively. Despite meeting the overall timeliness goals, we found that not all service branches achieved the same results. Only the Army, which represents about 60 percent of all IDES cases, was successful, while average processing times for the Navy, Air Force, and Marines were substantially higher.

We also found that as caseloads have increased, processing times have also steadily increased, with most recent data showing average processing times for active duty and reserve members at 317 and 310 days, respectively. Despite this trend, the current processing time is likely an improvement over the 540 days the agencies estimate that it takes to obtain VA benefits under the legacy system.

DOD and VA have encountered several implementation challenges with the pilot that contributed to delays in processing claims. For example, nearly all the sites we visited experienced staffing shortages to some degree, often due to workloads exceeding original projections. Shortages and delays were most severe at large pilot sites. Caseload surges related to deployments at one location due to the VA medical staff shortages took 140 days to complete the single disability exam, well in excess of the pilot's 45-day goal.

We identified other issues and delays associated with the single exam, such as problems with the completeness and clarity of exam summaries and disagreements between DOD and VA medical staff on some diagnoses. Pilot sites also experienced logistical challenges, such as incorporating VA staff into military facilities and housing servicemembers awaiting decisions on their case.

As DOD and VA prepare for rapid expansion worldwide, they are taking steps to address several key challenges. This includes increasing exam and case management personnel via additional hiring, staff reallocations, and increased contracting; requiring local facilities to develop contingency plans for addressing caseload surges; and making policy and procedural changes to improve the quality of exam summaries. While these initiatives are promising, DOD and VA still lack strategies for ensuring enough military physicians are in place to handle projected workloads and a system-wide mechanism to monitor and address local-level challenges, such as sudden staffing changes or problems with medical diagnoses.

In conclusion, by integrating two duplicative Disability Evaluation Systems, the IDES shows promise for expediting the delivery of benefits to returning wounded warriors. However, the pilot has revealed challenges that require careful management attention and oversight. It is unclear whether these challenges will be sufficiently addressed prior to worldwide implementation. Accordingly, our final report will include recommendations to further improve DOD and VA's planning for expansion of the new system going forward and we look forward to continuing to work with the agencies on this important issue.

Mr. Chairman, this concludes my statement. I am happy to answer any questions that you and other Members of the Committee may have. Thank you.

[The prepared statement of Mr. Bertoni follows:]

PREPARED STATEMENT OF DANIEL BERTONI, DIRECTOR OF EDUCATION, WORKFORCE, AND INCOME SECURITY ISSUES, GOVERNMENT ACCOUNTABILITY OFFICE

United States Government Accountability Office

GAO

Testimony
Before the Committee on Veterans' Affairs, U.S. Senate

For Release on Delivery
Expected at 10:00 a.m. EST
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MILITARY AND VETERANS DISABILITY SYSTEM

Preliminary Observations on Evaluation and Planned Expansion of DOD/VA Pilot

Statement of Daniel Bertoni, Director
Education, Workforce, and Income Security Issues

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GAO-11-191T

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Highlights

Highlights of GAO-11-191T, a testimony before the Committee on Veterans' Affairs, U.S. Senate

November 18, 2010

MILITARY AND VETERANS DISABILITY SYSTEM

Preliminary Observations on Evaluation and Planned Expansion of DOD/VA Pilot

Why GAO Did This Study

Since 2007, the Departments of Defense (DOD) and Veterans Affairs (VA) have been pilot testing a new disability evaluation system designed to integrate their separate processes and thereby expedite veterans' benefits for wounded, ill, and injured servicemembers. Having piloted the integrated disability evaluation system (IDES) at 27 military facilities, they are now planning for its expansion military-wide.

This testimony is based on GAO's ongoing review of the IDES pilot and draft report, which is currently with DOD and VA for agency comment. GAO conducted this review pursuant to the National Defense Authorization Act for Fiscal Year 2008. This review specifically examined: (1) the results of the agencies' evaluation of the IDES pilot, (2) challenges in implementing the IDES pilot to date, and (3) whether the agencies' plans to expand the IDES adequately address potential future challenges. To address these questions, GAO analyzed data from DOD and VA, conducted site visits at 10 military facilities, and interviewed DOD and VA officials.

What GAO Recommends

GAO has draft recommendations aimed at helping DOD and VA, as they move forward with IDES expansion plans, to further address challenges surfaced during the pilot, which GAO plans to finalize in the forthcoming report after fully considering agency comments.

View GAO-11-191T or key components.
For more information, contact Daniel Bertoni at (202) 512-7215 or bertonid@gao.gov.

What GAO Found

In their evaluation of the IDES pilot, DOD and VA concluded that, as of February 2010, the pilot had (1) improved servicemember satisfaction relative to the existing "legacy" system and (2) met their established goal of delivering VA benefits to active duty and reserve component servicemembers within 295 and 305 days, respectively, on average. While these results are promising, average case processing times have since steadily increased—for example, for active duty servicemembers, the average has increased from 274 days in February 2010 to 296 days in August 2010. At 296 days, processing time for the IDES is still an improvement over the 540 days that DOD and VA estimated the legacy process takes to deliver VA benefits to servicemembers. However, the full extent of improvement of the IDES over the legacy system is unknown because (1) the 540-day estimate was based on a small, nonrepresentative sample of cases and (2) limitations in legacy case data prevent a comprehensive comparison of processing times, as well as appeal rates.

In piloting the IDES, DOD and VA have run into several implementation challenges that have contributed to delays in the process. The most significant challenge was insufficient staffing by DOD and VA. Staffing shortages and process delays were particularly severe at two pilot sites we visited where the agencies did not anticipate caseload surges. For example, at one of these sites, due to a lack of medical examiners, it took 140 days on average to complete one of the key features of the pilot—the single exam—compared with the agencies' goal to complete this step of the process in 45 days. The single exam posed other challenges that contributed to process delays, such as disagreements between DOD and VA medical staff about diagnoses for servicemembers' medical conditions. Cases involving such disagreements often required further attention, adding time to the process. Pilot sites also experienced logistical challenges, such as incorporating VA staff at military facilities and housing and managing personnel going through the process.

As DOD and VA move forward with plans to expand the IDES worldwide, they have taken steps to address a number of these challenges; however, these mitigation efforts have yet to be tested, and not all challenges have been addressed. For example, to address staffing shortages and ensure timely processing, VA is developing a contract for additional medical examiners, and DOD and VA are requiring local staff to develop written contingency plans for handling surges in caseloads. On the other hand, the agencies have not yet developed strategies for ensuring sufficient military physicians to handle anticipated workloads. Significantly, DOD and VA do not have a comprehensive monitoring plan for identifying problems as they occur—such as staffing shortages and disagreements about diagnoses—in order to take remedial actions as early as possible.

Mr. Chairman and Members of the Committee:

I am pleased to be here today to comment on the efforts by the Departments of Defense (DOD) and Veterans Affairs (VA) to integrate their disability evaluation systems. Over 40,000 servicemembers have been wounded in the wars in Iraq and Afghanistan, as of October 2010. Many of those who are unable to continue their military service must navigate complex disability evaluation systems in both DOD and VA, through which they are assessed for eligibility for disability compensation from the two agencies. GAO and others have found problems with these systems, including long delays, duplication in DOD and VA processes, confusion among servicemembers, and distrust of systems regarded as adversarial by servicemembers and veterans. To address these problems, DOD and VA have designed an integrated disability evaluation system (IDES), with the goal of expediting the delivery of VA benefits to servicemembers. DOD and VA have pilot tested the IDES at 27 military treatment facilities. They are now planning to expand the IDES worldwide, starting with 28 facilities by the end of 2010.

My testimony summarizes findings of a draft report that is currently with DOD and VA for their review and comment. It reflects work we performed under a mandate in the National Defense Authorization Act for Fiscal Year 2008, which required GAO to review DOD and VA's implementation of a comprehensive policy on improvements to the care, management, and transition of recovering servicemembers, including improvements to the agencies' disability evaluation systems.[1] Consistent with this mandate, we examined: (1) the results of DOD and VA's evaluation of their pilot of the IDES, (2) challenges in implementing the piloted system to date, and (3) DOD and VA's plans to expand the piloted system and whether those plans adequately address potential challenges. With respect to the pilot evaluation, we reviewed evaluation reports and analysis plans and assessed the reliability of two types of data that DOD and VA used as the basis of their evaluation.[2] To identify challenges in implementing the piloted system to date, we visited 10 of the 27 military treatment facilities participating in the pilot, selected to represent each military service branch, different geographical regions, and sites with varying caseloads

[1]Pub. L. No. 110-181, § 1615(d), 122 Stat. 3, 447.

[2]Specifically, we assessed the reliability of case data from both the pilot and existing—or "legacy"—disability evaluation systems, as well as data from surveys DOD conducted to gauge servicemember satisfaction.

and organizational structures.[3] For all of the research objectives, we conducted interviews with key officials involved in the pilot at DOD, VA, and each of the military services; analyzed case data; and reviewed pertinent reports, guidance, plans, other documents, and relevant federal laws and regulations. We are conducting this performance audit from November 2009 to December 2010, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Under the existing, or "legacy" system, the military's disability evaluation process begins at a military treatment facility when a physician identifies a condition that may interfere with a servicemember's ability to perform his or her duties. On the basis of medical examinations and the servicemember's medical records, a medical evaluation board (MEB) identifies and documents any conditions that may limit a servicemember's ability to serve in the military. The servicemember's case is then evaluated by a physical evaluation board (PEB) to make a determination of fitness or unfitness for duty. If the servicemember is found to be unfit due to medical conditions incurred in the line of duty, the PEB assigns the servicemember a combined percentage rating for those unfit conditions, and the servicemember is discharged from duty. Depending on the overall disability rating and number of years of active duty or equivalent service, the servicemember found unfit with compensable conditions is entitled to either monthly disability retirement benefits or lump sum disability severance pay.

In addition to receiving disability benefits from DOD, veterans with service-connected disabilities may receive compensation from VA for lost earnings capacity. VA's disability compensation claims process starts when a veteran submits a claim listing the medical conditions that he or

[3]The IDES pilot sites we visited were: (1) Bayne Jones Army Community Hospital, Fort Polk, Louisiana; (2) David Grant Medical Center, Travis Air Force Base, California; (3) Dewitt Army Community Hospital, Fort Belvoir, Virginia; (4) Evans Army Community Hospital, Fort Carson, Colorado; (5) Naval Hospital Camp Lejeune, North Carolina; (6) Naval Hospital Camp Pendleton, California; (7) Naval Medical Center San Diego, California; (8) Walter Reed Army Medical Center, Washington, D.C.; (9) Winn Army Community Hospital, Fort Stewart, Georgia; and (10) Vance Air Force Base, Oklahoma.

she believes are service-connected.[4] In contrast to DOD's disability evaluation system, which evaluates only medical conditions affecting servicemembers' fitness for duty, VA evaluates all medical conditions claimed by the veteran, whether or not they were previously evaluated in DOD's disability evaluation process. For each claimed condition, VA must determine if there is credible evidence to support the veteran's contention of a service connection. Such evidence may include the veteran's military service records and treatment records from VA medical facilities and private medical service providers. Also, if necessary for reaching a decision on a claim, VA arranges for the veteran to receive a medical examination. Medical examiners are clinicians (including physicians, nurse practitioners, or physician assistants) certified to perform the exams under VA's Compensation and Pension program. Once a claim has all of the necessary evidence, a VA rating specialist evaluates the claim and determines whether the claimant is eligible for benefits. If so, the rating specialist assigns a percentage rating. If VA finds that a veteran has one or more service-connected disabilities with a combined rating of at least 10 percent, the agency will pay monthly compensation.

In November 2007, DOD and VA began piloting the IDES, a joint disability evaluation system, to eliminate duplication in their separate systems and expedite receipt of VA benefits for wounded, ill, and injured servicemembers. The IDES merges DOD and VA processes, so that servicemembers begin their VA disability claim while they undergo their DOD disability evaluation, rather than sequentially, making it possible for them to receive VA disability benefits shortly after leaving military service (see fig. 1). Specifically, the IDES

- merges DOD and VA's separate exam processes into a single exam process conducted to VA standards. This single exam (which may involve more than one medical examination, for example, by different specialists), in conjunction with the servicemembers' medical records, is used by military service PEBs to make a determination of servicemembers' fitness for continued military service, and by VA as evidence of service-connected disabilities. The exam may be performed by medical staff working for VA, DOD, or a private provider contracted with either agency.

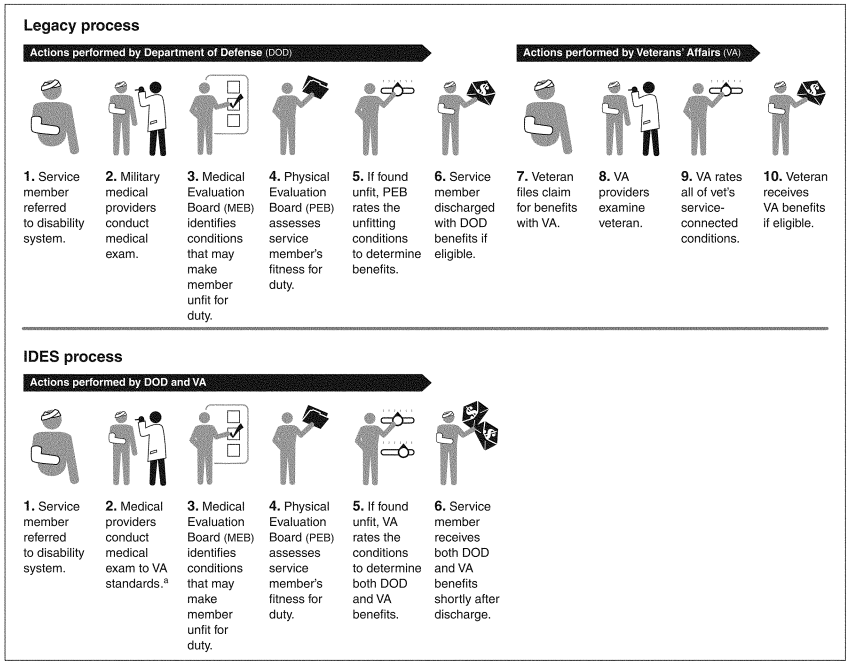
- consolidates DOD and VA's separate rating phases into one VA rating phase. If the PEB has determined that a servicemember is unfit for duty,

[4]Although a servicemember may file a VA claim while still in the military, he or she can only obtain disability compensation from VA as a veteran.

VA rating specialists prepare two ratings—one for the conditions that DOD determined made a servicemember unfit for duty, which DOD uses to provide military disability benefits, and the other for all service-connected disabilities, which VA uses to determine VA disability benefits.

- provides VA case managers to perform outreach and nonclinical case management and explain VA results and processes to servicemembers.

Figure 1: Overview of the Legacy and IDES Processes



Sources: GAO analysis of DOD and VA policies.

Note: Under the legacy system, steps 1, 2, and 3 are not necessarily performed in this order. For example, a Navy official told us that under the legacy system, the servicemember is referred into the disability evaluation system when the MEB completes the documentation identifying the conditions that may make a member unfit for duty. With regard to step 7, servicemembers may file a claim with VA while still in the military, but they can only obtain disability compensation from VA as a veteran. With regard to step 8, the exams may be conducted by VA clinicians or by private-sector physicians contracted with VA.

[a]In the IDES process, the medical exam performed to VA standards can be conducted by VA, DOD, or private-sector providers contracted with either agency.

Pilot Evaluation Results Are Promising, but the Degree of Improvement Achieved Is Unknown

In August 2010, DOD and VA officials issued an interim report to Congress summarizing the results of their evaluation of the IDES pilot as of early 2010. In that report, the agencies concluded that, as of February 2010, servicemembers who went through the IDES pilot were more satisfied than those who went through the legacy system, and that the IDES process met the agencies' goals of delivering VA benefits to active duty servicemembers within 295 days and to reserve component servicemembers within 305 days. Furthermore, they concluded that the IDES pilot has achieved a faster processing time than the legacy system, which they estimated to be 540 days.

