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DEFINED EXPECTATIONS: EVALUATING VA'S PERFORMANCE IN THE SERVICEMEMBER TRANSITION PROCESS

HEARING

BEFORE THE

SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS

OF THE

COMMITTEE ON VETERANS' AFFAIRS U.S. HOUSE OF REPRESENTATIVES

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DEFINED EXPECTATIONS: EVALUATING VA'S PERFORMANCE IN THE SERVICEMEMBER TRANSITION PROCESS

Thursday, May 29, 2014

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS
Washington, D.C.

The subcommittee met, pursuant to notice, at 2:35 p.m., in Room 334, Cannon House Office Building, Hon. Jon Runyan [chairman of the subcommittee] presiding.

Present: Representatives Runyan, Bilirakis, Cook, Jolly Titus, and O'Rourke.

Also Present: Representative Miller.

OPENING STATEMENT OF CHAIRMAN JON RUNYAN

Mr. RUNYAN. Good afternoon and welcome, everyone. The oversight hearing of the Subcommittee on Disability Assistance and Memorial Affairs will now come to order.

Today's hearing will focus upon VA's role in the transition from servicemember to veteran with a particular focus on the Integrated Disability Evaluation System commonly known as IDES, as well as the Benefits Delivery at Discharge and Quick Start programs.

We will seek information on VA resources and production as well as timeliness and quality of VA's components in the process.

Further, I would like to hear today about the quality of communication both within transitioning members as well as between the Department of Defense and the Department of Veterans Affairs in this process.

First to address IDES, while I understand that time lines are improving, we want to start off by making it clear that while this continuing improvement matters, I am frequently contacted by servicemembers who are frustrated with the process. They do not know how long it is going to take, when they will get answers, and they do not know when they can make plans for their future.

I understand that the DoD reports quite high satisfaction from servicemembers undergoing IDES, but it does not reflect the stories that have recently been shared with me.

I have also gotten the sense that the IDES process may not be a top priority to VA because VA has chosen to place what seems to be a fairly exclusive focus on eliminating the backlog of claims to the detriment of these transitioning servicemembers.

So let's begin the understanding that if this belief exists at VA, it is not okay. These transitioning servicemembers have served in recent years during a decade plus of wars in Iraq and Afghanistan and with multiple deployments and many with service-connected injuries that prevent their continued military service.

Here I have correspondence from the past couple of months received from soldiers who are awaiting the start of their post military lives.

One soldier frustrated with his inability to plan for the future wrote, and I quote, "It has been four years since I have shared a Christmas with my family. It would mean the world if I could finally spend Christmas with them this year. I have gone through the MEB board processes and am currently awaiting ratings," end quote.

Another reads, quote, "I have been awaiting my rating for a long time now. I have also been trying to contact my VA reps and the only way I can talk to them is if I go down to their office. I call and call and leave messages and emails but never get anything back unless I am in their office. This entire waiting game has been putting a very big strain on my family and I have been trying to convince my family that it is going to come any day now. Well, it hasn't and now my wife wants to get a divorce. I do not know what I would do without my two daughters and my wife. If there is anything you can do to help me out or get me some information, that would be great," end quote.

And another infantryman wrote, quote, "I am losing my mind trying to find out why it is taking my rating so long to come back from the VA. I honestly wouldn't reach out if it weren't very important, but I have been under so much stress lately that my blood pressure has shot through the roof. My whole MEB board process has been putting me through hell more so than my trip to Afghanistan in 2009. If there is anything you could do to assist me in figuring out what is taking the VA so long to rate me and possibly expedite the process, I would forever be grateful," end quote.

These pleas are for assistance and disgusting, and we must do better.

Today's hearing is entitled Defined Expectations: Evaluating the VA's Performance in Servicemember Transition Process. And if nothing else, I want that to be the takeaway, defined expectations.

These men and women have served honorably during a very difficult time in the military. At the very least, they deserve an open line of communication and deserve reasonable, defined expectations as their time lines, their futures, their transition to the civilian world, more must be done to define expectations.

In addition to the IDES updates at the forefront of today's hearing, we will also seek information on the process including the uses of brokering as well as time lines and accuracy of the Benefits to Delivery at Discharge and Quick Start programs. We will hear about the VA's anticipated new pre-discharge program which may consolidate the existing BDD and Quick Start programs.

I look forward to hearing from today's witnesses. And with that, I will begin introductions.

Seated at the witness table, we have all members from the first panel. From the Department of Defense, we have Ms. Nancy

Weaver, deputy assistant secretary of Defense, Warrior Care Policy, who is accompanied by Mr. Dave Bowen, Director of Health Information Technology, Defense Health Agency.

And from the Department of Veterans Affairs, we have Ms. Diana Rubens, deputy under secretary for Field Operations with the Veterans Benefits Administration, who is accompanied by Mr. Thomas Murphy, Director of Compensation Services.

Upon conclusion of the first panel, we will see two subsequent panels which include for panel two Ms. Linda Halliday, the assistant inspector general for Audits and Evaluations for the Office of Inspector General, U.S. Department of Veterans Affairs, accompanied by Ms. Nora Stokes, director of the Bay Pines Benefits Inspection Division, and Mr. Ramon Figueroa, project manager with the Bay Pines Benefits Inspection Division.

Panel three will consist of Mr. Eric Jenkins who is here in representation of the American Federation of Government Employees, AFL–CIO, and the AFGE National VA Council.

Ms. Debra Gipson is here today and is an individual member and she will be introduced shortly by Congressman O'Rourke.

Mr. Gerardo Avila, national MEB/PEB representative with The American Legion; and Mr. Paul Varela, assistant national legislative director with Disabled American Veterans; and Mr. Brendon Gehrke, senior legislative associate with the Veterans of Foreign Wars of the United States.