While our review of DOD and VA's data and reports generally confirm DOD and VA's findings, as of early 2010, we also found that not all of the service branches were achieving the same results, case processing times have increased since February, and other agency goals have not been met.

- *Servicemember satisfaction:* Our reviews of the survey data indicate that, on average, servicemembers in the IDES pilot have had higher satisfaction levels than those who went through the legacy process. However, Air Force members—who represented a small proportion (7 percent) of pilot cases—were less satisfied. We reviewed the agencies' survey methodology and generally found their survey design and conclusions to be sound.

- *Average case processing times:* The agencies have been meeting their 295-day and 305-day timeliness goals for much of the past 2 years, but the average case processing time for active duty servicemembers has steadily increased from 274 days in February 2010 to 296 days, as of August 2010. While still an improvement over the 540-day estimate for the legacy system, the agencies missed their timeliness goal by 1 day.[5] Among the military service branches, only the Army—which comprised about 60 percent of cases that had completed the pilot process—met the agencies' timeliness goals in August, while average processing times for each of the other services exceeded 330 days. Across all military service branches, processing times for individual pilot sites have generally increased as their caseloads have increased. We reviewed the reliability of the case data

[5]Case processing times for servicemembers in the reserve component have also increased but were still meeting the goal of 305 days as of August 29, 2010. The data on average case processing times presented are from DOD and VA's weekly monitoring reports, which provide cumulative case processing times, i.e., average case processing times for all cases completed as of that given week.

upon which the agencies based their analyses and generally found these data to be sufficiently reliable for purposes of these analyses.[6]

- *Goals to process 80 percent of cases in targeted time frames:* DOD and VA had indicated in their planning documents that they had goals to deliver VA benefits to 80 percent of servicemembers within the 295-day and 305-day targets. As of February 2010, these goals were not met. For both active duty and reserve cases, about 60 percent (rather than 80 percent) of cases were meeting the targeted time frames. By service branch, the Army had the highest rate of active duty cases (66 percent) meeting the goal, and the Air Force had the lowest (42 percent).

Although DOD and VA's evaluation results indicate promise for the IDES, the extent to which the IDES is an improvement over the legacy system cannot be known because of limitations in the legacy data. DOD and VA's estimate of 540 days for the legacy system was based on a small, nonrepresentative sample of cases. DOD officials told us that they planned to use a broader sample of legacy cases to compare against pilot cases with respect to processing times and appeal rates. However, significant gaps in the legacy case data precluded such comparisons. Specifically, DOD compiled the legacy case data from each of the military services and the VA, but the military services did not track the same information. In addition, VA was not able to provide data on the date VA benefits were delivered for legacy cases, which are needed to determine the full processing time from referral to final delivery of VA benefits.

Limited comparisons of pilot and legacy timeliness are possible with Army data, which appears to be reliable on some key processing dates. Our analysis of Army legacy data suggests that active duty cases took on average 369 days to complete the DOD legacy process and reach the VA rating phase—which does not include time to complete the VA rating and deliver the VA benefits to servicemembers. In comparison, it took on average 266 days to deliver VA benefits to soldiers in the pilot, according

[6]Our data reliability assessment included interviews regarding internal controls, electronic testing, and a trace-to-file process, where we matched a small number of randomly sampled case file dates against the dates that had been entered into the Veterans Tracking Application, the case tracking system for the IDES. For the trace-to-file process, the overall accuracy rate was 84 percent, and all but one date was 70 percent accurate or better and deemed sufficiently reliable for reporting purposes.

to the agencies' August data.[7] However, Army comparisons cannot be generalized to the other services.

Pilot Sites Experienced Several Challenges

As DOD and VA tested the IDES at different facilities and added cases to the pilot, they encountered several challenges that led to delays in certain phases of the process.

- *Staffing*: Most significantly, most of the 10 sites we visited reported experiencing staffing shortages and related delays to some extent, in part due to workloads exceeding the agencies' initial estimates. The IDES involves several different types of staff across several different DOD and VA offices, some of which have specific caseload ratios set by the agencies, and we learned about insufficient staff in many key positions.[8] With regard to VA positions, officials cited shortages in examiners for the single exam, rating staff, and case managers. With regard to DOD positions, officials cited shortages of physicians who serve on the MEBs, PEB adjudicators, and DOD case managers. In addition to shortages cited at pilot sites, DOD data indicate that 19 of the 27 pilot sites did not meet DOD's caseload target of 30 cases per manager.[9] Local DOD and VA officials attributed staffing shortages to higher than anticipated caseloads and difficulty finding qualified staff, particularly physicians, in rural areas. These staffing shortages contributed to delays in the IDES process.

  Two of the sites we visited—Fort Carson and Fort Stewart—were particularly challenged to provide staff in response to surges in caseload, which occurred when Army units were preparing to deploy to combat

[7]Reserve component cases in the Army took 389 days to reach the VA rating phase under the legacy process, compared with 285 days to deliver VA benefits under the pilot. Reserve component cases made up 48 percent of legacy cases and 23 percent of pilot cases.

[8]For the IDES pilot, the agencies have set targets for both DOD and VA case managers to handle no more than 30 cases at a time. However, DOD's guidance for the general disability evaluation system sets the target at a maximum of 20 cases per case manager, and agency documents related to planning for IDES expansion indicate that DOD is striving for a 1:20 caseload target for DOD case managers in the IDES. The Army has established a caseload target for MEB physicians of 120 servicemembers per physician. The Navy and Air Force have not established caseload targets for their physicians; their MEB determinations are prepared by physicians who perform other responsibilities, such as clinical treatment or supervision.

[9]Data were not available nationally to determine the extent to which sites are meeting the Army's target of 120 servicemembers per MEB physician or VA's target of 30 cases per VA case manager.

zones. Through the Army's predeployment medical assessment process, large numbers of servicemembers were determined to be unable to deploy due to a medical condition and were referred to the IDES within a short period of time, overwhelming the staff. These two sites were unable to quickly increase staffing levels, particularly of examiners. As a result, at Fort Carson, it took 140 days on average to complete the single exam for active duty servicemembers, as of August 2010, far exceeding the agencies' goal to complete the exams in 45 days.

- *Exam summaries:* Issues related to the completeness and clarity of single exam summaries were an additional cause of delays in the VA rating phase of the IDES process. Officials from VA rating offices said that some exam summaries did not contain information necessary to determine a rating. As a result, VA rating office staff must ask the examiner to clarify these summaries and, in some cases, redo the exam. VA officials attributed the problems with exam summaries to several factors, including the complexity of IDES pilot cases, the volume of exams, and examiners not receiving records of servicemembers' medical history in time. The extent to which insufficient exam summaries caused delays in the IDES process is unknown because DOD and VA's case tracking system for the IDES does not track whether an exam summary has to be returned to the examiner or whether it has been resolved.

- *Medical diagnoses*: While the single exam in the IDES eliminates duplicative exams performed by DOD and VA in the legacy system, it raises the potential for there to be disagreements about diagnoses of servicemembers' conditions. For example, officials at Army pilot sites informed us about cases in which a DOD physician had treated members for mental disorders, such as major depression. However, when the members went to see the VA examiners for their single exam, the examiners diagnosed them with posttraumatic stress disorder (PTSD). Officials told us that attempting to resolve such differences added time to the process and sometimes led to disagreements between DOD's PEBs and VA's rating offices about what the rating should be for purposes of determining DOD disability benefits. Although the Army developed guidance to help resolve diagnostic differences, other services have not.[10]

[10]To address such processing delays, the Army issued guidance in February 2010 stating that MEB physicians should review all of the medical records (including the results of the single exam) and determine whether to revise their diagnoses. If after doing so, the MEB physician maintains that his or her original diagnosis is accurate, he or she should write a memorandum summarizing the basis of the decision, and the PEB should accept the MEB's diagnosis.

Moreover, PEB officials we spoke with noted that there is no guidance on how disagreements about servicemembers' ratings between DOD and VA should be resolved beyond the PEBs informally requesting that the VA rating office reconsider the case. While DOD and VA officials cited several potential causes for diagnostic disagreements, the number of cases with disagreements about diagnoses and the extent to which they have increased processing time are unknown because the agencies' case tracking system does not track when a case has had such disagreements.[11]

- *Logistical challenges integrating VA staff at military treatment facilities*: DOD and VA officials at some pilot sites we visited said that they experienced logistical challenges integrating VA staff at the military facilities. At a few sites, it took time for VA staff to receive common access cards needed to access the military facilities and to use the facilities' computer systems, and for VA physicians to be credentialed. DOD and VA staff also noted several difficulties using the agencies' multiple information technology (IT) systems to process cases, including redundant data entry and a lack of integration between systems.

- *Housing and other challenges posed by extended time in the military disability evaluation process:* Although many DOD and VA officials we interviewed at central offices and pilot sites felt that the IDES process expedited the delivery of VA benefits to servicemembers, several also indicated that it may increase the amount of time servicemembers are in the military's disability evaluation process. Therefore, some DOD officials noted that servicemembers must be cared for, managed, and housed for a longer period. The military services may move some servicemembers to temporary medical units or to special medical units such as Warrior Transition Units in the Army or Wounded Warrior Regiments in the Marine Corps, but at a few pilot sites we visited, these units were either full or members in the IDES did not meet their admission criteria. Where servicemembers remain with their units while going through the IDES, the units cannot replace them with able-bodied members. In addition, officials at two sites said that members are not gainfully employed by their units and, left idle, are more likely to be discharged due to misconduct and forfeit their disability benefits. However, DOD officials also noted that

[11]DOD and VA officials attributed disagreements about diagnoses to several factors, including the agencies identifying conditions for different purposes in the disability evaluation system, servicemembers being more willing to disclose all of their medical conditions to VA than to DOD since VA can compensate for all of the conditions, and VA examiners not receiving or not reviewing the servicemembers' medical records prior to the exam, making them unaware of the conditions for which the members had been previously diagnosed and treated.

servicemembers benefit from continuing to receive their salaries and benefits while their case undergoes scrutiny by two agencies, though some also acknowledged that these additional salaries and benefits create costs for DOD.

DOD and VA Expansion Plans Incorporate Many Lessons Learned but Do Not Address All Challenges

DOD and VA plan to expand the IDES to military facilities worldwide on an ambitious timetable—to 113 sites during fiscal year 2011, a pace of about 1 site every 3 days. Expansion is scheduled to occur in four stages, beginning with 28 sites in the southeastern and western United States by the end of December 2010.[12]

In preparing for IDES expansion military-wide, DOD and VA have many efforts under way to address challenges experienced to date, though their efforts have yet to be implemented or tested. For example, the agencies have completed a significant revision of their site assessment matrix—a checklist used by local DOD and VA officials to ascertain their readiness to begin the pilot—to address areas where prior IDES sites had experienced challenges. In addition, local senior-level DOD and VA officials will be expected to sign the site assessment matrix to certify that a site is ready for IDES implementation. This differs from the pilot phase where, according to DOD and VA officials, some sites implemented the IDES without having been fully prepared.

Through the new site assessment matrix and other initiatives, DOD and VA are addressing several of the challenges identified in the pilot phase.

- *Ensuring sufficient staff:* With regard to VA staff, VA plans to increase the number of examiners by awarding a new contract through which sites can acquire additional examiners. To increase rating staff, VA has filled vacant rating specialist positions and anticipates hiring a small number of additional staff. With regard to DOD staff, Air Force and Navy officials told us they have added adjudicators for their PEBs or are planning to do so. Both DOD and VA indicated they plan to increase their numbers of case managers. Meanwhile, sites are being asked in the assessment matrix to provide longer and more detailed histories of their caseloads, as opposed to the 1-year history that DOD and VA had based their staffing decisions on during the pilot phase. The matrix also asks sites to anticipate any

[12]DOD and VA had originally planned for 34 sites to implement the IDES by the end of December 2010. However, the Army postponed implementation at 6 sites.

surges in caseloads and to provide a written contingency plan for dealing with them.

- *Ensuring the sufficiency of single exams*: VA has begun the process of revising its exam templates to better ensure that examiners include the information needed for a VA disability rating decision and to enable them to complete their exam reports in less time. VA is also examining whether it can add capabilities to the IDES case tracking system that would enable staff to identify where problems with exams have occurred and track the progress of their resolution.

- *Ensuring adequate logistics at IDES sites:* The site assessment matrix asks sites whether they have the logistical arrangements needed to implement the IDES. In terms of information technology, DOD and VA are developing a general memorandum of agreement intended to enable DOD and VA staff access to each other's IT systems. DOD officials also said that they are developing two new IT solutions—one currently being tested is intended to help military treatment facilities better manage their cases, while another still at a preliminary stage of development would reduce multiple data entry.

However, in some areas, DOD and VA's efforts to prepare for IDES expansion do not fully address some challenges or are not yet complete.

- *Ensuring sufficient DOD MEB physician staffing*: DOD does not yet have strategies or plans to address potential shortages of physicians to serve on MEBs. For example, the site assessment matrix does not include a question about the sufficiency of military providers to handle expected numbers of MEB cases at the site, or ask sites to identify strategies for ensuring sufficient MEB physicians if there is a caseload surge or staff turnover.

- *Ensuring sufficient housing and organizational oversight for IDES participants:* Although the site assessment matrix asks sites whether they will have sufficient temporary housing available for servicemembers going through the IDES, the matrix requires only a yes or no response and does not ensure that sites will have conducted a thorough review of their housing capacity. In addition, the site assessment matrix does not address plans for ensuring that IDES participants are gainfully employed or sufficiently supported by their organizational units.

- *Addressing differences in diagnoses*: According to agency officials, DOD is currently developing guidance on how staff should address differences in diagnoses. However, since the new guidance and procedures are still

being developed, we cannot determine whether they will aid in resolving discrepancies or disagreements. Significantly, DOD and VA do not have a mechanism for tracking when and where disagreements about diagnoses and ratings occur and, consequently, may not be able to determine whether the guidance sufficiently addresses the discrepancies.

As DOD and VA move to implement the IDES worldwide, they have some mechanisms in place to monitor challenges that may arise in the IDES, such as regular reporting of data on caseloads, processing times, and servicemember satisfaction, and preparation of an annual report on challenges in the IDES. However, DOD and VA do not have a system-wide monitoring mechanism to help ensure that steps they took to address challenges are sufficient and to identify problems in a more timely basis. For example, they do not collect data centrally on staffing levels at each site relative to caseload. As a result, DOD and VA may be delayed in taking corrective action, since it takes time to assess what types of staff are needed at a site and to hire or reassign staff. DOD and VA also lack mechanisms or forums for systematically sharing information on challenges, as well as best practices between and among sites. For example, DOD and VA have not established a process for local sites to systematically report challenges to DOD and VA management and for lessons learned to be systematically shared system-wide. During the pilot phase, VA surveyed pilot sites on a monthly basis about challenges they faced in completing single exams. Such a practice has the potential to provide useful feedback if extended to other IDES challenges.

Concluding Observations

By merging two duplicative disability evaluation systems, the IDES shows promise for expediting the delivery of VA benefits to servicemembers leaving the military due to a disability. However, piloting of the system has revealed several significant challenges that require careful management attention and oversight. DOD and VA are currently taking steps to address many of these challenges. However, given the agencies' ambitious implementation schedule—more than 100 sites in a year—it is unclear whether these steps will be completed before DOD and VA deploy the IDES to additional military facilities. Ultimately, the success or failure of the IDES will depend on DOD and VA's ability to sufficiently staff the various offices involved in the IDES and to resolve challenges not only at the initiation of the transition to IDES, but also on an ongoing, long-term basis. Because they do not have a mechanism for routinely monitoring staffing and other risk factors, DOD and VA may not be able to know whether their efforts to address these factors are sufficient or to identify

new problems as they emerge, so that they may take immediate steps to address them before they become major problems.

We have draft recommendations aimed at helping DOD and VA further address challenges surfaced during the pilot, which we plan to finalize in our forthcoming report after fully considering agency comments.

Mr. Chairman, this concludes my prepared statement. I would be pleased to respond to any questions that you or other Members of the Committee may have at this time.

GAO Contact and Staff Acknowledgments

For further information about this testimony, please contact Daniel Bertoni at (202) 512-7215 or bertonid@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this testimony. In addition to the individual named above, key contributors to this testimony include Michele Grgich, Yunsian Tai, Jeremy Conley, and Greg Whitney. Key advisors include Bonnie Anderson, Rebecca Beale, Mark Bird, Brenda Farrell, Valerie Melvin, Patricia Owens, Roger Thomas, Walter Vance, and Randall Williamson.

Related GAO Products

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Chairman AKAKA. Thank you very much, Mr. Bertoni.

Mr. Campbell, will you please proceed with your statement.

STATEMENT OF JOHN R. CAMPBELL, DEPUTY UNDER SECRETARY OF DEFENSE (WOUNDED WARRIOR CARE AND TRANSITION POLICY), U.S. DEPARTMENT OF DEFENSE

Mr. CAMPBELL. Good morning, Mr. Chairman, Ranking Member Burr, and Members of the Committee. Thank you for the opportunity to be here this morning with Mr. Bertoni from the Government Accountability Office and John Medve from the Department

of Veterans Affairs. I am pleased to discuss the current status of the Integrated Disability Evaluation System and the plans DOD and VA have for its worldwide expansion. We appreciate the opportunity to explain where we have been and where we are going with regards to IDES, formerly the Disability Evaluation System Pilot. All DES programs are joint efforts between DOD and VA.

Until recently, the non-VA Integrated DES, known as the legacy system, was relatively unchanged until public and Congressional concern arose regarding its perceived inadequacies. Some are legitimate, verifiable, and required response. DOD and VA chartered the Wounded, Ill, and Injured Senior Oversight Committee in November 2007, and the SOC immediately recommended that a new DES pilot be created. The SOC's vision for the pilot was to create a servicemember-centric seamless and transparent DES. The goal is simplifying and improving the transparency of the disability evaluation process, reducing case processing times, and increasing consistency of ratings. This is accomplished, in part, by employing a single medical exam process and single source disability rating.

On July 30, 2010, the SOC co-chairs, the Deputy Secretary of Defense and the Deputy Secretary of Veterans Affairs, directed worldwide implementation of the process, beginning in October 2010 and to be completed at the end of September 2011. The decision to move forward with expansion of the pilot, subsequently named IDES, was based on the high satisfaction rate of servicemembers, demonstrated efficiency, and lessons learned from the pilot.

In preparation for the IDES expansion, VA and DOD will conduct joint site planning conferences for each stage. The conferences will bring together the local VA and DOD site officials responsible for the implementation of the IDES in their own geographic areas. These joint conferences will engender frank discussions of the goals and milestones that must be met prior to each site's initial operating capability. In addition, training will occur for Patient Administration Personnel, PEBLOs, Military Services Coordinators, and physicians. Detailed site assessment matrices and checklists will be completed and signed by DOD and VA officials. Strict certification procedures will be followed and approved by senior levels of leadership in VA and military departments before a site may implement the IDES. Last, sites will also provide 30-day post-implementation written assessment "hotwashes."

The DES pilot process has proven to be a success. It was faster, more transparent, more understandable, and provided more consistent, equitable outcomes than the legacy DES. As a result, both DOD and VA are fully committed to the successful worldwide expansion of IDES within the timelines discussed in my written statement. DOD will continue to work closely with VA, monitoring every facet of the expansion and making adjustments as necessary.

Although IDES is a demonstrated process improvement over the legacy system, we can and will continue to improve. We are also in the process of thoroughly reviewing the recent Government Accountability Office draft report related to the Disability Evaluation System. Although we will be providing official comment at a later date, we are likely to concur with their initial findings.

In closing, I would like to thank the Committee for its continued interest and leadership in this very important program. We are

mindful of the concerns raised by the Committee in recent months and are taking them into account as we move forward with the expansion.

Mr. Chairman, this concludes my statement. On behalf of recovering and transitioning men and women in the military today and their families, I thank you and the Members of the Committee for your steadfast support. I am happy to answer any questions you may have at this time.

[The prepared statement of Mr. Campbell follows:]

PREPARED STATEMENT OF JOHN R. CAMPBELL, DEPUTY UNDER SECRETARY, OFFICE OF WOUNDED WARRIOR CARE AND TRANSITION POLICY, U.S. DEPARTMENT OF DEFENSE

Mr. Chairman and Members of the Committee: Thank you for the opportunity to discuss the current status of the Integrated Disability Evaluation System (IDES) and Department of Defense (DOD), and Department of Veterans Affairs (VA) plans for worldwide expansion of IDES. We appreciate the chance to explain where we have been and where we are going with regards to the IDES, formerly the Disability Evaluation System (DES) Pilot.

The IDES integrates DOD and VA DES processes. During the IDES process, the member receives a single set of physical disability examinations conducted according to VA examination protocols, and then disability ratings are prepared by VA. During the IDES, both Departments are conducting simultaneous case processing—this ensures the timely and quality delivery of disability benefits. Both Departments use the VA protocols for disability examination and the VA disability rating to make their respective determinations. DOD determines fitness for duty and provides compensation ratings for unfitting conditions incurred in the line of duty under title 10, United States Code (U.S.C.), while VA provides compensation ratings for all disabilities incurred or aggravated during military service for which a disability rating is awarded and thus establishes eligibility for other VA benefits and services, in accordance with title 38, U.S.C.. The systems are integrated, not merged. The IDES requires the Departments to complete their disability determinations before DOD separates a Servicemember so that both Departments can validly determine a Servicemember's disability and provide disability benefits at the timeliest point allowed under both titles. Servicemembers who separate or retire (non-disability) may still apply to the VA for service-connected disabilities and be compensated by the VA, in accordance with current policies and processes.

BACKGROUND

The genesis of the current Disability Evaluation System is the Career Compensation Act of 1949. Until recently, the legacy system (the non-VA integrated DES) was relatively unchanged until public concern arose regarding perceived inadequacies of the DES. As a result of public concern and congressional interest, DOD and the VA chartered the Wounded, Ill and Injured (WII) Senior Oversight Committee (SOC) in November 2007. The SOC immediately recommended that a new DES Pilot be created. The SOC vision for the DES Pilot was to create a "Servicemember Centric" seamless and transparent DES, administered jointly by the DOD and VA. The SOC intended the DES Pilot to:

- Simplify the disability evaluation process: Make the process easier for Servicemembers, veterans, and families by eliminating the duplicate requirements placed on them so the process is less complex and non-adversarial.
- Improve the Transparency of the disability evaluation process: Employ a recognized, impartial disability evaluation process.
- Increase Consistency: Ensure Servicemembers and veterans with similar levels of disability receive similar benefits outcomes by standardizing processes and increasing oversight.
- Ensure Appellate Procedures: Protect the due process rights of Servicemembers and veterans.
- Reduce Case Processing Time: Reduce the wait Servicemembers and veterans experience between the point they are referred to the DES until they receive VA benefits.
- Employ a single medical exam and single-source disability rating.
- Ensure seamless transition to Veteran status.
- Ensure a continuum of care—advocacy and expectation management.

DES PILOT PERFORMANCE

As we reported to Congress in August of this year, Active component members completed the IDES in an average of 291 days, 46 percent faster than a sample of legacy DES cases, and Reserve component members completed the IDES in an average of 281 days. A single VA examination and rating source for Servicemembers streamlined the process, reducing the gap between separation/retirement from Service to receiving VA benefits. There has also been increased transparency through better information flow to Servicemembers and their families. Moreover, DES Pilot surveys reflect a higher Servicemember satisfaction with the IDES compared to the legacy DES. The DES Pilot is a demonstrated process improvement over the legacy, but we can, and will, continue to improve.

LESSONS LEARNED

Of the current 27 DES Pilot locations, most have successfully implemented the DES Pilot and are examples of efficiency. However, both DOD and VA have examined improvement opportunities identified during the Pilot and have taken appropriate action to address them. Site Certification procedures, conducted by DOD and VA senior leadership, were developed to ensure each future IDES location is prepared to implement the IDES. Site certification ensures appropriate exam coverage, a completed Memorandum of Agreement (MOA) between VA and DOD, sufficient resources (Physical Evaluation Board Liaison Officers (PEBLOs), Military Services Coordinators (MSCs), provider staffing), adequate facilities (sufficient space and equipment for VA and DOD personnel), sufficient IT resources, required IDES training, and a comprehensive communications plan. VA is also planning for increased exam capacity before a site is declared open for IDES, and Military departments will work closely with local VA facilities on unanticipated surges in demand while VA will develop additional exam capacity for demand spikes.

In order to improve awareness of Servicemember progress in the IDES, improvements are being made to the current tracking system, the Veteran Tracking Application (VTA), so that it collects performance data in a more timely and efficient manner. Shortages of PEBLOs are also being addressed DOD-wide through funding and improved force management. We are also refining operational and performance objectives to more clearly address potential problem areas at the operational and tactical levels. Findings from the DES Pilot are being utilized to inform the setting of improved performance objectives that are realistic and reflective of the actual IDES experience. DOD is also studying conditions that cause referral to the IDES, with the intent of tightening policy or aligning toward capability assessments, in order to reduce superfluous referrals in which Servicemembers were returned to duty more often than not.

Additionally, VA is adding supplemental medical examination contract capability to be in place by December 31, 2010. Virtual Lifetime Electronic Record (VLER), interoperability between DOD's and VA's electronic health records (AHLTA and VISTA, respectively), and IDES IT initiatives will increase health record sharing and build DOD/VA interfaces, pertinent to more efficient handoffs between VA and DOD.

CASE STUDY OF SUCCESS—FORT RILEY, KANSAS

While we have noted areas that are improving based on opportunities identified during the DES Pilot, we would also like to single out one location that we hold up as an example of DES Pilot success, Fort Riley, Kansas. This location is an example of the impact that dedicated and energized leadership has on the DES Pilot. At Fort Riley, key senior leaders were intimately involved from the early onset of the DES Pilot. Leaders took lessons learned from the conferences, hotwashes, and after-action-reports and liaised directly with VA counterparts to develop a joint common operating concept and conducted joint contingency site planning before initiation of the DES Pilot. Monthly Fort Riley/DOD/VA meetings enabled development of crucial working relationships, and review of DES Pilot procedures allowed for identification of issues and established a schedule for resolution of action items prior to implementation of the DES Pilot on February 1, 2010. Fort Riley developed a "one-stop" Medical Evaluation Board (MEB) clinic. This clinic performs a thorough case evaluation before referral to the DES Pilot, thus preventing cases from starting the DES Pilot prematurely and reducing potential delays. The MSCs and Army Out-Reach Counselors are co-located with the Army PEBLOs, greatly improving process workflow and communications between the VA and DOD. As a result of these concerted efforts, the current average days to complete IDES processing at Fort Riley is 231 days, which is a savings of 309 days over the 540-day legacy DES benchmark

and a 60-day savings over the IDES average of 291 days. Fort Riley has emerged as the model for other sites to emulate.

WORLDWIDE IDES EXPANSION

Based on the high satisfaction rate of Servicemembers, demonstrated efficiency, and lessons learned from the DES Pilot, the SOC Co-chairs (Deputy Secretary of Defense and Deputy Secretary of Veterans Affairs) on July 30, 2010, directed worldwide implementation of the process beginning in October 2010 and to be completed at the end of September 2011. Because it is no longer a pilot, the name was changed to IDES. The Under Secretary of Defense (USD) for Personnel and Readiness (P&R) signed a memorandum on August 16, 2010 asking Service Secretaries to take action to expand the IDES.

The DES Pilot's 27 locations cover about 47 percent of Servicemembers (12,735) who enter the DOD disability evaluation system annually. The impact of each stage of the IDES expansion and cumulative DES population is shown below:

- Stage I—West Coast & Southeast (October–December 2010)—28 Sites—58%
- Stage II—Mountain Region (January–March 2011)—24 Sites—74%
- Stage III—Midwest & Northeast (April–June 2011)—33 Sites—90%
- Stage IV—Outside Continental United States (OCONUS)/CONUS (July–September)—28 Sites—100%
- Total IDES locations when expansion is complete: 140

In preparation for the IDES expansion, VA and DOD will conduct Site Planning Conferences for each stage. These conferences will bring together the local VA and DOD site officials responsible for the implementation of the IDES in their own geographic areas. These joint conferences will engender frank discussions of the goals and milestones that must be met prior to each site's Initial Operating Capability (IOC). In addition, training will occur for Patient Administration personnel, PEBLOs, MSCs and Physicians. Detailed Site Assessment Matrices and Checklists will be completed and signed by the DOD and VA officials and strict certification procedures will be followed and approved by senior levels of leadership in VA and the Military Departments before a site may implement the IDES. Sites will also provide 30 day Post-IOC written assessment "hotwashes."

With regards to Stage I, the Military Departments are reporting December 31 as the Stage I IOC date for the next 28 sites. Seventeen of the 28 Stage I expansion sites will rely on VA contracts for medical exam coverage; as a bridge to other in-house services, VA contracts for medical exams have been awarded and are available for sites to meet the December 31 IOC. The Deputy Secretary of Defense tasked the Assistant Secretary of Defense, Health Affairs, to develop a plan for overseas IDES exams with an estimated completion date of December 15, 2010.

CLOSING

We appreciate the Committee's continued interest and leadership in this very important program and we are mindful of the concerns raised by the Committee in recent months as we move forward with the expansion. Under the Legacy DES, the Departments administered duplicate disability examinations and ratings. The DES Pilot improved and streamlined the overall process that Servicemembers and their families navigate to reach Veteran status to receive the compensation and benefits they have earned. The DES Pilot process has proven to be a success; it was faster, more transparent, more understandable, and provided more consistent, equitable outcomes than the legacy DES. As a result, both DOD and VA are fully committed to the successful worldwide expansion of IDES within the timelines discussed in this statement. DOD will continue to closely work with VA, monitoring every facet of the expansion and making adjustments as necessary. We are also in the process of thoroughly reviewing the recent Government Accountability Office (GAO) draft report, "Military and Veterans Disability System: Pilot has achieved Some Goals, Further Planning and Monitoring Needed" and will be providing official comments at a later date.

Mr. Chairman, this concludes my statement. On behalf of the men and women in the military today and their families, I thank you and the Members of this Committee for your steadfast support. We will continue to provide regular updates on our progress.

Chairman AKAKA. Thank you very much, Mr. Campbell.

Mr. Medve, will you please proceed with your statement.

STATEMENT OF JOHN MEDVE, EXECUTIVE DIRECTOR OF VA/DOD COLLABORATION SERVICE, OFFICE OF POLICY AND PLANNING, U.S. DEPARTMENT OF VETERANS AFFAIRS

Mr. MEDVE. Good morning, Chairman Akaka, Ranking Member Burr, and Members of the Committee. My name is John Medve and I am the Executive Director of the Department of Veterans Affairs and Department of Defense Collaboration Service within VA's Office of Policy and Planning. I am pleased to join Mr. Daniel Bertoni with GAO and Mr. John Campbell, Deputy Under Secretary of Defense, Wounded Warrior Care and Transition Policy, and provide the Committee with an overview of VA and DOD plans for the way forward with the Integrated Disability Evaluation System.

I welcome today's opportunity to share with you a good news story with respect to the improvements VA and DOD have made to the DOD Disability Evaluation System. When we started the DES pilot in 2007 within the National Capital Region, the Departments recognized that by working together and through an improved process, we could provide more consistent evaluations, faster decisions, and more timely delivery of VA benefits. I believe that we have achieved those goals and I would like to highlight two points.

First, through the improved DES process, now referred to as the Integrated Disability Evaluation System, we are providing a more seamless transition for participating servicemembers to veteran status. We have also virtually eliminated the pay gap felt by veterans under the legacy Disability Evaluation System resulting from delays in the delivery of VA compensation. These results led the Senior Oversight Committee in July of this year to approve expansion from the original 27 pilot sites to an enterprise-wide IDES implementation.