One final point, all of the named witnesses are present. I must advise that pursuant to Title 18, United States Code Section 1001 known as the False Statement Act, this is a crime to knowingly give false statements in federal jurisdiction including a congressional hearing.

With that acknowledgment, I thank you all for being with us today.

I now yield to the ranking member, Ms. Titus, for her opening statement.

OPENING STATEMENT OF DINA TITUS, RANKING MINORITY MEMBER

Ms. TITUS. Thank you, Mr. Chairman. Thank you for holding this hearing today.

Thank all of you for coming to provide us with some needed information.

As you heard the chairman describe today, we are going to look into the performance of programs that VA and DoD utilize for determining fit for duty status for ill or injured servicemembers, as well as programs that are designed to expedite the adjudication of claims submitted by separating servicemembers.

Particularly we are going to focus on the Integrated Disability Evaluation System, IDES, the Benefits Delivery at Discharge program, BDD, and the Quick Start program. All of these programs have now been up and running for a number of years.

IDES was initiated in 2007 as a follow-up to the poor conditions and fragmented care that were exposed at Walter Reed Army Hospital.

BDD was launched back in 1995 as a pilot program and then became fully operational in 1998. The intent of BDD was to assist

disabled servicemembers in making a seamless and successful transition to civilian life by allowing them to get their claims completed as early as possible while they have all their medical information readily available.

Quick Start was launched in 2008 and it is similar in nature to BDD. And it was established to provide an expedited disabilities benefit process to servicemembers who are going to be discharged within 59 days.

Now, despite having long been established and having enough time to get over growing pains and any other problems in the early stages, all of these programs continue to face challenges, are performing far below expectations.

The one similarity that they seem to have is that they suffer from a continued poor performance in the adjudication of the claims in each of the three programs.

Of particular interest to me is the number of claims under the BDD and Quick Start that has dropped off. There are many fewer claims now than there used to be and I am concerned that the reason for that is that servicemembers are choosing to bypass these programs that are designed to provide an expedited system over concerns that participation actually delays the process of receiving benefits.

In fact, Quick Start has been known to be called Quick Start and slow finish as a result of that.

So we have had highlighted for us by the VA's OIG about eliminating the benefits backlog has kind of shifted priorities and come at the expense of other benefits and claims such as IDES and Quick Start which have been moved to the back burner, and that is unfortunate.

You heard the chairman read some of the emails that we have been receiving. They all generally have the same ask. I am in the army. I am waiting for a decision. My family and I need to get on with our lives.

Our staff has witnessed firsthand the poor culture that is often present at these IDES stations and wounded warrior battalions.

I want to thank Ms. Gipson, who is an army veteran, who recently went through the process and came to be with us today to talk about some of the negative culture that is in these program and how we might address it.

It is just a concern that these programs that are supposed to be so helpful really end up being harmful because they hold our servicemembers' lives in bureaucratic limbo.

An army reservist who enters IDES today won't complete the program until August 17th, 2015. A hundred and eighty-one days of this 443 day period will be spent waiting for a VA rater to pick up the claim and provide him or her with a rating. Just to get a rating it takes that long.

So as our servicemembers wait for a rating decision, they are forced to delay critical aspects of their transition. They and their spouses are hesitant to relocate, to buy a home, to enter a school program, to find a new job because they just don't know what is going to happen to them.

Now, we know that servicemembers face obstacles when they are transitioning out of the Armed Services. That is already difficult

enough. The VA should be an asset, not a hindrance to that process.

So I think we need to take a hard look at the resources that we are dedicating to these programs and figure out how we can meet their goals today and not tomorrow. So we need to take a fresh look at these programs.

We with the staff recently looked at this and found that 95 percent of servicemembers who enter the IDES program are found not to be fit to serve because of an illness or an injury, so they know they are going to be discharged, 95 percent.

If we know that many are not going to go back into the service but are going to be discharged, shouldn't we be taking a different approach offering them some flexibility, some options while they are making that transition?

So I hope that those are the kind of things that we will look at today in this hearing and see if we can't re-prioritize and shift some of our emphasis on being flexible and making this work as opposed to just having families sit around waiting for the rating.

Thank you. I yield back.

[THE PREPARED STATEMENT OF HON. DINA TITUS APPEARS IN THE APPENDIX]

Mr. RUNYAN. Thank the gentle lady.

With that, I will recognize the chairman of the full committee, Mr. Miller, for a statement.

OPENING STATEMENT OF HON. JEFF MILLER

Mr. MILLER. Thank you very much, Mr. Chairman. I appreciate the indulgence. I want to make a few remarks on the servicemember transition process, particularly in regards to IDES.

Currently the time line of IDES induction to receipt of benefits is targeted not to exceed 295 days, but recent DoD and VA reports place the average time line at over 350 days. That is an average, but that average means that there are many servicemembers that take much longer to complete.

In an effort to address IDES inefficiencies, I recently introduced an amendment to the fiscal year 2015 National Defense Authorization Act that would do the following:

First, it would require the use of a standardized form set which would be approved by both the secretaries of DoD and VA as was envisioned by the Dole-Shalala commissioners' recommendations.

Second, it would collocate certain DoD and VA personnel to allow for great interdepartmental collaboration and to reduce delays in transfers of information.

Third, it would compel the usage of a bridging software solution between DoD's MY IDES and VA's ebenefits dashboards to allow servicemembers greater transparency as to where they are in the process at the current time.

Finally, the amendment would establish a working group comprised of various personnel of DoD and VA as well as private industry leaders to reevaluate the program itself.

The working group would then make recommendations on how to better serve those who are going through this process as well as how to better utilize the resources that are allocated.

I do want to take a moment to emphasize that the goals of my IDES amendment are twofold. First, increased transparency to the servicemembers and increased accountability for the respective departments.

So I think everybody in this room is already aware the issues of transparency and accountability are of utmost importance, particularly as we continue to investigate the ongoing delays in accessing care at the VA healthcare facilities across this great Nation.

Since the transition process, whether through IDES, BDD, Quick Start, or the traditional claims process, is a servicemember's first exposure to the VA system, and we want to ensure that it is a positive experience for all who use it and those that it was designed to serve, those very people that have served our country.

Mr. Chairman and to Members of the committee, thank you for your indulgence and I yield back my time.

Mr. RUNYAN. Thank the gentleman.

And now I want to recognize Mr. O'Rourke. I believe he has a statement, opening statement.

Mr. O'ROURKE. Thank you, Mr. Chairman.

I just wanted to actually introduce someone who is going to be on one of the later panels, Debra Gipson. I am sad to say, Mr. Chairman, a former constituent of mine, she just moved out of El Paso in March of this year. We are going to miss her. But prior to that, she was stationed at Fort Bliss, a former captain in the U.S. Army.

And during her time as a commissioned officer, she served as the executive officer for the Warrior Transition Unit, Bravo Company at Fort Bliss, Texas. She was medically separated from service through the Integrated Disability Evaluation System or IDES.

And she is here today again in a later panel to deliver a statement about her experience with IDES and offer recommendations to improve the system.

And so, Mr. Chairman, I just wanted to be here to welcome her and introduce her to the rest of this committee.

With that, I yield back.

Mr. RUNYAN. Thank you.

And I don't believe any other Members have a statement. So at this time, I welcome our first panel. And your complete and written statements will be entered into the hearing record.

And, Ms. Weaver, you are now recognized for five minutes.

STATEMENTS OF NANCY E. WEAVER, DEPUTY ASSISTANT SECRETARY OF DEFENSE, WARRIOR CARE POLICY, DEPARTMENT OF DEFENSE, ACCOMPANIED BY DAVE BOWEN, DIRECTOR OF HEALTH INFORMATION TECHNOLOGY, DEFENSE HEALTH AGENCY, DEPARTMENT OF DEFENSE; DIANA RUBENS, DEPUTY UNDER SECRETARY FOR FIELD OPERATIONS, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS, ACCOMPANIED BY THOMAS MURPHY, DIRECTOR OF COMPENSATION SERVICE, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS

STATEMENT OF NANCY E. WEAVER

Ms. WEAVER. Thank you.

Chairman Runyan, Ranking Member Titus, and distinguished Members of the subcommittee, thank you for the opportunity to appear before you today to discuss the Integrated Disability Evaluation System, also known as IDES.

Since 2007, the Departments of Defense and Veterans Affairs have collaborated to create an integrated and transparent disability evaluation system for servicemembers who have illnesses or injuries that may impede their ability to perform their military duties.

Today IDES accounts for about 97 percent of all DoD disability evaluation cases. In IDES, servicemembers receive a set of disability examinations conducted according to VA protocols and disability ratings prepared by VA.

Military departments determine fitness for duty and only compensate servicemembers for conditions that compromise their ability to perform their military duties. VA compensates for all conditions incurred or aggravated during military service.

The advantages of IDES compared to Legacy systems include the elimination of duplicate medical exams, consistency between DoD and VA disability ratings, and reduce wait times for VA disability benefits since rating determinations are completed prior to servicemembers' separation. These advantages have contributed to improved servicemember satisfaction within the IDES process.

We are continuing to implement process enhancements such as improved policy, increased staffing levels, and new training requirements for caseworkers. These and other improvements have enabled us to achieve and remain below our IDES core processing goal of 105 days for the past several months.

Information technology can also help us gain more efficiency within the IDES process. That is why we are working to develop a system that will support end-to-end case management, tracking, reporting, and a bidirectional electronic case file transfer.

We will continue to work with VA to ensure system interface requirements are identified early. The Department of Defense is working diligently to support an integrated disability system that ensures servicemembers receive timely and transparent compensation for injuries or illnesses incurred by the line of duty today, tomorrow, and in the future.

Thank you, and we look forward to your questions.

[The prepared statement of Nancy E. Weaver appears in the Appendix]

Mr. RUNYAN. Thank you, Ms. Weaver.

And now next we will hear from Ms. Rubens. Ms. Rubens, you are now recognized for five minutes.

STATEMENT OF DIANA RUBENS

Ms. RUBENS. Good afternoon, Chairman Runyan, Ranking Member Titus, Members of the subcommittee.

My testimony today will focus on the status of the Integrated Disability Evaluation System or IDES, Benefits Delivery at Discharge, BDD, and the Quick Start programs.

With respect to IDES, VA and DoD's joint efforts over the past six years have resulted in changes and improvements in our disability evaluation system. Together the departments have created an integrated process for servicemembers who are being medically retired or separated.

This joint process was designed to eliminate the duplicative, time-consuming elements of the separating disability determination processes within VA and DoD.

The goals of our integration were to provide a seamless transition of benefits and healthcare for separating servicemembers through IDES. As a result of our collaborative efforts, we have worked to achieve these goals.

Currently there are approximately 29,000 servicemembers. For the four combined core steps, VA average processing time in April 2014 was 183 days, the lowest core time since April of 2013. Our target for those combined core steps is 100 days of that 295 day combined VA/DoD target.

In an effort to continue to improve, we created a plan to improve IDES timeliness that involved a phased approach. The first phase of that plan was to meet benefit notification timeliness standards by March of 2014 which we have done.

This portion of the IDES process is focused on ensuring servicemembers who are transitioning into the civilian world as veterans receive timely benefits to which they are entitled.

The second phase of the plan is to meet the timeliness standards for the proposed ratings by October of 2014. We are on track to meet that goal and will do.