Second, through the DES pilot and with the implementation of IDEA, VA and DOD have developed, instituted, and are sustaining a positive collaborative relationship at all levels, focused on both solving the challenges of the rise during this implementation, improving the overall process in a manner that will ensure our servicemembers are treated with the dignity and respect they deserve, and receive the benefits they have earned in a timely manner.

Implementing a process enterprise-wide is never without its challenges, and IDES has proved to be no exception. The key point I would like to make is that, together, VA and DOD are taking a critical eye to each stage of the implementation, identifying issues, and working toward resolving them. The draft GAO report which Mr. Bertoni described in his opening statement and to which VA is currently responding highlighted several of these issues, including timeliness of examinations at Fort Carson. I am pleased to report that we have made tremendous progress at Fort Carson with respect to the time needed to complete examinations, which have gone from an average of 140 days, as outlined in the report to, in this latest report, 62 days, and is projected to be within the 45-day goal by the end of December.

We are also taking into consideration GAO's concerns about staffing levels and are evaluating a mechanism for reporting staffing levels from the various sites on a regular basis. We are applying the lessons learned from the pilot experiences we expand to ensure

that new sites have the resources and a plan for implementation in place before they go live with IDES. Of note, we now have a much better understanding of the number of MEBs each site expects monthly and annually, and this is translating into appropriate staffing levels. We believe that through our improved site assessment and certification process, we will reduce the likelihood of the staffing shortages found at some pilot sites. In addition, we are going back to the existing 27 sites and ensuring that they meet the same standards as the new sites as we move forward.

I would like to thank the Committee for their concern and oversight of this important issue. You and the Committee staff have helped us to improve this process. At the end of the day, we should not lose sight of the fact that this is all about taking care of servicemembers and veterans.

The chart on page four of GAO's testimony is very demonstrative of what we have achieved by integrating the VA into the DOD disability process by eliminating the need for a separate and distinct evaluation process for the purpose of receiving VA benefits. Thank you again for your support of our wounded, ill, and injured servicemembers, veterans, and their families.

Mr. Chairman, this concludes my opening statement. I will be happy to respond to any questions that you, Ranking Member Burr, or other Members of the Committee may have.

[The prepared statement of Mr. Medve follows:]

PREPARED STATEMENT OF JOHN MEDVE, EXECUTIVE DIRECTOR OF VA/DOD COLLABORATION SERVICE, OFFICE OF POLICY AND PLANNING, U.S. DEPARTMENT OF VETERANS AFFAIRS

Good morning, Chairman Akaka and Members of the Committee. My name is John Medve, and I am the Executive Director of the Department of Veterans Affairs (VA)/Department of Defense (DOD) Collaboration Service for VA's Office of Policy and Planning. I am pleased to join my colleague Deputy Under Secretary Campbell from the DOD and provide the Committee with an overview of VA's and DOD's plans for the way forward with the Integrated Disability Evaluation System (IDES).

First, I want to acknowledge and thank you, Mr. Chairman, and the other Members of this Committee for the leadership role you have taken on the issues of seamless transition for our wounded, ill, and injured warriors and Veterans.

The IDES is central to Secretary Shinseki's efforts to transform the Department into a high performing 21st century organization focused on our Nation's Veterans as its clients. IDES, along with our work on the Virtual Lifetime Electronic Record (VLER), will improve the seamless transition of our Servicemembers from active duty to Veteran status. The end goal is for Veterans to be able to easily enter the VA health and benefits system and receive the care and services they have earned.

Before going into our plans for the way forward, I think it would be helpful to start with how we got to where we are today.

Through the leadership of Congress, in collaboration with VA and DOD, in early 2007, the Departments realized that changes were needed to the existing process in DOD's disability evaluation system (DES). The VA/DOD DES Pilot was launched in November 2007 and was intended to simplify and increase the transparency of the DES process for the Servicemember while reducing the processing time and improving the consistency of ratings for those who are ultimately being medically separated. The National Defense Authorization Act (NDAA) 2008 further energized our efforts when it was signed into law and authorized the creation of a pilot program to make changes and improve DOD's DES. Through these changes, the Departments hoped to provide a more effective transition of Servicemembers from DOD to VA care and a smoother transition to Veteran status. We believe that the resulting DES Pilot, currently operational at 27 sites nationwide, has largely achieved those goals. I acknowledge that there have been bumps in the road and many lessons learned, but I look forward to sharing with you how VA has worked with its DOD partners to create a more transparent, consistent and expeditious disability evaluation process for Servicemembers who are being medically retired or separated. While we rec-

ognize that challenges remain, overall this is a good news story for Servicemembers and Veterans.

From the outset, we recognized that the DES Pilot Model was preceded by a maligned legacy process that was in some cases cumbersome and redundant. The Pilot Model originally was launched as a joint VA/DOD process at three operational sites in the National Capital Region and was recognized as a significant improvement over the legacy process. As a result of the desire by both Departments to expand the benefits of the Pilot to more Servicemembers, VA and DOD expanded the Pilot, starting in the fall of 2008 and ending in March 2010, from the original 3 to the current 27 Pilot sites covering 47 percent of the DES population.

In contrast to the DES legacy process, the Pilot Model provides a single disability examination and a single-source disability rating that are used by both Departments in executing their respective responsibilities. This results in more consistent evaluations, faster decisions, and timely benefit delivery for those retired or separated, while empowering Servicemembers with essential information to better enable them to transition to civilian life. I would like to highlight the improvements we have made to compensation delivery. VA prepares a proposed rating decision for use by DOD in determining fitness for duty for Servicemembers enrolled in the DES. As a result, VA benefits are delivered within the shortest period allowed by law following discharge, and we have eliminated the "pay gap" that previously existed under the legacy process, i.e., the lag time between a servicemember separating from DOD due to disability and receiving his or her first VA disability payment.

Concrete examples of how our integrated approach has eliminated much of the sequential and duplicative processes found in the legacy system include reduction of the overall processing time for the delivery of DOD disability benefits from 540 days to 291 days while shortening the period until delivery of VA disability benefits after separation from an average of 166 days to near 30 days.

Based on these successes and after carefully addressing your IDES expansion concerns, the co-chairs of the Senior Oversight Committee agreed in July 2010 to expand the pilot and rename it IDES. Senior leadership of VA, the Armed Services, and the Joint Staff strongly supported this plan and the need for all Servicemembers to receive the benefits of this improved pilot model. We are now working together to launch IDES enterprise-wide. While we are very proud of the successes of this model, we are also aware of remaining challenges. We recognize that despite the overall reduction in combined processing time, VA can do better by improving exam timeliness. We also recognize that as we expanded outside of the National Capital Region, we had not yet developed robust business processes to certify each site's preparedness before it became operational. This was a lesson learned at Ft. Carson, where the Departments have aggressively worked to remediate the issues of an unanticipated demand for disability exams. We also recognize that there have been successes, such as Ft. Riley, Kansas, where VA and Army leadership took steps to avoid such problems as those experienced at Ft. Carson. Through these efforts, and our analysis of lessons learned, we have developed Initial Operating Capability (IOC) readiness criteria that stress quality over expedience to ensure that future sites are operationally ready for IDES. For a site to be deemed ready it must: (1) be able to provide exam coverage through either the Veterans Health Administration, DOD, or contracted services; (2) have sufficient space and equipment for DOD and VA personnel; (3) meet VA information technology requirements; and (4) have local staff who have completed IDES training. If any of these criteria is not met, then IDES cannot operate at that proposed site.

In developing the plan for expansion, we will launch new sites in four stages over the course of fiscal year 2011. This will be done in quarterly increments between October 2010 and October 2011. Stage I of this expansion includes 28 locations on the West Coast and in the Southeast United States. Of the 28 locations, 16 will initially use contracted exam providers, and the remainder will provide exams in conjunction with a VA medical facility. Let me assure you that as we transition from the DES Pilot to IDES, we are jointly addressing the challenges I have highlighted and have taken active, concrete steps to ensure that we have the best, most effective program possible.

On September 27–30, 2010, VA and DOD hosted a joint Training/Planning conference that set the stage for the roll-out of the next 28 sites. The conference resulted in improved communications between VA and DOD at each site, individual site assessment analyses and evaluations, and development of joint local plans to meet IOC requirements. This conference will be followed by similar events over the next few months as we prepare for the remaining stages of IDES implementation. In fact, VA and DOD began a conference on November 16, 2010, which is wrapping up its work today.

As we move forward, we are mindful of the concerns and recommendations of the Government Accountability Office (GAO) in its recent draft report currently entitled "Military and Veterans Disability System: Pilot has Achieved Some Goals but Further Planning and Monitoring Needed." VA is currently drafting responses to the GAO recommendations.

VA and DOD have jointly worked on improving and expanding the DES pilot so that Servicemembers can benefit from a uniform and integrated program. Secretary Shinseki and Secretary Gates continue to provide leadership, commitment, and support to ensure a successful transition from the legacy DES process to the IDES without compromising quality for expediency. In fact, on a recent visit to Ft. Drum, Secretary Shinseki held a roundtable with Servicemembers and received feedback on IDES. We are incorporating his findings into IDES.

While we are pleased with the joint efforts and progress made, there is much more to do. VA and DOD are committed to providing more support for our Nation's wounded, ill, and injured warriors and Veterans through an improved IDES. As such, we believe that continued partnership with DOD is critical and no less than our Servicemembers and Veterans deserve.

Thank you again for your support to our wounded, ill, and injured Servicemembers, Veterans, and their families. Mr. Chairman, this concludes my testimony. I will be happy to respond to any questions that you or other Members may have.

RESPONSE TO POST-HEARING QUESTIONS SUBMITTED BY HON. DANIEL K. AKAKA TO JOHN MEDVE, EXECUTIVE DIRECTOR OF VA/DOD COLLABORATION SERVICE, OFFICE OF POLICY AND PLANNING, U.S. DEPARTMENT OF VETERANS AFFAIRS

Question 1. Please provide an organizational chart for the management of IDES within VA.

Response. IDES VA Operational Model and a copy of the Deputy Secretary's memo appointing Office of Policy and Planning as the lead office are attached.

ATTACHMENT

Department of Veterans Affairs

Memorandum

Date: November 15, 2010

From: Deputy Secretary (001)

Subj: Integrated Disability Evaluation System (IDES) Command & Control (VAIQ 7045557)

To: Under Secretary for Benefits
Under Secretary for Health

1. The Integrated Disability Evaluation System (IDES) is a joint program between the Department of Veterans Affairs (VA) and Department of Defense (DoD). As it is the first interaction many "Veterans-to-be" will have with VA, the Department must ensure they have a positive experience.

2. Given the complexity of managing a major program involving VA and DoD and the importance of IDES, it is essential that VA establish a centralized office to support the necessary and bilateral relations between the Departments that are critical to ongoing improvements in IDES. Such activities include policy development, communication, planning and implementation related to IDES processes within VA and in conjunction with DoD.

3. I am designating the VA/DoD Collaboration Service within the Office of Policy and Planning (OPP) as the VA executive agent with primary responsibility for coordinating policy, planning and implementation for IDES. Within the VA/DoD Collaboration Service, Mr. Larry Fink will serve as the Director of the IDES Program Management Office (PMO) and Mr. James Antonellis will serve as the Deputy Director.

4. OPP will serve as the central office to synchronize all VA IDES functions. VBA and VHA will continue to oversee, implement and monitor field activities while making recommendations for strategic changes to the IDES Program. VBA and VHA will identify operational principals at the national level, who will be responsible for the implementation of IDES at their respective field sites consistent with IDES strategic objectives.

5. The IDES PMO will have responsibility for assuring that communication and coordination within VA is synchronized so that interactions at all levels with DoD are consistent and represent the best interests of Servicemembers in the IDES. Additionally, the IDES PMO will function as the principal office to synchronize throughput, volume data, and performance metrics.

Question 2. What are the anticipated challenges foreseen at each site scheduled to roll out by December 31, 2010?

Response. Of the 28 sites scheduled to achieve Initial Operating Capability (IOC) by December 31, 2010, all sites have achieved IOC. Prior to achieving IOC, some sites encountered minor challenges such as obtaining approval to access VA systems over DOD network, finalizing Memorandum of Agreements (MoA), facilities, resourcing, and transportation requirements.

Question 3. For each site scheduled to roll out by December 31, 2010, please provide information on whether VA or a contractor will perform medical examinations at that particular location. If there is a contractor providing examination support at an individual location, please provide the name of the contractor and the number of examinations anticipated in 2011 for the locations.

Response. The following chart reflects the sites scheduled to roll out during the first quarter of fiscal year 2011, examination provider, and anticipated annual caseload. Examinations performed by VHA Providers are performed internally. Those performed by QTC contractor providers are under an external contract.

Military Treatment Facility/Installation	Exam Provider	Annual Caseload
Beale Air Force Base (AFB)	QTC and VHA	80
Charleston AFB	QTC	27
Edwards AFB	QTC	51
Eielson AFB	VHA	22
Fairchild AFB	QTC	89
Hickam AFB	QTC	230
Langley AFB	VHA	300
Los Angeles AFB	VHA	12
Maxwell AFB	VHA	43
McChord AFB	QTC	63
Moody AFB	VHA	68
Mountain Home AFB	VHA	137
Patrick AFB	VHA	98
Pope AFB	VHA	22
Robins AFB	QTC	160
Seymour Johnson AFB	QTC	163
Shaw AFB	VHA	219
Vandenberg AFB	QTC	58
Tripler AMC	QTC	389
29 Palms Marine Hospital	QTC and VHA	164
Beaufort Naval Hospital (NH)	QTC	171
Charleston NH	QTC	63
Cherry Point NH	QTC	131
Jacksonville NH	QTC	333
Lemoore NH	QTC	16
Oak Harbor NH	QTC	59
Pearl Harbor NH	QTC	166
Quantico NH	VHA	78

Question 4. What are the training requirements for the launch of any new IDES site? What is the Agency's plan to conduct ongoing training for staff involved with IDES?

Response. All personnel are required to attend the IDES Planning Conference, and receive Veterans Tracking Application (VTA) and IDES overview training from a VA and DOD training team. The team travels to Army and Navy sites to conduct on-site training for VA and DOD stakeholders. The Air Force conducts a centralized training course annually with VA and DOD trainers participating.

Prior to launching a new IDES site, local representatives from military treatment facilities, VHA, and VBA attend a joint planning conference where they are trained on the IDES process. Before sites begin the integrated process, VA provides onsite training to Military Service Coordinators (MSCs) with respect to the IDES process and tracking application, the VTA. Additionally, new MSCs participate in centralized MSC training that includes IDES-specific training. The training curriculum is available on the Compensation and Pension (C&P) Service Training Web site, and questions concerning MSC training are answered regularly through the C&P Training mailbox.

In fiscal year 2012, VBA will begin visiting IDES sites as part of its routine site visit rotation to its 57 regional offices, where onsite feedback and training are provided.

Question 5. Please describe the overall staffing requirements for the adjudication of IDES claims. When will Providence begin processing IDES claims? Will additional staff need to be hired in Providence to process these claims?

Response. The projected annual caseload for IDES is 27,000 claims. The Providence Regional Office will process 14,000 claims and the Seattle Regional Office will process 13,000 claims once full expansion is accomplished.

The Providence Regional Office began processing paperless claims for the National Capital Region Paperless IDES Pilot in October 2010. Providence has hired 50 FTE to support IDES claims processing. As this staff reaches journey-level performance, it is anticipated they can support full expansion processing requirements. Seattle has 38 FTE dedicated for this special mission. We will continue to compare and monitor projected caseload to actual caseload to determine whether additional staff will be required in the future.

Question 6. During the IDES hearing, December 15, 2010, was mentioned as the deadline for the overseas IDES roll out plan. Please provide the overseas IDES roll out plan.

Response. VA defers to DOD.

Question 7. For each site scheduled to roll out by December 31, 2010, please provide information for how each site is being funded—for both the current and next fiscal year.

Response. VHA requested, obtained and distributed funding to sites implementing IDES during FY 2011. IDES supplemental funding allocations for FY 2011 were based on projected Medical Evaluation Board (MEB) workload data provided to VHA by DOD. The Integrated Disability Evaluation System (IDES) has budgeted $18M for FY 2011 and $18M for FY 2012.