Our continued partnership with DoD is critical. VA and DoD are committed to supporting our Nation's wounded, ill, and injured servicemembers through the IDES process.

The BDD and Quick Start programs are important elements of VBA's strategy to provide transitional assistance to separating or retiring servicemembers and engage those servicemembers in the disability claims process prior to discharge.

VBA's goal is to ensure that each servicemember separating from active duty who wishes to file a claim with VA for service-connected disability benefits will receive assistance to do so.

Participation in the BDD program is available to servicemembers who are within 60–180–days of being released from active duty and are able to report for a VA exam prior to discharge.

Quick Start made pre-discharge claim processing available to 100 percent of transitioning servicemembers including those who are within 59 days of separation.

Like many of our regular non-pre-discharge claims work, VBA has made tremendous progress in the past 12 to 15 months, but we recognize we have work left to do.

As of April of 2014, the average days pending for our Quick Start claims is 98.3 days, an improvement of 137 days since May of 2012. As of April of 2014, the average days pending for our BDD claims is 136 days, an improvement of 55 days since April of 2013.

Claims accuracy is a key element of VBA's transformation plan overall, and we continue to improve in that arena as well, but currently it is not measured specifically for our BDD or Quick Start claims process at the three rating activity sites.

Instead, the accuracy is measured for each regional office as a whole including the BDD and Quick Start claims that we are processing.

As of April of 2014, our three regional offices processing BDD and Quick Start claims and their rating activities have three-month, issued-based quality between 96 and 98 percent.

VBA is now working to redesign the pre-discharge claim process by building on lessons through the execution of our BDD and Quick Start programs. The new pre-discharge program will consolidate and replace the existing BDD and Quick Start programs.

We will be leveraging functionality now available in our Veterans Benefits Management System and in our ebenefits system to add convenience to both the application process and efficiency throughout the claims process.

VBA is committed to supporting our Nation's servicemembers through improvements in our pre-discharge programs. We believe that the continued enhancements are critical to program success, nothing less than our servicemembers and future veterans deserve.

That concludes my statement. I am happy to answer any questions you might have.

[THE PREPARED STATEMENT OF DIANA RUBENS APPEARS IN THE APPENDIX]

Mr. RUNYAN. Thank you, Ms. Rubens.

And I will begin a round of questioning alternating between Members at their arrival times. My first is for both the VA and the DoD.

Ms. Weaver, you indicated throughout the process that DoD and VA caseworkers keep servicemembers informed of progress in their cases. While this streamlined communication may exist in isolated cases, we know from speaking to large groups and several examples in my opening statement that for servicemembers at numerous installations, this communication is simply not occurring as a matter of routine.

How is this communication going to prove, and I would like both perspectives from both you at the DoD, Ms. Weaver, and Ms. Rubens at the VA?

Ms. WEAVER. Thank you, sir.

We have recently increased our manpower in the PEBLOs, and we find that we have also improved the training. We have minimal

training standards and required training for each of the PEBLOs, providing them more information.

As far as keeping the individual aware at the beginning of the process, each member who is enrolled or referred to IDES is given a caseworker or a PEBLO. That individual interacts with the servicemember throughout all phases.

At the beginning of the process, the member is told approximately how long the process would take and is updated as they move from phase to phase and keeps them aware of what they need to do. And they are encouraged to keep their family members updated or bring them in so that they are aware of what is going on through the process also.

Mr. RUNYAN. Ms. Rubens.

Ms. RUBENS. Our military services coordinators are located at the intake sites along with the DoD PEBLOs in an effort to ensure not only referred conditions that DoD is referring to the MEB/PEB process, but any claimed conditions that veteran wants to claim, our military services coordinators are there to help walk them through that application process and understand the process.

They are also there, frankly, to serve, if you will, as a touch point or a reach back to our rating activity sites so that as that veteran has questions, we are capable of also getting back to that rating activity site to share information with that servicemember and/or their family.

Mr. RUNYAN. I want to go back to Ms. Weaver. You said the interactions happen typically as they move from phase to phase.

Are there huge gaps in timing of different phases, or are they pretty standard as they fall in a time line? Say there are three phases in the process. Does one take three-quarters of the year; the next one take a month typically?

Ms. WEAVER. Each phase that they go through has a goal in the process.

Mr. RUNYAN. Are the servicemembers made aware of the time line in the phase or just the overall process?

Ms. WEAVER. They are told of the overall as well as each phase. And as they go through each phase, they can tell them where the next phase should be.

However, we don't have a case tracking system that will tell them where in the phase they are, if their claim is being adjudicated, and how long it is going to take before that is done or when the informal PEB is going to be completed and moved to the next one, next phase.

Mr. RUNYAN. I have one last question, and I am going to go over a little bit. It is actually for Mr. Murphy.

As accuracy is an overarching matter of importance, I would like to ask you a question about VBA's quality component STAR.

VBA's STAR program has several classifications of error such as benefit entitlement decision documentation/notification and administrative. However, VBA's national rating agency is based solely on benefit and entitlement error.

My understanding is that STAR does not count errors, for instance, with potential to affect veterans' benefits such as when a claims folder lacked required evidence including a medical examination or opinion needed to make an accurate decision.

Can you comment on any of that?

Mr. MURPHY. I would say that that is not an accurate statement, that the absence of an examination when one was needed would be called a benefit entitlement error for us. So we do have the classifications of error that you just described, which is a benefit entitlement error.

Part of that is that if there is something that should have been gained, evidence that should have been included in the file or reviewed that would have affected the outcome, that would require a benefit entitlement error to be called.

Mr. RUNYAN. Okay. With that, I recognize Ms. Titus for her questions.

Ms. TITUS. Thank you, Mr. Chairman.

I would just ask Ms. Rubens if you have an explanation for why the number of people going into these programs has dropped off. Only a third of the transitioning servicemembers elect to use these programs do you think that if the VA made the same kind of investment that the Department of Defense made in personnel and also some of the made changes described by Ms. Weaver, would that help with the backlog?

Ms. RUBENS. Certainly. I would tell you that I have heard particularly some of the concerns about the Quick Start not getting as many referrals as we anticipated. I would tell you that we know we had some challenges with timeliness.

We made some dramatic changes to the resources that we provided to both the BDD and Quick Start processing in July of 2012 in an effort to ensure that we closed on those performance, particularly around timeliness, numbers that we were seeing then.

I reflected in my statement the improvements we have made, and we continue to look for those to be not only sustained but grown upon as we work to merge BDD and Quick Start from the standpoint of the expectation that servicemember transitioning, whether they have one to 59 days and perhaps not able to get to a VA exam prior to discharge or whether the 60–180–day mark and can, in fact, complete the exam process to ensure timely processing of those claims as they transition to civilian life.

Ms. TITUS. The deadlines that you have, though, for meeting the goals keep getting pushed back, don't they? Hadn't one now been pushed back to October for meeting some of those time lines that were supposed to be met in August?

Ms. RUBENS. Ma'am, the time lines that you are referring to, I believe, are for the IDES program versus the BDD and Quick Start. And we do look at those somewhat differently because of the nature of that servicemember and the IDES program being boarded out for disease or injury.

From that standpoint, in August for the proposed ratings, we will close the inventory capacity that we need to. By October, we will hit our deadline for providing the proposed ratings. And we are all ready for the final notification to that servicemember. We are now meeting 30 days for that time period.

Ms. TITUS. Okay. With an average of 48 days, I think, but—all right. I would like to ask you about the fact that 95 percent of the people in this program are going to be discharged.

Is there not some way to address that? We have heard a lot about segmented lanes and express lanes for other kinds of benefits. Is there not some way to look at some more flexibility there? If we know 95 percent are not going to go back into active duty, can't we figure out some way to prioritize those cases and move them out faster?

Ms. RUBENS. You know, ma'am, I think that particularly around the IDES program, it has been a joint process with DoD. We want to ensure that we are meeting the spirit and the intent, which is to move that along as quickly as possible.

And I will turn to Ms. Weaver to correct me to a hundred percent, but I also think that there is the obligation of ensuring we have gotten them to the point where they are ready to be discharged and want to ensure that we work with DoD and the requirements that they have established for ensuring that servicemember is ready for transition.

Ms. Weaver, I don't know if you would add to that.

Ms. WEAVER. We are working with VA to look at other opportunities and concepts to expedite the process. We do have an expedited process for catastrophically injured or ill personnel.

To date, after briefing each member who was qualified, we have had no one who has opted to take that process, but we are looking to see if we can broaden that concept to those that aren't catastrophically, but too seriously, and see if we can expedite it. These are in concept stages, and we are working with the VA on that.

Ms. TITUS. Okay. Thank you, Mr. Chairman.

Mr. RUNYAN. Thank the ranking member.

With that, the chair recognizes Mr. Cook.

Mr. COOK. Thank you, Mr. Chair.

Just a couple of comments and probably the same ones I had when I was chair of the Veterans Committee and I was in California. And I look at it from the perspective of the veterans and the people that you are dealing with.

You know, just going through this paper right now, we are looking at BDD, IDES, PEBLO, MSC, MEB, DBQs, CAVC, ADC. I know that one. That is assistant division commander. And I knew MEB. That's marine expeditionary brigade. The PEBLO was the spy ship that was captured by the North Koreans. I thought it was BDA, which is battle damage assessment. NARSUM, DBQ, I could go on and on and on.

You know, I think I know more about Klingon and that vocabulary than these acronyms, which just keep multiplying over and over. You use them all the time. I think I know most of them. I tried to forget most of them, you know, after 26 years in the marine corps, and then I got an education, and you learn all kinds of things.

The point I am making is that trying to communicate with the people that you serve by using this foreign language, at least from my perspective, is very, very difficult. And a lot of people don't get it, particularly the seniors. They have serious problems.

Ms. Titus talked about that 95 percent. When I see 95 percent, I think that is something that we can make to streamline the process. We can do that. You know, airlines notify people when their plane is going to be late or what have you.

The technology now, and I tell you, I am probably the worst one to talk about technology because I am horrible at it. You know, thank God I am married. I have a wife who is very bright and I have grand kids who fix my computer.

But a lot of people are just brain dead when it comes to technology, but you have to have a respect for some of these things that can streamline that and make the system more efficient.

Now, it just upsets me that it takes so long. And I look at it, and this is a statement more than a question, that when World War II started, you know, where people had to enlist, go through the physicals, get trained, be on the front line almost, you know, so that we wouldn't lose the war, they did it. And getting people in there, same thing with Korea and other times where you get people in and you can expedite the process.

And now we have the system on the back end where people—I spent 26 years, lot of people spent a lot of years. It is a very, very cumbersome process that—and I think part of it is that it is very complex, at least, and I don't think I am the dumbest person. In this group, maybe I am.

But trying to understand all this stuff when you are going through it, I think we have got to at least make it more user friendly so that you can have that feedback easily and right now the process starting with the language is very, very cumbersome.

Everybody that works, they have their comfort set of acronyms and vocabulary. The average person is too nice to say what does that mean or what is the impact on it. I am dumb, so I have to ask what the acronym is and give me an explanation.

But the average veteran that comes in there that are used to—a lot of them are used to taking orders and what have you, they are relying on that gunnery sergeant, that staff sergeant, that master sergeant who they are vital. And then you come out of that and we are talking about a bureaucratic nightmare.