This distribution of funding has not yet occurred and will be based on a comprehensive evaluation of IDES workload anticipated by the facilities. Specific determinants to be used in this process will include: review of FY 2011 completed IDES workload, forecasted MEB workload projections to be provided by the DOD and VISN/VAMCs Director's assessments and requests for funding. Funding provided was distributed to cover Services and Facilities Costs. This supplemental funding effort was primarily designed to provide support for the conduct of IDES examinations requests without sacrificing performance of C&P examinations. VA facilities are also eligible for reimbursement by DOD when performing examinations for Servicemembers for referred conditions.

VBA provides Military Service Coordinator (MSC) support for each IDES site. Generally, DOD provides the MSC(s) with office space and access to their equipment such as facsimile and copier machines. Costs associated with medical examinations are shared by VA and DOD, whereby DOD bears the costs associated with conditions that are potentially unfitting for further military service while VA bears the costs of other conditions claimed as part of the VA claim for compensation.

Question 8. What specific efforts are underway to improve the interoperability of VistA and AHLTA to support the IDES process?

Response. Advancements in the area of the Electronic Health Record, such as Single Sign On, laboratory and radiology portability and the joint registration capability continue to highlight the progress made toward transactional interoperability between AHLTA and VistA. These continued successes, will certainly be advantageous to the IDES process as it continues to evolve.

Question 9. The draft GAO report on IDES indicated that case management software was in development. What projects toward this end are underway and what are their time lines for delivery? How will costs be allocated between VA and DOD?

Response. VA defers to DOD. We believe the question refers to the following language from the draft GAO report: "DOD officials also said that they are developing two new IT solutions. According to officials, one system currently being tested would help military treatment facilities better manage their cases. Another IT solution, still at a preliminary stage of development, would integrate the Veterans Tracking Application with the services' case tracking systems so as to reduce multiple data entry."

Question 10. Please provide the cost—for both the current and next fiscal year—of disability examination contracts to support IDES. Please provide the costs to VBA and VHA separately.

Response. The VHA Disability Evaluation Management (DEM) Performance Work Statement was posted in the Federal Business Opportunities Web site (FedBizOpps.gov) on 22 November 2010. This contract remains in the acquisition source selection process and has yet to be awarded. Once awarded, this contract will be managed by VHA.

Estimated costs for VBA are $13 million in fiscal year 2011 and $20 million in fiscal year 2012. If additional IDES sites are added to the VBAu, the cost will increase.

RESPONSE TO POST-HEARING QUESTIONS SUBMITTED BY HON. RICHARD BURR TO JOHN MEDVE, EXECUTIVE DIRECTOR OF VA/DOD COLLABORATION SERVICE, OFFICE OF POLICY AND PLANNING, U.S. DEPARTMENT OF VETERANS AFFAIRS

Question 1. According to testimony provided by the Government Accountability Office (GAO), some officials have said that servicemembers going through the Disability Evaluation System Pilot (DES Pilot) or Integrated Disability Evaluation System (IDES) are not given meaningful work by their units and, if they are idle while

going through the process, they might be more likely to engage in behavior that could lead to a discharge due to misconduct.

A. As requested at the hearing, please identify how many of the approximately 600 servicemembers who have been "removed" from the IDES process have been discharged from the military due to misconduct.

B. Of the remaining servicemembers who have been removed from the IDES process, what were the reasons for their removal?

C. As requested at the hearing, please explain what steps, if any, the Department of Defense takes to monitor whether individuals in the IDES process are given meaningful work by their units.

D. As requested at the hearing, please explain whether IDES sites are asked to provide a plan for ensuring that servicemembers in the process will be given meaningful work.

E. As requested at the hearing, please explain whether any survey questions address the extent to which idleness is seen as a problem during the IDES process and provide any relevant survey information or data.

Response. VA defers to DOD.

Question 2. The Department of Defense set a goal of having no more than 20 servicemembers for each Physical Evaluation Board Liaison Officer (PEBLO). But, as of October 2010, there were a number of DES Pilot sites, including Fort Bragg and Camp Lejeune in North Carolina, that had at least 85 servicemembers for each of those case managers.

A. As requested at the hearing, please describe what factors have led to these heavy caseloads for some PEBLOs.

B. What impact do these high caseloads have on the timeliness of the IDES process or on servicemembers' satisfaction with the process?

C. As requested at the hearing, please provide a timeline for when the sites in North Carolina will have enough staff to bring those sites in line with the staff-to-servicemembers goal.

D. Nation-wide, what is the timeline for bringing PEBLO caseloads in line with the goal?

E. As requested at the hearing, please explain whether a ratio of 20 servicemembers per PEBLO is the proper staffing goal.

F. In total, how many additional PEBLOs would be needed to roll the IDES process out worldwide with a 1 to 20 ratio?

G. Do you foresee problems being able to hire or maintain sufficient PEBLOs at the additional sites you plan to convert to the IDES process?

Response. VA defers to DOD.

Question 3. In response to a customer satisfaction survey, one servicemember going through the DES Pilot noted that he "went thru 3 PEBLOs and they changed without me being notified."

A. What was the turnover rate among PEBLOs at the DES Pilot sites?

B. What process should be followed when a PEBLO leaves an IDES site or is reassigned? Is there a "warm hand-off" to the incoming case manager?

Response. VA defers to DOD.

Question 4. As of November 7, 2010, over 15,600 servicemembers had entered the IDES and 11,295 were still enrolled in that process.

Question 4A. Please provide a list of how long, on average, servicemembers have been pending in the process at each location that participated in the DES Pilot.

Response. DOD and VA have established a joint goal that 50 percent of active component Servicemembers will complete the IDES process within 295 days in fiscal year 2011. The development of more aggressive processing goals is under senior leadership review.

Attached is a copy of December 26, 2010 monthly IDES report by phases and components (AC/RC).

IDES Pilot Site Total Average Process Time as of 12/26/2010

Army	FT BELVOIR		FT CARSON		FT DRUM		FT MEADE		FT POLK		FT RICHARDSON		FT LEWIS		FT BENNING		FT BRAGG	
	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]
RC Total (Referral to Issuance of VA Benefits Letter) Goal: 305 days		363		306		213		348		229				257		182		199
AC Total (All Phases) (Stages 1-8) Goal: 295 days	345		362		254		313		232		374		240		214		219	

Army	FT SAM HOUSTON		FT STEWART		FT WAINWRIGHT		WRAMC		FT HOOD		FT RILEY	
	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]
RC Total (Referral to Issuance of VA Benefits Letter) Goal: 305 days		262		276		367		333		168		
AC Total (All Phases) (Stages 1-8) Goal: 295 days	259		320		282		358		214		209	

Notes:

Air Force	ANDREWS AFB		ELMENDORF AFB		MACDILL AFB		NELLIS AFB		TRAVIS AFB		VANCE AFB	
	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	AC[2]	AC[2]	RC[2]
RC Total (Referral to Issuance of VA Benefits Letter) Goal: 305 days		437				278		329		260		
AC Total (All Phases) (Stages 1-8) Goal: 295 days	367		348		354		314		275		320	

Navy	NNMC BETHESDA		NH BREMERTON		NH CAMP LEJEUNE		NH CAMP PENDLETON		NMC PORTSMOUTH		NMC SAN DIEGO	
	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]
RC Total (Referral to Issuance of VA Benefits Letter) Goal: 305 days		511		233				422				351
AC Total (All Phases) (Stages 1-8) Goal: 295 days	393		322		325		392				330	

Marine Corps	NNMC BETHESDA		NH BREMERTON		NH CAMP LEJEUNE		NH CAMP PENDLETON		NMC PORTSMOUTH		NMC SAN DIEGO	
	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]	AC[2]	RC[2]
RC Total (Referral to Issuance of VA Benefits Letter) Goal: 305 days		384		216		404		355				330
AC Total (All Phases) (Stages 1-8) Goal: 295 days	375				360		378				316	

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Question 4B. In total, how many of the approximately 11,295 enrolled individuals have been pending in the IDES process for longer than 295 days, the goal for completing the process?

Response. As of February 3, 2011, 3,895 Servicemembers were enrolled in IDES for longer than 295 days.

Question 4C. How many individuals at Fort Bragg or Camp Lejeune have been pending in the IDES process for longer than 295 days?

Response. As of February 3, 2011, 668 Servicemembers at Camp Lejeune and 46 Servicemembers at Fort Bragg have been enrolled in IDES for longer than 295 days.

Question 4D. In total, how many of the approximately 11,295 enrolled individuals have been pending in the IDES process for longer than 540 days?

Response. As of February 3, 2011, 878 Servicemembers have been enrolled in IDES longer than 540 days. This number includes those pending longer than 295 days in responses 4B and 4C above.

Question 4E. What steps do your agencies currently take to flag and resolve long-pending cases?

Response. Cases are flagged and an Overarching Integrated Product Team (OIPT) started reviewing performance metrics by site on February 9, 2011. Monthly progress reports are posted on the Veterans Tracking Application (VTA) homepage and are available to all users. The reports highlight older cases and cases pending at each stage for longer than standard times.

Each case is unique and requires joint efforts from central office and local level. Central office establishes assignments and periodically conducts after action reviews with staff to identify systemic issues that may require resource, policy, or procedural changes. At the local level, Military Service Coordinators (MSC) work with their military counterparts to resolve processing delays. For example, case-specific delays are often due to scheduling conflicts for illness, surgery, or family emergencies. The Physical Evaluation Boards and rating sites conduct weekly reviews to identify the case status and develop joint solutions for delays.

Question 4F. If this process is expanded globally, what additional steps would be taken to monitor long-pending cases?

Response. VA defers to DOD.

Question 5. During the DES Pilot, customer satisfaction surveys have been taken at various stages throughout the process.

A. Do your agencies use those surveys to identify areas of the process or specific facilities that might need improvements? If so, please provide examples.

B. Are the results of those surveys provided to each military installation using the IDES process? If so, how frequently is that information provided and in what format?

C. Is any follow-up done on specific complaints listed on those surveys?

Response. VA defers to DOD.

Question 6. In expanding the IDES worldwide, VA case managers are expected to provide services using only video-conferencing or teleconferencing at some sites.

Question 6A. If the IDES is expanded worldwide, which specific sites would have only remote services from VA case managers?

Response. IDES expansion to overseas locations is in the planning phase. VA understands that DOD plans to transfer Servicemembers referred into the IDES to a location within the continental United States. As such, MSCs would be available to all Servicemembers enrolled in IDES. Should Servicemembers remain overseas, VA expects to use video conferencing for case management.

Medical Evaluation Boards are currently being conducted by the military services at the following overseas sites.

Military Treatment Facility/Installation	State/Country
Andersen AFB	Guam
Aviano AFB	Italy
Incirlik AFB	Turkey
Kadena AFB	Japan
Kusan AFB	Korea
Lajes AFB	Portugal
Misawa AFB	Japan
Osan AFB	Korea
RAF Lakenheath	UK
Ramstein AFB	Germany
Spangdahlem AFB	Germany
Yokota AFB	Japan
Camp Zama	Japan
Ft. Buchanan	Puerto Rico
Heidelberg MEDDAC	Germany
Landstuhl AMC	Germany
Vincenza	Italy
Guam NH	Guam
Guantanamo NH	Cuba

Military Treatment Facility/Installation	State/Country
Naples NH	Italy
Okinawa NH	Japan
Rota NH	Spain
Sigonella NH	Italy
Yokosuka NH	Japan

Question 6B. What impact would it have on the level of service provided to servicemembers if case managers are not physically on site?

Response. Working closely with PEBLOS, VA's MSCs will be able to meet the needs of Servicemembers using video conferencing, electronic mail, telephone, and facsimile.

Question 6C. Would co-locating PEBLOs and VA case managers at the IDES sites be preferable?

Response. Efficiencies would be gained by co-locating PEBLOs and VA Case Managers. The biggest advantage would be the improvement in communication between PEBLOs, Case Managers, and Servicemembers. Co-locating would also improve the movement of documentation between the Departments. VA is committed to providing the highest quality of services, regardless of how services are delivered.

Question 7. In the Senior Oversight Committee's August 2010 report on the DES Pilot, officials from both agencies highlight that the DES Pilot "provides consistent, equitable outcomes."

Question 7A. What steps have your agencies taken to gauge whether the ratings provided through this process are consistent?

Response. In the legacy DES, some stakeholders believed outcomes were inconsistent across military services as well as between military services and VA. Providing a single disability examination and a single preliminary rating evaluation ensures a consistent rating by both departments and a more transparent process to the Servicemember. VA uses the results of DOD's satisfaction surveys of Servicemembers to gauge their perceptions of the fairness and consistency of the DOD disability evaluation system.

Question 7B. Please provide a summary of any data or other information your agencies have collected regarding the issue of consistency.

Response. IDES is inherently more consistent as it provides a single examination and a single preliminary rating, replacing duplicative examinations and ratings by each department. DOD provides periodic analyses of its satisfaction surveys. Pilot participant respondents reported that the IDES MEB and PEB processes were significantly fairer than did legacy DES participants. Soldiers, Sailors, and Marines in the IDES reported that IDES MEB and PEB processes were significantly fairer than their legacy DES counterparts reported. However, Airmen reported no difference in the fairness of MEB and PEB IDES and legacy DES processes.

Question 8. Your agencies are currently planning to implement the IDES at 140 locations worldwide.

Question 8A. How many of those sites generally would have less than 24 individuals per year entering the disability evaluation system?

Response. VA defers to DOD.

Question 8B. Please describe the plans for providing medical examinations and VA case management at each of those sites?

Response. The decision for how medical examinations are provided is determined locally by the site leadership. This decision is normally made 60 days prior to the Initial Operating Capability date. The examination provider is determined on an individual site basis based on local resources and site location. If local resources are available, VHA examiners provide medical examinations for IDES. Where a VHA facility or examiners are not available, contract examiners are utilized.

IDES sites are staffed with MSCs based on anticipated annual caseload. Sites that do not warrant a full time case manager have MSCs assigned on a temporary basis.

Question 9. For purposes of the DES Pilot, rating decisions were provided by a limited number of VA regional offices.

Question 9A. How many rating decisions have each of those offices provided to date for purposes of the DES Pilot or IDES?

Response. Since the inception of the DES Pilot, rating decisions have been provided at the following VA regional offices: St. Petersburg, Baltimore, Seattle, and Providence. St. Petersburg provided rating decisions until March 2009, when Baltimore and Seattle assumed responsibility for providing rating decisions. Providence began assisting Baltimore in providing rating decisions in October 2010.

As of February 3, 2011, the Baltimore Regional Office completed 4,428 preliminary IDES ratings and 2,027 final ratings, while the Seattle Regional Office completed 3,397 preliminary IDES ratings and 1,915 final ratings. The data cited for the Baltimore Regional Office includes ratings completed by the St. Petersburg Regional Office early in the Pilot phase and ratings completed by the Providence Regional Office since October 2010.

Question 9B. How long, on average, does it take each office to provide a rating decision for purposes of the IDES or DES Pilot?

Response. As of February 3, 2011, the Baltimore Regional Office's average decision time was 35 days for preliminary IDES ratings and 38 days for final ratings, while the Seattle Regional Office's average decision time was 15 days for preliminary IDES ratings and 29 days for final ratings. Due to the heavy IDES workload in Baltimore, the Providence RO is assisting Baltimore with preliminary ratings. It is expected that this assistance will improve timeliness.

Question 9C. To the extent the rating decisions are not being provided within the target timeframe, what factors lead to delays?

Response. The primary factors that lead to delays are obtaining complete medical records from National Guard/Reservists and timely receipt of separation documents (DD Form 214).

Question 10. At the hearing, we discussed a screening process being used at Fort Riley to prevent cases from being referred to the IDES prematurely.

A. At Fort Riley, how many individuals have gone through that screening process and how many of those individuals were referred to the IDES?

B. How long, on average, does it take to complete this screening phase at Fort Riley?

C. If a servicemember goes through this type of screening process and is ultimately referred to the IDES, is the time spent in the screening process counted in determining how long in total the IDES process takes?