So I understand what you are trying to do and I applaud it. I just want to throw my two cents into, hey, let's get it down to where at least somebody like me could understand it and other veterans. I think you would have much more cooperation and they could understand what is going on.

Thank you. I yield back.

Mr. RUNYAN. Thank the gentleman.

With that, the chair recognizes the gentleman from Texas, Mr. O'Rourke.

Mr. O'ROURKE. Thank you, Mr. Chair.

And, Mr. Cook, you made me feel a lot more comfortable with my ignorance. And so if you can admit it, then I feel a lot more comfortable in admitting my own.

But, Mr. Chair, earlier I had the privilege of introducing Ms. Gipson who will be testifying in a later panel. I first met her in El Paso when she was at the WTU. She had organized a tour of that facility for me.

And in getting to tour that facility and meeting some of the servicemembers who were there, we first learned that we had soldiers at Fort Bliss at the WTU who had literally been languishing there for months and years because of delays within this IDES system and specifically the DRAS in Seattle.

And, Ms. Rubens, when we last had a chance to speak about this in February of this year, I talked about the VA rating goal being 15 days and for the Fort Bliss soldier at the WTU, it was actually 143 days. The benefits goal being 30 days at that time. It was 87 days in reality.

That was my focus then. It is still my focus today because what I think I have heard you all say is that we are now meeting our benefits goal as of April of this year.

But when I look at the latest data which is 18th May of this year, it shows that for the army, we are at 48 days instead of the goal of 30. And the Fort Bliss soldier is at 49 days.

When I look at what you are committing to doing by August slash October in the rating getting to 15 days, we are currently at 132 days army-wide and we are at 131 for the soldiers at the WTU at Fort Bliss.

So explain to me the inconsistencies on the benefits goal that you say that you have already achieved and the numbers that I am seeing here for May and then how you can possibly achieve the goal for October given the wide variance between where you are supposed to be and where you are today.

Ms. RUBENS. Yes, sir. And I would tell you that I think that we are talking about the work that we are completing in the current month versus the numbers you are reflecting are for the entire year, the average of everything that we have completed.

What we know about the work we are completing today as we look, if you will, behind it in the system, that work that is coming down the path is much younger. And so as we are now achieving for the benefits notification phase, we are now in a timely position. The capacity that we have will continue to maintain that timely output for those claims that are coming to us in that component of the phase.

As we continue to work for the proposed ratings, similar issue, the capacity with which we are tackling the volume of work come August, we will now marry up the work flowing to those folks and going out the door will put us into a timely, 15 day for a proposed rating decision time frame as well allowing us for the October number to catch up, if you will, on the average for the entire year.

Mr. O'ROURKE. Let me see if I can understand this because this is a difficult concept for me to get and it is similar to the way that you explained to us the backlog numbers when it comes to disability claims for veterans and how we should be measuring that backlog.

So if someone enters the system today, we will just use Fort Bliss as an example, at the WTU there, at the benefit stage, they will wait no longer than 30 days; is that correct?

Ms. RUBENS. At the end of the process, the final notification when we get that final package back from DoD, the time it will take us then to finally promulgate that benefits notification on average for the army is at 30 days.

I will need to go and look to see if Fort Bliss is outside of that, but I believe we are now looking at a timely situation across the benefits phase.

Mr. O'ROURKE. Okay. And I have got limited time, but the reason then that I am showing 48 days army-wide versus 30 days

which is what you are saying is that you still have those older cases in the system and as soon as they move out, you will be at that 30 day?

Ms. RUBENS. And/or you are looking at information, and that is why I need to go perhaps to sit with one of your staffers to look at. Are you looking at the average processing time across the entire course of the year which as we work the older ones out meant that days to complete had gone higher and as we look at the work coming in, it is now timely.

Mr. O'ROURKE. Okay. My time has elapsed. This is something that I am going to ask my staff through this hearing to memorialize in a letter to you and get a written response back from you so I fully understand it can go back to the WTU at Fort Bliss and explain it in my own words which I am not yet able to do given your answer. I think you are saying what I want you to say and what they want to hear, but I want to make sure that we are absolutely clear on what the expectation is and what we are delivering.

So appreciate that in advance for getting back to us.

Ms. RUBENS. Happy to do that and/or sit with anybody you might to have us sit with to look at the Bliss statistics.

Mr. O'ROURKE. Thank you.

Thank you, Mr. Chair.

Mr. RUNYAN. Thank the gentleman.

With that, I recognize the gentleman from Florida, Mr. Bilirakis.

Mr. BILIRAKIS. Thank you, Mr. Chairman. I appreciate you holding this hearing as well.

And I think Mr. Cook is right on with his acronyms, but, you know, he has been saying it now for months, years really, and let's sit down and work on this because it is so very important to the veteran.

And I am 51 and to tell you the truth, I have to read these things twice to understand what they are. So, I mean, just for the good of the veterans, so we owe them that, so that they can look at it and not have to have the computer training, what have you, and not have to go to—it is nice for them to spend time with their grandchildren, but my kids fix my computer, too. So, I mean, let's get serious about this.

And I have a couple questions here. Ms. Weaver, you noted that by the summer of 2014, the military departments will be able to work from a much improved set of policy documents that will provide better guidance.

When exactly will these policy documents be issued?

Ms. WEAVER. They are in the final processing and they will start being published hopefully next month through the end of August.

Mr. BILIRAKIS. Okay. Will you be able to quantify their impacts on both quality and consistency of the decisions and how will that occur?

Ms. WEAVER. We are implementing a quality assurance program and that is one of the new policies that we have that will help the department measure accuracy and consistency, particularly in how policy is applied across the services. Services performed to evaluations, OSD performs one. We analyze the results and then we can see if policy has been applied or if policy needs to be revised.