Response. VA defers to DOD.

Question 11. GAO pointed out in its testimony that some sites experienced shortages of examiners needed to provide the comprehensive set of medical examinations used for the IDES process.

Question 11A. Of the approximately 11,295 servicemembers currently enrolled in the IDES process, how many are awaiting medical examinations?

Response. Data is not available on the precise number of Servicemembers waiting for examinations. However, data does show that, as of February 3, 2011, 2,314 Servicemembers are in the examination stage of IDES. This stage begins when the Military Service Coordinator (MSC) enters the request for examination into electronic systems. This stage ends when the examination is completed and the provider releases the examination results electronically to the MSC. An additional 48 Servicemembers were interviewed by MSCs and did not have examination requests entered into electronic systems. The data represents a snap shot in time. There will always be a slight lag time between the Servicemember interview, examination request, and VTA data entry.

Question 11B. In total, how many medical examination requests are currently pending?

Response. As of February 3, 2011, 2,314 cases were in the examination stage of IDES.

Question 11C. How long on average is it currently taking for a servicemember to complete the necessary medical examinations?

Response. To date, the examination stage of IDES is taking an average of 61 days to complete. This measures the time from when the MSC enters the examination request to the time when the examination results are released by the provider. No data is being recorded to specifically measure the time from examination request to the date the Servicemember is actually examined.

Question 12. As requested at the hearing, before finalizing plans to implement the IDES at sites overseas, please provide the Committee with a comprehensive proposed plan for handling that expansion.

Response. VA defers to DOD.

RESPONSE TO POST-HEARING QUESTIONS SUBMITTED BY HON. MARK BEGICH TO JOHN MEDVE, EXECUTIVE DIRECTOR OF VA/DOD COLLABORATION SERVICE, OFFICE OF POLICY AND PLANNING, U.S. DEPARTMENT OF VETERANS AFFAIRS

Question 1. Mr. Campbell or Mr. Medve, I understand one of the goals of the Integrated Disability Evaluation System was to expedite the VA benefits for the Servicemembers. Have you received feedback from the Servicemembers (the patient) on how this program is working? Do you have a good measure of what the patient perceives to be success? Can you explain why the Air Force members are less satisfied?

Response. VBA defers to DOD. However, the language below can be incorporated into DOD's response: VA has developed a customer satisfaction survey for Veterans who complete the IDES process. Plans to implement the survey are underway.

Question 2. Mr. Campbell and Mr. Medve, can you talk briefly about VA staffing requirements to support the Integrated Disability Evaluation System? Do you believe the hiring and training of new staff will be able to keep up with the worldwide expansion plan?

Response. At this time, VA believes we will be able keep up with the hiring and training requirements to support worldwide IDES expansion. VA has explored several options to address increased staffing requirements to support the IDES expansion. For example, in the event of a surge, VA will temporarily assign Veteran Service Representatives from the local Regional Office to serve as Military Service Coordinators (MSCs) for the impacted Military Treatment Facility (MTF).

VBA currently has 93 Military Services Coordinators (MSC) that participate in a national curriculum for technical training related to claims development. They must complete developmental training specific to the IDES process to enhance their skill sets.

During the last quarter of 2010, two developmental training sessions were conducted for approximately 90 participants. A third training session will be held in March for the remainder of new hires. We anticipate the need to hire an additional 15–25 FTE, and all training will be completed prior to full expansion.

Question 3. In your testimony, you mentioned how in Stage I of the expansion 16 of the 28 locations will initially use contracted exam providers and the remainder will provide exams in conjunction with a VA medical facility. Can you briefly explain how these contracted providers are certified?

Response. Certification is obtained after completing online training provided by VHA. The contractor must also provide an orientation and instructions to examiners based on the requirements provided in the C&P examination worksheets. The contractor must provide training to the examiners to:

- Explain the differences between VA disability examination protocol versus the examination protocol for treatment purposes;
- Ensure that examiners have appropriate attitudes toward Servicemembers and their unique circumstances;
- Ensure that examiners understand the VA's use of the term "at least as likely as not" in the formation of any requested medical opinions;
- Explain the concept of presumptive diagnoses in view of unique circumstances of military service;
- Ensure that examiners understand how to assess and document pain in accordance with VA regulations;
- Follow state laws where medical or psychiatric emergencies arise;
- Provide appropriate notification to follow-up on abnormal findings;
- Obtain CPEP certification (available from VA) as appropriate; and
- Maintain and assure privacy protection under Federal and state laws, including but not limited to the Privacy Act and HIPAA.

Question 4. Mr. Campbell or Mr. Medve, in your opinion, do you feel the worldwide expansion plan is too aggressive or just right when taking technology and the appropriate level of staffing into consideration?

Response. VA and DOD believe the IDES worldwide expansion is appropriate. Leaders at each site have the ability to request an adjustment to their Initial Operating Capability date if the site is not ready. Additionally, VA and DOD require local site leaders to jointly certify they are ready before launching IDES.

Chairman AKAKA. Thank you very much, Mr. Medve.

Mr. Bertoni, in your opinion, are the Departments adequately addressing all of the major problems that were identified during the pilot? I ask this because I am concerned that some issues may not be fully addressed before it is rolled out to the rest of the military.

Mr. BERTONI. As noted in our statement, I think they have made progress in several areas, especially in regard to getting out in front of the staffing issues. That is a big one. I cannot stress that enough. There are a lot of moving parts, a lot of specialized services and skills they need, and there is at least an acknowledgment that the staffing portion or component of this is critical to success; and we would agree with that. How are they going to get there? That is the question from us. You can reallocate, you can hire, you can bring in additional contractors, but we would really need to see sort of a service delivery plan or an operations plan going forward to discern how that is going to happen.

I appreciate the comment that you all may be looking back at the original 27 sites to sort of look at those issues because I think there are still lingering issues out there in regard to staffing that are very important.

Beyond that, certainly the issue of monitoring. I think having good MI data at the local level as to what is happening with these particular sites, if things start to go awry—staffing shifts, attrition, problems with diagnoses, problems with exam summaries—you can know this sooner rather than later, get out in front of that problem and come into play with remedial training, guidance, et cetera to sort of prevent some of these issues from getting worse.

So there is an acknowledgement. There appears to be a plan. We have not seen that operational plan, but at least there is an acknowledgement that there are some issues to work on.

Chairman AKAKA. Thank you.

Mr. Campbell and Mr. Medve, are you both able to track individual sites to determine if there are problems with staffing and insufficient medical exams? Mr. Campbell?

Mr. CAMPBELL. Yes, sir. I would like to make the point that no site will go into IOC unless it passes a series of strict tests. We have checklists. We are looking at these sites weekly, those that are in preparation for the expansion. We are looking at them weekly to make sure that they pass these tests. And once the sites go live, we will be monitoring them, as well. So I believe that it is probably fair to say that no servicemember is going to be endangered. We are not racing to get the sites complete so we can adhere to some timeline. This is really a criterion-driven basis and we feel comfortable that we have sufficient safeguards built in that the sites will not go live until they are ready.

Chairman AKAKA. Mr. Medve?

Mr. MEDVE. Senator, thank you for the question. I would like to echo what Mr. Campbell said. I mean, we have instituted as a base the lessons learned from the pilot sites, a certification process that now has a much more robust understanding of the requirement that will inform staffing decisions. During the pilot site, I think we used about a year's worth of data, and it turned out not to include things like how many deployment cycles sites had gone through, which had an impact on the number of cases and the type of cases that sites went in, which impacted the type of examinations that need to be done. So we now use a multi-year view of that. Obviously, our understanding as we have gone through has increased and we are developing robust staffing plans for the oncoming sites.

And again, just to reiterate what Mr. Campbell said, we made it clear to all sites that unless there is the capability and capacity to move forward, they are not to move forward with this.

Chairman AKAKA. Thank you.

Mr. Campbell, I am concerned that VA may bear a disproportionate burden in administering this program. Can you respond with your thoughts on that?

Mr. CAMPBELL. Yes, sir. I would be happy to. We have signed—the DOD and the VA have signed a Memorandum of Understanding, an agreement to share these costs equitably. The process is one where the costs will be allocated as they become live costs, then at the end of this period we will look at whether we owe the VA money or they owe us money.

Chairman AKAKA. Senator Burr, your questions.

Senator BURR. Thank you, Mr. Chairman.

Mr. Bertoni, VA and DOD have estimated that the IDES system is faster than the old legacy disability process. Now, their estimate is that the old legacy process was 540 days, but you noted, "the extent to which the IDES is an improvement over the legacy system cannot be known because of the limitations in the legacy data," and that the 540-day estimate, "is based on a small, non-representative sample of cases."

First of all, can you explain for the record how many cases were used to come up with the 540-day estimate?

Mr. BERTONI. I believe that originated with the original tabletop exercise way back in 2007, where I think there were 70 cases across all services where they went in and looked at the average processing time for those cases and came up with a number for DOD's side of the shop, and that was about 300 days. Then they extrapolate to the VA side, with an average of—it can take up to 200 days to process a VA claim—and tacked that onto the overall total. So they came up with the 540-day average.

We had some concern with that. It is not as rigorous as we would like. We tried to reconstruct it on our own and we found very quickly that it was very—it was an apples to oranges comparison by trying to bring in the various services plus the Army. It really was not possible in terms of the quality and integrity of the data.

We did do our own analysis of the Army data, which we felt was sufficient to do this type of analysis, with Army representing 60 percent of IDES cases, it is pretty substantial if we could verify that. We did our analysis and were able to determine that it came out to about 369 days to complete the IDES portion of the process. Recognizing that it would be reasonable to assume that it could possibly take up to 200 days to complete the VA rating side. So, a fairly reasonable estimate though not entirely rigorous.

Senator BURR. Mr. Campbell, according to GAO's testimony, some officials have said that the servicemembers going through the IDES are not given meaningful work by their units and they are idle while they are going through the process. They might be more likely to engage in behavior that could lead to discharge due to misconduct.

Of the 600 servicemembers that have been removed from the IDES process, how many have been discharged due to misconduct?

Mr. CAMPBELL. Senator, I do not know.

Senator BURR. Is that not something we track?

Mr. CAMPBELL. I will have to take that question for the record, Senator.

[The information requested during the hearing follows:]

RESPONSE TO REQUEST ARISING DURING THE HEARING BY HON. RICHARD BURR TO JOHN R. CAMPBELL, DEPUTY UNDER SECRETARY, OFFICE OF WOUNDED WARRIOR CARE AND TRANSITION POLICY, U.S. DEPARTMENT OF DEFENSE

Response. As of December 5, 2010, the current tracking indicates that 112 Service members (2.8% of those completing the IDES) were involuntarily separated for non-disability reasons (Administrative Discharge/Court Marshal).

Senator BURR. I would appreciate it. Let me also ask you, do we monitor whether they are given meaningful work, meaningful assignments?

Mr. CAMPBELL. My understanding is that the military departments, within their programs of Warrior Transition Units or the Wounded Warrior Brigades, have programs. I have been in this job for 3 months. I visited a number of these organizations. My view is that they appear to be giving these young men and women sufficient work and keep them active, very busy. I was at Camp Lejeune. I saw the facility there and the program which I thought was just fabulous.

Senator BURR. Do we have a written integrated plan for these individuals?

Mr. CAMPBELL. I will have to get back to you, Senator. I do not know.

[The information requested during the hearing follows:]

RESPONSE TO REQUEST ARISING DURING THE HEARING BY HON. RICHARD BURR TO JOHN R. CAMPBELL, DEPUTY UNDER SECRETARY, OFFICE OF WOUNDED WARRIOR CARE AND TRANSITION POLICY, U.S. DEPARTMENT OF DEFENSE

Response. At this time, DOD does not have an integrated written plan for these individuals. However, the Department of Defense (DOD) intends to publish a new operations guide for IDES sites. In the guide, DOD will clarify that commanders at all levels are required to ensure IDES referred Servicemembers are gainfully employed during the duration of the IDES process. Alternatively, Commanders may indicate that a Recovery Care Plan has been instituted in lieu of full time employment for such Servicemembers.

Senator BURR. Let me ask you, do we survey any of the individuals to find out if, in fact, idleness is a concern that they have?

Mr. CAMPBELL. I know we have surveys and we track those. We monitor those.

Senator BURR. Let me ask you to provide as much information from those surveys as it relates——

Mr. CAMPBELL. Yes, sir.

Senator BURR [continuing]. To the views that they have.

[The information requested during the hearing follows:]

RESPONSE TO REQUEST ARISING DURING THE HEARING BY HON. RICHARD BURR TO JOHN R. CAMPBELL, DEPUTY UNDER SECRETARY, OFFICE OF WOUNDED WARRIOR CARE AND TRANSITION POLICY, U.S. DEPARTMENT OF DEFENSE

Response. In an ongoing effort beginning in January 2008, the Defense Manpower Data Center (DMDC) administers voluntary surveys to IDES participants at the completion of the three major phases of the IDES process: the Medical Evaluation Board (MEB), the Physical Evaluation Board (PEB), and the Transition Phase just prior to transition to veteran status. Timeliness of the IDES process is assessed in each of these surveys by asking Servicemembers the following question: "How would

you evaluate the timeliness of the IDES process since entering it?" Based on feedback from over 5,000 IDES survey participants across the MEB, PEB, and Transition surveys, the average satisfaction score was 3.1 on a Likert scale of 1 ("Very Poor") to 5 ("Very Good"). While this does not specifically address "idleness", Servicemember comments on the survey still indicate a need for the IDES to be more efficient. We have embarked on numerous continuous improvement efforts to shorten the time a Servicemember spends in the total IDES queue. As we work on these efforts, our line and warrior transition commanders are encouraged to gainfully employ IDES Servicemember while they matriculate through the system.

Senator BURR. Mr. Bertoni, would you like to comment on that at all?

Mr. BERTONI. I would talk very quickly, first, about those who were removed. We get weekly tracking sheets and we look at that number very closely each week. If they are in the "removed" category, that can mean a lot of things. It could be family hardship, conscientious objection, a number of factors that go into that category, including misconduct. You cannot tease out that particular issue from the way they are capturing data now. We have asked about that and thought about sort of digging down deeper, but we could not get to it in terms of the scope of our review this go-around.

As far as idleness, we did see and have heard at various locations folks who are in an extended period of evaluation. As designed, on average, folks are in this process almost 40 days more than the legacy system. So finding constructive things for these folks to do rather than to go back to their rooms and play video games is certainly something that should be on the radar screen going forward.

Senator BURR. Mr. Chairman, my time has expired, we will have a second round, I take for granted——

Chairman AKAKA. Yes.

Senator BURR [continuing]. So then I am going to give you the first question, this simple question, and let you think about it between now and then but not answer it now. And it is simply this, in this further expansion—the plan is to expand overseas—if we have got servicemembers that are in the process of evaluation to transition from active duty to non-active duty to be integrated into the VA system, why would we keep them assigned overseas and not transferred back to the United States? Obviously, with the VA system, any services provided would be remotely because we do not plan to stand up VA facilities outside the country. I will ask you to think about that and then expand on it.

Thank you, Mr. Chairman.

Chairman AKAKA. Thank you very much, Senator Burr.

Senator Brown of Ohio?

STATEMENT OF HON. SHERROD BROWN, U.S. SENATOR FROM OHIO

Senator BROWN OF OHIO. Thank you very much, Mr. Chairman. Thank you for your leadership in spearheading the integration of disability evaluations. It is vital to ending this ongoing problem that affects so many of our Nation's veterans. Thank you to the panel.

Veterans too often have to navigate a complex Disability Evaluation System not once but twice to get the benefits they earned.

They should not have to do that. If the Disability Evaluation System—if it is a question of money, if that is the problem, we need to know that and we need to understand that better. If it is a question of staff, we need to know that. Everyone in this room, certainly, regardless of party, wants this program to succeed. That is why we are here today.

I would like to ask all three panel members a pretty simple question that affects my home State. Ohio is consistently, as you have heard me say and others say, at the bottom of the benefit ratings, and my question is, why is a bum knee in San Diego not the same as a bum knee in Cleveland? How are you addressing this issue to fix that discrepancy? Let us start with Mr. Campbell.

Mr. CAMPBELL. I am sorry. I did not understand the question.

Senator BROWN OF OHIO. Well, Ohio is consistently at the bottom in these benefit ratings. I guess it is more a VA than a DOD problem, so I'll ask one of the other witnesses to start. We have asked this question and we have not seen this fixed. We are continuing to find this disparity happening too often.

Mr. MEDVE. Senator, thanks for the question. I cannot speak specifically right now to Ohio, but on principle, there should be no difference. I mean, a rating is a rating; and we are working diligently to ensure that there is a standardized process of how those are evaluated in place.

Senator BROWN OF OHIO. Mr. Bertoni, any thoughts?

Mr. BERTONI. We have done limited reviews here. I guess I agree. Like impairments should receive like ratings and VA has some things in place from a quality assurance standpoint to look at that. I know they are doing what are known as inter-rater reliability studies, where they take one case, a similar case, give it to multiple examiners, and see how they come out in terms of the rating. Then they try to sort of delve into that to determine causes the discrepancy, and then conduct wider training across particular issues, like back pain, knee pain, mental impairments—I think those are the three big ones. They should be doing that. I cannot speak to the whys in Ohio, but I know there are efforts underway at VA to try to get at the inconsistency across locations.

Senator BROWN OF OHIO. GAO has seen this happening with VA for some time. I guess I am still not clear why this persists. Mr. Medve or Mr. Bertoni, why does it continue to exist? I mean, it does not seem difficult to make this standard throughout the VA.

Mr. MEDVE. Senator, I will have to take that for the record, go back and delve in to get you an answer, to understand why there is a difference between what constituents in Ohio are getting.

Senator BROWN OF OHIO. All right. Thanks, Mr. Chairman.

[The information requested during the hearing follows:]

RESPONSE TO REQUEST ARISING DURING THE HEARING BY HON. SHERROD BROWN TO JOHN MEDVE, EXECUTIVE DIRECTOR OF VA/DOD COLLABORATION SERVICE, OFFICE OF POLICY AND PLANNING, U.S. DEPARTMENT OF VETERANS AFFAIRS

Question. Ohio is consistently, as you've heard me say and others say, at the bottom of the benefit ratings. My question is, why is a bum knee in San Diego not the same as a bum knee in Cleveland? How are you addressing this issue to fix that discrepancy?

Response. Disability benefits are provided to Veterans according to the regulatory scheme embodied in 38 Code of Federal Regulations, Part 4-Schedule for Rating Disabilities (rating schedule). This rating schedule provides an organized and coherent

system for evaluating disabilities and for providing equitable and consistent compensation for service-connected injuries and diseases to our Nation's Veterans. The rating schedule is the basis for all rating decisions regardless of location.

VA contracted with the Institute for Defense Analyses (IDA) to study the variance in average payments among states and determine if a significant correlation to one or more variables could be indentified that contributes to the variance. IDA found that relative variability across states has existed at or near the current level over the past 35 years. IDA identified the major factors that individually contribute to the observed variation in average compensation, including the distribution of Veterans with ratings of 100 percent, the types of disabilities, county of residence, median family income, percent of the population with physical or mental disability, population density, representation by power of attorney, and period of service. According to IDA, application rates appear to also be a key driver for the percent of veterans receiving compensation. Much of the variation across states (over 40 percent) is associated with differences in the recipient populations. IDA found that the percent of compensation recipients in a particular area who are military retirees is also a major contributing factor.

It is important to understand that the average payments being compared cover all Veterans currently receiving disability compensation benefits, and the VA decisions that awarded these benefits have been made over a period of more than fifty years. The average payments for all recipients are therefore not necessarily reflective of the experience of veterans currently applying for disability compensation benefits. In order to assess differences in benefits currently being awarded to recently separated veterans, VA looks at average payments to veterans who are added to VA's disability compensation rolls during the year. It is significant to note that when comparing average payments to Veterans newly awarded compensation, the average amount awarded to Ohio Veterans in 2010 was 92 percent of the national average ($573.81 per month for Ohio vs. $624.69 per month for the Nation) and 40th overall.

To achieve greater consistency and accuracy in decisionmaking, it is critical that employees receive the essential guidance, materials, and tools to meet the ever-changing and increasingly complex demands of their responsibilities. VBA has established a comprehensive national training program that includes pre-requisite, centralized, and home-station training phases. The integration of a national training program has resulted in standardized training modules for all phases of claims processing. Additionally, VBA created training modules for recurring training for journey-level claim processors. This national training program allows VBA to increase both accuracy and production as employees continue to increase their individual knowledge and proficiency.

Chairman AKAKA. Senator Isakson?

Senator ISAKSON. Thank you, Mr. Chairman.

Mr. Campbell, I understand that of the first some 3,700 servicemembers evaluated in the DES pilot system, nearly 1,000 of them were returned to active duty and not determined to be disabled. That is 26 percent of all the evaluations. That just appears to me on the surface to say that we do not have a very good early evaluation system before they get to the determination system. Am I right or am I wrong?

Mr. CAMPBELL. I think that percentage is higher than one we track, but beyond that the fact is the effort is to try to return young men and women who can serve and want to continue to serve back to active duty; that is really an objective, an important objective. But in terms of the issue of whether it takes away from the resources for exams for other veterans, other servicemembers, we are monitoring that right now and trying to figure out how to best ensure that only those that should be examined are examined.

Senator ISAKSON. Was Fort Gordon in Augusta, GA, one of the test sites? Does anybody know?

Mr. MEDVE. I am not sure——

Senator ISAKSON. That is the Charlie Norwood VA——

Mr. MEDVE. No, sir, I do not think it was.

Senator ISAKSON. It was not? I was there with Under Secretary Duckworth from the VA just a month or so ago and have followed up over the last 3 years on their seamless transition for Wounded Warriors and they have focused at Fort Gordon and at the Charlie Norwood VA on early identification for soft tissue, PTSD, TBI type of injuries, and I would guess, it is just a guess, that of those that go for evaluation and then subsequently are returned, many of them end up being people who suffer from that type of a problem that end up being corrected. They have done some wonderful work at the Norwood VA and Fort Gordon, with early identification of PTSD and TBI. So I would encourage as you expand—I think you all said you were going to expand the test sites. Is that right?

Mr. CAMPBELL. Yes, sir.

Senator ISAKSON. I would encourage you, if they want to do it, to see if Fort Gordon and the Charlie Norwood VA in Augusta, GA, are not a part of that, because General Schoomaker started the seamless transition at that facility before he left to come to Walter Reed which has been very successful. There is a tremendous support center there.

Just one other question for Mr.—is it Medve?

Mr. MEDVE. Yes, Senator.

Senator ISAKSON. Is that close enough? I am Isakson and that is hard to pronounce.

Mr. MEDVE. Sir, I have lived with that through my entire life.

Senator ISAKSON. So have I. I understand that VA Service Coordinators who give services in terms of benefit advice to those entering the VA system and the overseas veterans who are getting ready to enter the system do that by long-distance teleconference. Is that correct?

Mr. MEDVE. That is my understanding, Senator.

Senator ISAKSON. The thing that worries me about that is the effectiveness of a teleconference versus a personal contact one-on-one so the veteran can really ask further questions. Do you have any input on the success or if there has been a "falling through the cracks problem" because of the use of teleconference versus personal interviews?

Mr. MEDVE. Sir, I personally do not know. I also know we do have essentially circuit riders overseas, as well, that also back that up.

Senator ISAKSON. Well, I have seen the value of those coordinators one-on-one, again, at the Norwood VA in Augusta, GA, I think circuit riders are an excellent solution to what otherwise could be a problem of a more impersonal evaluation being by long-distance videoconference rather than one-on-one.

Mr. MEDVE. And Senator, just to follow up, Fort Gordon is on the planning for Stage 2, which is January through March of next year when it is planned to go into the DES system.

Senator ISAKSON. Thank you very much. Thank you, Mr. Chairman.

Chairman AKAKA. Thank you very much, Senator Isakson.

Senator Johanns?

Senator JOHANNS. Thank you, Mr. Chairman.

Let me, if I might, ask maybe a couple nuts and bolts sorts of questions. How pervasive is the issue of a differing diagnosis be-

tween VA and DOD? How much are we running into that? I am not sure who is equipped to handle that, but jump in.

Mr. BERTONI. I can handle it from the standpoint of our audit. We do not know how pervasive it is and we—and VA and DOD do not know because they are not specifically tracking this at a macro level. We heard it enough, I believe in four of ten sites. We did meet with high-level officials in terms of the folks who are planning and implementing the pilot. There was an acknowledgement that there might be a structural issue here in terms of the two entities coming to terms on diagnoses. So it is an emerging issue, something that we have identified and we think they need to get their hands around. We will likely ask them to do that.

Senator JOHANNS. So what happens to the servicemember once that happens? You have got DOD out here saying X. You have got the Veterans Administration saying Y. Are they just caught in limbo?

Mr. BERTONI. The case sits. They have to wait for that to be resolved. If the Medical Evaluation Board physician and the VA examiner disagree, there is an issue there that has to be resolved. That can take time. Down the road, if you get discrepancy between the Physical Evaluation Board and the VA rating staff, that has to be resolved which takes time. Right now, there is no specific DOD-wide guidance as to how that is to be resolved.

Senator JOHANNS. That seems to be a significant problem to me. I do not know if this is 5 percent of the cases or 50 percent of the cases, and I guess nobody else knows that, either, but it seems to me if we do not solve that problem, then no matter what we do with systems, you are still going to have people out there waiting. And if there is no guidance, how does one even know which direction to go to solve the problem?

Mr. BERTONI. I have been doing this a long time, and the issue of developing the medical record is a thorny issue across all Federal disability programs. This is just something that really could be important—or detrimental to the program, depending on how large it is.

Senator JOHANNS. OK. Does either one of you want to weigh in on that?

Mr. MEDVE. Senator, I know it was part of the GAO report. As we are finalizing our response to it, we acknowledge the issue, and I think what we will put in place as part of our answer back to the GAO report will help address that. It really comes into play in many cases with issues of mental health and PTSD ratings as opposed to what may be on the service side a diagnosis of depression or anxiety or something like that, and that is where the largest—and those are complex cases. So Mr. Bertoni is right, and it is something that we acknowledge and we are going to work to fix.

Senator JOHANNS. OK.

Mr. CAMPBELL. Sir——

Senator JOHANNS. Go ahead. I am sorry.

Mr. CAMPBELL. I would like to add that we, as well, concur with Mr. Bertoni's recommendation and we are behind the study to assess the issue and see what can be done.

Senator JOHANNS. This leads me to another question. You have these recommendations. You are responding to them. Is there coordination in that response?

Mr. MEDVE. Yes, sir. When we review the report—because, I mean, obviously, I consider Mr. Campbell to be my battle buddy in this endeavor, and we at least look at each other's responses to make sure that we are both looking at the issues in the same way, and we are looking at the solutions in the same way.

Senator JOHANNS. OK. Let me go to another area. Again, I think, Mr. Bertoni, you are probably the guy I call on, and this will be a little bit inartful because I am trying to figure this out. It seems to me we can spend a lot of time and effort on the right system, et cetera, but then it always seems that there are locations that do better than others. Do you know what I am saying? Did you see that, and walk me through your sense of why that happens. Is that management? Tell me what you think about that.

Mr. BERTONI. I think you cannot downplay the importance of good management. I have seen across numerous programs folks who get it, understand what needs to happen, are good managers, put the pieces in play to make things happen. You can do a lot with that. There are folks who streamline or redesign processes that can lead to efficiencies. At some locations, it just comes down to volume. You have low-volume locations. You can work harder with a system that is not quite perfect and still get the work done. It is only when you start to pour more cases and servicemembers into the process that the bottlenecks start to reveal themselves.

So I think one thing is to really look at folks who have figured it out in terms of redesigned processes, which I think this whole effort, the pilot, is designed to do just that. There is an evaluation loop to identify problematic areas and the entities that are administering it should be looking to best practices, redesigned processes to make it better beyond—you can invest people and IT systems into this to the n-th degree, but it comes down to how you designed it, in many ways, and managed it.

Mr. MEDVE. Senator, absolutely, leadership is key and teamwork is a key in high-performing versus low-performing sites. One of the things that we have done is that as each of the iterations of the expansions role out, we host a conference, and we bring the site teams, both DOD and VA, here. As a matter of fact, there is one completing today here at Bethesda.

Part of that conference is we bring both representatives who are involved in the Fort Carson rollout and the Fort Riley rollout, because Carson represents a site that obviously had challenges, and they are working through them. Fort Riley was very proactive and did a superb job in organizing themselves. So we expose the oncoming teams to both of those sets of experiences.

Additionally, we have brought some Lean Six Sigma expertise, especially at Carson. We are sharing those lessons with those oncoming sites. I hope very soon to be able to deploy process teams to both the oncoming sites and also to the ones that are in existence now to do a deep dive into their processes for improvement.

But again, the number 1 lesson is if the team is not fully engaged, if the leadership is not engaged, then we are going to have challenges. I think it is even more of a challenge with some of the

smaller sites because the low volume—there may be a view that maybe we can just not have to focus so much there; but, in fact, that is where we end up having problems, so we are putting an effort there, as well.

Senator JOHANNS. OK. Thank you, Mr. Chairman.

Chairman AKAKA. Thank you very much, Senator Johanns.

Senator Brown of Massachusetts?

STATEMENT OF HON. SCOTT P. BROWN, U.S. SENATOR FROM MASSACHUSETTS

Senator BROWN OF MASSACHUSETTS. Thank you, Mr. Chairman.

It seems like several years now that the DOD and the Department of Veterans Affairs are kind of playing a blame game when it comes to the DES pilot program. Meanwhile, military members are trying to move on with their lives, and frankly, from what I have heard, the hurdles seem very high for them. They are waiting, hoping that doctors' appointments do not get canceled. Months and sometimes years go by.

As a result of that, I am a little uneasy with the declaration made by the DOD that plans to conduct a global rollout of this program by the end of next fiscal year is something that they are focused on actually doing. It seems like a decision of this magnitude, in my view, requires a better understanding of the measurable verified factual basis upon which the DOD has made the decision to launch a worldwide program. Because unless I am wrong, there seems to be a lack of personnel, really, and resources to do that.

So I guess with that being said, my question is, will this program require more medical exam doctors and nurses throughout the country and across the globe? Mr. Campbell?

Mr. CAMPBELL. Senator, I think it is better—the medical piece of it is probably better answered by Mr. Medve, but I think what we would like to say is that nothing will roll out unless we are convinced, both VA and DOD, that these sites are ready. We are certainly not going to put a site out there that will bring into question——

Senator BROWN OF MASSACHUSETTS. Well, at this point, do you have the appropriate amount of medical examination folks to do that or not?

Mr. MEDVE. Senator, we have had some areas where we have had staff shortages. We are addressing those now. We have added contract examination capabilities to give us some additional bandwidth in that area. So, yes, I am confident that from VA's standpoint, we are going to be ready as we roll out each one of these sites. And again, just to echo what Mr. Campbell said, it is criteria-based. If a site does not have its required capability, it is not going live.

Senator BROWN OF MASSACHUSETTS. Do you envision any—with all the private contracted medical examination folks, do you think they will readily agree to travel across the globe and to every military installation to serve in this capacity? Have you noticed any push-back at all?

Mr. MEDVE. Senator, I want to be clear. If you are talking about the overseas rollout aspect of it, if I am not mistaken, I believe

there is a plan that is due the 15th of December that will specifically address the overseas rollout of this, and so I will have to——

Senator BROWN OF MASSACHUSETTS. OK. How many psychiatrists or psychologists does the DOD need right now to accomplish this mission? Any thoughts on that? Do you have a number, or do we have the amount?

Mr. MEDVE. Senator, I do not in terms of what DOD needs for that.