Mr. BILIRAKIS. Thank you.

Ms. Weaver, you noted that 83 percent of servicemembers are satisfied with the IDES, here we go with the IDES, experience.

Could you tell us more about that? Elaborate, please.

Ms. WEAVER. Each quarter, we do a customer satisfaction survey. The survey is done at a sampling of nine of the major locations where IDES is—where the members are enrolled and consensus at the remaining 131 MTFs. The survey is done after the medical evaluation board and again after the physical evaluation board.

It is a volunteer survey. July through December, we did have 8,000 individuals who participated in the survey. And from the 30 questions, four related to customer satisfaction, 83 percent indicated they were satisfied with the process.

Mr. BILIRAKIS. Okay. Now 8,000 of how many participated in the process? So what percentage would that be? You said 8,000 participated. How many are in the process? Eight thousand participated in the survey, but what would you say percentage is?

Ms. WEAVER. I don't have that number, sir, but I can certainly get it for you.

Mr. BILIRAKIS. Please, or would you like to estimate approximately?

Ms. WEAVER. I don't have any number of how many.

Mr. BILIRAKIS. Okay. Can you please get that to me and maybe, you know, the chairman?

Ms. WEAVER. Absolutely.

Mr. BILIRAKIS. The rest of the panel might want that information as well. Thank you.

Ms. Weaver, you highlighted the Electronic Case File Transfer System that DoD piloted in 2012, but you know that until VA develops its end of the technology, it will not yield benefits and it is not going to be timely, in other words.

Please elaborate on this and what has DoD developed and what does VA need to do?

Ms. WEAVER. We have used the electric transfer and it was——

Mr. BILIRAKIS. See what I mean?

Ms. WEAVER. Yeah. And it was successfully that we made the transfer in December of 2013. But what we are working on is a joint system, case management system called Joint Disability Evaluation System that will allow us to track cases, monitor exactly where they are at so that we can go from phase to phase and know exactly where the case is and do a transfer to and from internal within the service from the MEB or medical evaluation board to the physical evaluation board and from DoD to VA.

We are in the concept phase identifying the requirements and we think it is going to gain major efficiencies for a modern and efficient system.

Mr. BILIRAKIS. All right. Thank you very much.

I yield back, Mr. Chairman. Appreciate it.

Mr. RUNYAN. Thank the gentleman.

With that, I recognize the other member from Florida, Mr. Jolly.

Mr. JOLLY. No questions, Mr. Chairman. Thank you.

Mr. RUNYAN. Thank the gentleman.

I am going to ask one follow-up. I actually had a couple, but Mr. Bilirakis got to them all. So thank you.

This is the kind of question in the mold of Colonel Cook over here. We hear everything that is going right. I want to hear from Ms. Weaver and Ms. Rubens what isn't going right.

What do we really need to fix that would make a huge difference in the process? I mean, what can really tackle? What are we going to get out of this hearing? I mean, as Colonel Cook over here identified his flaws in front of everyone. That is what we want to know from you. So what is the one thing that could change the trajectory of this whole process?

Ms. WEAVER. I think what DoD is hearing from the hearing is that we need to go back and look at our survey. We have a significant number of people who are participating in the survey and we are getting results that say as of December, 83 percent were satisfied with the process. As of the end of March, 4,000 more surveys, 84 percent were satisfied with the process.

And we are trying to make changes from the information that we get to the survey. We may need to look and see whether or not we—how we can reach out and touch the individuals who are expressing concern with either the time or the counseling that they are getting.

Mr. RUNYAN. Ms. Rubens.

Ms. RUBENS. I would echo some of those sentiments and obviously it sounds as if our ability to communicate with the servicemember, soon to be veteran could be improved.

VBA has worked in the last year to pick up, if you will, another component of that transitioning servicemember who as he or she begins to think about what next by placing our vocational rehabilitation and employment counselors at many IDES sites as well in an effort to continue to build that, if you will, system around that transitional servicemember.

And I would tell you that obviously we want to continue to work together in that electronic interface to ensure that as DoD across the services builds that integrated case management system, it marries up, if you will, sir, into our new Veterans Benefits Management System, our paperless environment to ease the process by which we share information not only internally but with that transitioning servicemember as well as if they have selected a veteran service officer as we roll out our new stakeholder enterprise portal functionality in July of this year so that they will have the ability to also support that servicemember and that communication standpoint.

Mr. RUNYAN. I think you touched on a little bit there, it goes back, Ms. Rubens, to Mr. Bilirakis's question. What does the VA need to do on your end of the electronic case transfer, file transfer to make it optimal?

Ms. RUBENS. I would tell you that as far as making ECFT optimal, there are some things that we need to do from a—the MSC, the military services coordinator, at that intake site and their ability to work within that environment as well as from an electronic standpoint, the functionality of incorporating ECFT into that, if you will, interface with VBMS to ensure that is occurring.

And it is our roadmap to accomplish that. And as DoD continues to build their new case management system, we want to make sure that we are there to incorporate that as well into VBMS.

Mr. RUNYAN. And what part of what fiscal year is that happening?

Ms. RUBENS. Sir, I will have to take that one for the record. I am not sure where it is on the roadmap. There are a number of things that we are trying to import, if you will, or build into the functionality for VBMS.

Mr. RUNYAN. And one last question for Ms. Weaver. You said that an 83 percent satisfaction rating. What was the 17 percent on the other side, what was the kind of overall disappointment in the system?

Ms. WEAVER. It ranged. A lot of the comments were that they did not get the information they needed. It was varying with the medical evaluation board and the physical evaluation including the unsatisfactory rating that they got. They would like a different rating and move from there.

Mr. RUNYAN. Any other Member? Mr. O'Rourke.