Senator BROWN OF MASSACHUSETTS. OK. Maybe I have to refocus my question. But let me just follow up on something that Mr. Bertoni said. You mentioned idleness among the servicemembers that occurs while they wait. I know there was a little back and forth on it, and it is concerning. I am glad it was brought up. To what extent are we allowing nonprofits, NGO's, Fortune 500 companies, and corporate America into the installations to help these Wounded Warriors find a job while they are getting treated? Mr. Secretary?

Mr. CAMPBELL. Sure——

Senator BROWN OF MASSACHUSETTS. Is there any cooperation? Is there any foresight, while they are sitting around, to get some folks in there to help them find employment once they get out?

Mr. CAMPBELL. Well, we have our TAP program, which introduces these transitioning servicemembers to——

Senator BROWN OF MASSACHUSETTS. I know, but has there been anything outside the box a little bit to letting other folks in there, the actual job creators and hirers to get in there and help, as well? Is there any program or anything like that in place right now?

Mr. CAMPBELL. Senator, at the moment, no.

Senator BROWN OF MASSACHUSETTS. All right. Thank you, Mr. Chairman.

Chairman AKAKA. Thank you very much, Senator Brown.

Mr. Medve and Mr. Campbell, what will you do at the headquarters level if you get an indication from the field that a site is not ready to go?

Mr. MEDVE. Senator, thank you for the question. What we have done, actually, to date is when there have been issues raised, we have convened a conference call with all the players involved and made sure we understand what the specific issue is. If it is an issue that requires a solution from VA headquarters, then we will apply those resources to it. If it is one where we find out that there are just communications issues between the localities, then we have actually dispatched people to the local areas to work that out and to ensure that those problems get solved.

Chairman AKAKA. Mr. Campbell?

Mr. CAMPBELL. I would just agree with that. There is really nothing more to add. Those issues come very quickly to our attention because everybody has got my e-mail address. So when there is a problem, I hear about it or Secretary Stanley does and we act on it immediately, working with the VA to try to come up with a solution.

Chairman AKAKA. Mr. Campbell, I am following up on Senator Isakson's question. I know that DOD is working to tighten eligibility for IDES to reduce return-to-duty rates.

Mr. CAMPBELL. Mm-hmm.

Chairman AKAKA. Will DOD be finished with fixing its policies before the next set of installations are operational? And Mr. Bertoni, do you know why there are questions as to what the actual return-to-duty rate is? I also believe that it is about 26 percent. But let me call on Mr. Campbell for his response.

Mr. CAMPBELL. Thank you for the question, Senator. We do believe that we will have a better sense before the next group of installations go public, if you will, as to the retention percentage. We are working with the Departments right now to see what issues there are and how we can close that or reduce that percentage.

Chairman AKAKA. Mr. Bertoni?

Mr. BERTONI. Sure. Let me just piggyback off that question. I do believe the referral system is critical to ensuring that only folks who should be in the IDES system are in the IDES system. Screening and profiling is done across other Federal programs. I think it is a way to more precisely assess who is a good candidate or should be in the process than to divert resources from being spent on them. The services have to go through this process for someone who might ultimately be returned to duty.

In terms of the return-to-duty rate, we are not clear how they arrived at the 16 percent figure. They may be including folks who have dropped or did not complete their case. It has to be some larger population fit into the overall figure.

We went to cases that were completed since inception of the program. It is intuitive to us to look at folks who came in, went through the gauntlet of various medical exams, and at the end of the day got a "fit" or "unfit" decision. When we calculate those numbers, the most recent weekly report came to about 26 percent.

Chairman AKAKA. Mr. Medve, as I mentioned during my opening statement, I am concerned that VA is already stressed as a result of ongoing conflicts, an aging veteran population, and the new Agent Orange presumptions. These pressures may adversely impact those veterans currently going through the VA claims process. What is the Department doing to mitigate this concern?

Mr. MEDVE. Senator, first of all, we need to make sure we all understand that regarding the IDES cases, the VA would see them anyway. It is a question of when we would see them. So it is not an added burden. It is one that we have already got that we know is coming to us. We are just shifting it a little to the left from when we do that.

You know, we have some areas that have backlogs for C&P exams. We have brought on additional exam capabilities to help eliminate those backlogs, as well. So I think we are taking a broad-front approach to solving those problems and we will work over the next year to eliminate them.

Chairman AKAKA. Thank you very much.

Senator Burr?

Senator BURR. Mr. Campbell, would you like to take a stab at the overseas question I asked?

Mr. CAMPBELL. Yes, sir. We are actually working with the VA and the military departments to decide about the best way to implement that kind of a strategy. I know myself—I was in Ramstein 2 weeks ago and heard exactly the same question that you posed, the question about people in the Wounded Warrior Units; is there

a way that they could be moved back to the States to be—because finding a job in Germany is not very easy for them, clearly. It is on my list of things to do and I would like to get back to you with——

Senator BURR. I would appreciate it. And I hope you understand the concern that I am expressing. When you look at this from a common sense standpoint and we hear you are going to roll out globally——

Mr. CAMPBELL. Yes, sir.

Senator BURR [continuing]. And there is something as obvious as this—you cannot call it an integrated program if DOD is the only one there.

Mr. CAMPBELL. Right.

[The information requested during the hearing follows:]

RESPONSE TO REQUEST ARISING DURING THE HEARING BY HON. RICHARD BURR TO JOHN R. CAMPBELL, DEPUTY UNDER SECRETARY, OFFICE OF WOUNDED WARRIOR CARE AND TRANSITION POLICY, U.S. DEPARTMENT OF DEFENSE

Response. Currently, the Assistant Secretary of Defense for Health Affairs, together with the my office (Wounded Warrior Care and Transition Policy), other DOD offices, each of Military Service Departments and the VA are collaborating to determine the best avenue to cover our Wounded Ill and injured Servicemembers serving overseas. The initial discussion has centered on re-assigning referred Servicemembers back to the Continental United States (CONUS) for their medical exam and IDES processing. This may have a secondary positive effect for those who are medically separated and retired. Their final transition will be closer to home and easier for them to navigate. The details are being finalized now and DOD and VA we will share the final plans with the oversight committees before implementation.

Senator BURR. VA, at best, would be a partner through teleconferencing or telecommunicating in some fashion, but——

Mr. CAMPBELL. I will say that there are VA representatives in Germany. I know that. I met them.

Senator BURR. I would love to know how extensive the VA presence is abroad given the challenges we have at home.

Mr. MEDVE. Well, Senator, as I said before, we have circuit riders over there that go around to the different bases to give our portion of the TAP briefings and all that. In terms of medical—which I think is what you are really getting at—yes, we do not have that over there. As DOD finalizes its plan that will come out next month, we are working with them on that to ensure that there is a solid way forward so that the medical examinations, if they are done overseas, meet the template standards that we have for C&P exams.

Senator BURR. Let me ask on behalf of the Committee that before any decision is finalized, that you mya at least share with the Committee what the intent of that overseas program would be. It might save a lot of heartache.

Mr. MEDVE. Yes, sir, we will.

Senator BURR. Mr. Campbell, in your testimony, which I think Mr. Medve also highlighted, you have referred to Fort Riley in your testimony as a model for other sites to follow because of its screening process, screening people that should not be in the integrated system. How many people have been enrolled in the IDES process at Fort Riley to date, do you know?

[Pause.]

Mr. BERTONI. Sir, I can take that.

Senator BURR. Oh, OK.

Mr. BERTONI. Approximately 200.

Mr. CAMPBELL. Thank you, Dan.

Senator BURR. Of those, how many individuals have found resolution to their evaluation?

Mr. BERTONI. Only three cases—I am sorry—194 cases at Riley right now, and as of a month ago, there was only one that had completed.

Senator BURR. OK. I would sort of ask both DOD and VA, from a standpoint of highlighting the success of Riley, are we highlighting just the pre-screening or are we highlighting the success of the overall program at Riley?

Mr. BERTONI. From our position, we are highlighting the fact that the leadership was engaged up front. They came up with a plan of how to approach implementing IDES. They have got a good track record in terms of how they are moving forward, so we use them as an example for other sites of how you get started at the beginning of your planning and pull everybody together to work toward implementation.

Senator BURR. Am I naive to believe that part of our assessment should be how many people complete the process in the agreed-upon timeline?

Mr. MEDVE. No, sir, you are not.

Senator BURR. At what point does that come into determining the success or failure of a particular site or a particular process?

Mr. MEDVE. We should consistently be looking at that and figuring out what the issue is with output.

Senator BURR. Let me stop and say that you have no bigger cheerleader than me for the success of this program. But I think it is absolutely incumbent on those of us here to ask the obvious questions to make sure that we have gone through the thought process, especially as we consider beginning to roll this program out to additional sites while we currently have it contained in a number of locations that is somewhat manageable to begin to address the challenges.

I will not ask this in a question, I will make it in a statement. I would hope before we roll out to one more site that we have successfully addressed the challenges, the legitimate challenges that have been raised and at least have a plan as to how to resolve those versus a wish, a hope, and a dream that as we roll this out, these will either get better or we will find a solution. Roll it out nationally, have the same number of challenges, have models that we look at that have one entity or five entities out of several hundred that have crossed the goal line and our model is—or our matrix of success was, well, everybody bought into the program but nobody is going out the other end, we are going to have a screwed up mess on our hands. So my hope is that we will all get the same goal in sight and the same tools of measurement.

Mr. Campbell, DOD set a goal of 20 servicemembers per case manager or PEBLO, I guess?

Mr. CAMPBELL. Yes, sir.

Senator BURR. What is PEBLO? Is that——

Mr. CAMPBELL. It is Physical Evaluation Board Liaison Officer.

Senator BURR. I am just going to use case manager. It is easier. At Fort Bragg and Camp Lejeune in my home State, they had 85 servicemembers for each case manager. What factors led to that heavy caseload?

Mr. CAMPBELL. I know they exist. I do not know if I know the reasons——

Senator BURR. Can you give me a timeline as to when there will be enough staff to bring those numbers in line with the goal of 20?

Mr. CAMPBELL. We are working on the problem. I know we are putting some dollars toward that problem, working with the Departments themselves. But I do not know if I can give you a specific date when that caseload issue, when we will get that back down to——

Senator BURR. Share with us in writing what the expectations are——

Mr. CAMPBELL. Yes, sir.

Senator BURR [continuing]. For resolution of that problem. And would you take the opportunity to share with us the methodology you used to come up with 20 per caseworker figure so that we can understand better——

Mr. CAMPBELL. Sure.

Senator BURR [continuing]. Is that the right number? We are deeply into a disability problem in this country which we have thrown money at for, I think, a decade. I think the Chair would agree with me. And with the last expansion of personnel—I think 1,900-plus individuals were brought in to process claims—the one net result we had was the productivity per claims processor went down. So I am somewhat skeptical to just adding bodies or throwing money at a problem, believing that that problem is going to get resolved or go away.

Mr. CAMPBELL. Yes, sir.

[The information requested during the hearing follows:]

RESPONSE TO REQUEST ARISING DURING THE HEARING BY HON. RICHARD BURR TO JOHN R. CAMPBELL, DEPUTY UNDER SECRETARY, OFFICE OF WOUNDED WARRIOR CARE AND TRANSITION POLICY, U.S. DEPARTMENT OF DEFENSE

Response. The most recent data provided by the Service Secretaries indicates that Fort Bragg is hiring three new PEBLO's (Physical Evaluation Board Liaison Officer's) by 31 December 2010 and Camp Lejeune is hiring one GS–12 Supervisor, two additional PEBLOs and one Administrative Support staff by 31 January 2011. The Military Departments indicate that these hiring actions will bring them to the DOD required 1:20 PEBLO to case ratio standard.

Regarding methodology, an exact ratio for optimal efficiency is difficult to identify, as the ratio varies depending on many factors. These factors can include, but are not limited to, the type of population the PEBLO is supporting (types of injuries/illness); the availability of local healthcare resources and additional support staffing (for example, administrative help to copy records); the burden of other managerial requirements (multiple data entry, training); and the use of decision and management support tools (automation tools, duplicative data entry). Clinical caseload recommendations have varied from 1:15 to 1:50. Currently, the Office of the Under Secretary of Defense for Personnel and Readiness is looking at evidence-based methods to either verify or update the current policy requirement.

Senator BURR. Mr. Chairman, I would ask unanimous consent to be able to take my further questions and ask them in writing because there may be a level of detail there that I would rather our witnesses have the time to research and provide responses for us.

But I do want to turn to Mr. Bertoni just for 1 second, off of this subject and onto the legacy VA disability process. I think you are one of the experts at our system. You referred earlier to the difficulty at completing the medical records needed to make evaluations, in other words, incomplete applications that come in. A complete application is one that has all of the information, including the medical records that are needed to make a determination.

If we worked with the VA and created a new program, a program that said to veterans and to whoever helps that veteran fill out that application, you send us a complete application and we will process your claim in X-number of days—30 days, 45 days, 90 days, whatever it is—but setting the goal for that servicemember, that VSO, that service officer to be: do not send it until you have got all the information for qualification of this program. Would that be a game changer?

Mr. BERTONI. I do not know. Overall, I do know there is a small pilot program, I believe, at VA where it is—I cannot recall the acronym or the name—where they do just that. They get the servicemember to agree to submit everything timely within a specific window and they, in effect, will go sort of to the front of the line. If you fail to do that or you fail along the line, then you go back into the regular queue. We have talked about that as a potential best practice or a way to triage cases, but I do not know how that is playing out in terms of success.

Senator BURR. We will follow-up on that. It is my hope that we will begin to think of something different, and I think you hit on the key. It starts with having an application, that when it comes through the door is as complete as it possibly can be so that you do not have to go through these timelines of reaching out and trying to access the information needed to make——

Mr. BERTONI. Absolutely. And looking sort of at the individual stops along the way on this process, that is where the Medical Evaluation Board physician, that is where the Physical Evaluation Board Liaison and others need to be in play to help develop that case, to build that case. As you said, ratios do not look great in terms of representatives to servicemembers. The ratios are pretty bad in some respects, and in each one of those, those quick stops along the way, I do not think any of the averages are being met right now in terms of the goals for the program.

Senator BURR. Once again, let me thank the three of you for your expertise, your commitment to make these programs successful and to evaluate them. I thank the Chair for his willingness to hold this hearing and I look forward to the next opportunity to get an update. Thank you, Mr. Chairman.

Chairman AKAKA. Senator Burr, you made a unanimous consent request and that is still——

Senator BURR. That I may have the opportunity to ask questions in writing.

Chairman AKAKA. Well, without objection.

Senator BURR. I heard you say, "So approved."

[Laughter.]

Chairman AKAKA. Thank you very much, Senator Burr.

Mr. Campbell and Mr. Medve, during oversight visits of individual sites, Committee staff noted some concern—and this has to

do with funding—that funding was being taken from existing budgets. Will you please explain how the expanded program is being funded?

Mr. MEDVE. Sir, for the VA, it is being funded through our normal process. I mean, as I understand it, it is part of VBA and VHA and VA's budget.

Chairman AKAKA. Mr. Campbell?

Mr. CAMPBELL. My understanding is the same, Senator.

Chairman AKAKA. Thank you. Mr. Campbell and then Mr. Medve, the concern as expressed here by other Members, as well, has been a concern about implementation. Some believe that the current timeline for rolling out the program worldwide is a bit aggressive given the challenges that have already been identified. What would you say to these critics who question that?

Mr. MEDVE. Senator, first, what I would say is, yes, we have a timeline and a way forward. But that is bounded by our criteria-based assessment. So even though we have a quarterly rollout goal, I think both Mr. Campbell and I have said before, we are making it clear to the sites that they do not go forward until everything in that site assessment certification meets the standard.

Chairman AKAKA. Your comment, Mr. Campbell?

Mr. CAMPBELL. Basically the same thing, Senator—that it is criterion-based and it is not timeline sensitive in that regard.

Chairman AKAKA. In closing, I again thank all of our witnesses for participating today. My hope is that we can move forward from today's hearing with a better understanding of how the current process is working and what improvements need to be made as DOD and VA expand IDES. We are looking forward to that and thank you again for your responses. It has been helpful to us.

This hearing is adjourned.

[Whereupon, at 11:27 a.m., the Committee was adjourned.]

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