Mr. O'ROURKE. Thank you, Mr. Chair.

I would like to follow-up with Ms. Rubens on the line of questioning that I was pursuing earlier about IDES. And I think I may have some questions that can hopefully clarify this issue.

On the benefits backlog portion of the DRAS process, you said that in March, you eliminated the backlog and by April, you were hitting your target of 30 days; is that correct?

Ms. RUBENS. Yes, sir. We closed the capacity gap between what we had to work and what we had the capacity to do in March. And in April, the work that we then began to see flow through was meeting that timeliness target.

Mr. O'ROURKE. And the number I referred to earlier or I showed that army-wide, we are at 48 days, not 30, that is the last three months. So that might explain the difference.

So my question to you is, if we take this same measure three months from today, it will show 30 or under?

Ms. RUBENS. Yes, sir.

Mr. O'ROURKE. Okay. Great.

Ms. RUBENS. We have built this in our projection, in our capacity, in our modeling to ensure that as we move forward, we maintain achievement of the target.

Mr. O'ROURKE. So I want to ask the same set of questions as it pertains to the VA rating part of this which is that the goal is 15 days. Today the last three month average shows army-wide 132 days.

Are you saying that by August, you will relieve the backlog and by October, you will meet that 15 day goal?

Ms. RUBENS. Yes, sir.

Mr. O'ROURKE. Okay. And then three months from October when we look at the rolling three month average, we will see 15?

Ms. RUBENS. And 15 for the proposed and 30 for the final notification, yes, sir.

Mr. O'ROURKE. Wonderful. And would you mind if, again, we were able to get that commitment from you in writing?

Ms. RUBENS. Not at all, sir.

Mr. O'ROURKE. Okay. I really appreciate that. Thank you.

That is all, Mr. Chair.

Mr. RUNYAN. Thank the gentleman.

And no other Members have any further questions.

I ask that any of the questions that you all were taking for the record, please submit them in writing. Thank you very much. Thank you all again. I think it is particularly helpful to have both the VA and the DoD at the table when discussing IDES.

You are now excused from the witness table, and we seat our second panel from VAOIG.

Welcome the members of the VA's Office of Inspector General. We appreciate your attendance today. Your complete and written statements will be entered into the hearing record.

Ms. Halliday, you are now recognized for five minutes to begin your testimony.

STATEMENT OF MS. LINDA A. HALLIDAY, ASSISTANT INSPECTOR GENERAL FOR AUDITS AND EVALUATIONS, OFFICE OF INSPECTOR GENERAL, U.S. DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY MS. NORA STOKES, DIRECTOR, BAY PINES BENEFITS INSPECTION DIVISION, OFFICE OF INSPECTOR GENERAL, U.S. DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY MR. RAMON FIGUEROA, PROJECT MANAGER, BAY PINES BENEFITS INSPECTION DIVISION, OFFICE OF INSPECTOR GENERAL, U.S. DEPARTMENT OF VETERANS AFFAIRS

STATEMENT OF LINDA HALLIDAY

Ms. HALLIDAY. Thank you. Chairman Runyan and members of the subcommittee, thank you for the opportunity to discuss the OIG's review of VBA's pre-discharge program. Our testimony offers an independent assessment of VBA's Quick Start Program, one component of VBA's pre-discharge program. With me today is Mr. Kent Wrathall, the Director in our Atlanta Audit Office; and two managers from OIG's Benefits Inspection Division in Bay Pines, Florida, Ms. Nora Stokes, the Director, and Ramon Figueroa, who collectively have over 40 years of VBA work experience. Notably they have experience working in key positions such as Veterans Service Representative, Ratings Specialist, Decision Review Officer, certification test writer, STAR quality reviewer, as well as a Veterans Service Center manager.

The Quick Start Program was designed to provide a seamless transition from DoD to VA's Healthcare and Benefits System. Servicemembers can submit claims up to 180 days prior to discharge under the program. Further, the program makes it possible for veterans to receive VA disability benefits soon after leaving military service. To assess the program's performance we reviewed Quick Start claims completed in 2011 and then again in 2013, and we found improvement in claims processing timeliness. During the period VBA reduced the average days to complete Quick Start claims from 291 to 249 days. However, while timeliness improved additional improvement is needed if VBA is to achieve the VA Secretary's fiscal year 2015 target of processing disability claims in 125 days.

Delays in processing Quick Start claims resulted from inadequate program controls and the redirection of resources to process other claims processing priorities. Adequate resources and the

proper allocation of resources are paramount for VA to realize the benefits of its transformational initiatives. Delays also occurred due to a lack of training to ensure staff properly identified Quick Start claims, which is the first step to initiate timely processing actions.

Our review results support that the Quick Start claims were at risk of processing errors, such as erroneous disability evaluations or improper grants or denial of benefits. We projected VBA staff accurately processed 62 percent of the Quick Start claims in 2011, while the accuracy rate for 2013 improved to 69 percent. These rates are still well below the Secretary's 98 percent accuracy goal for fiscal year 2015.

Delays and errors impact veterans' receipt of disability benefit payments in two ways. First, the processing delays in 2011 resulted in a number of veterans waiting an additional 196 days to receive about $88 million in benefits payments. By 2013 the same type of processing delays were reduced but still caused veterans to wait about 99 days to receive approximately $20 million in benefits payments. Unfortunately processing delays also impact other entitlement decisions, such as veterans preferences, delayed care at VA medical centers, and participation in vocational rehabilitation efforts.

Secondly, the claims processing errors have a direct financial impact on the amount of benefits a veteran receives in monthly recurring entitlement payments. We projected claims processing errors resulted in veterans being underpaid about $2.8 million. Projected overpayments were valued at approximately $463,000 for the same period. Additionally, claims processing errors that do not affect current monthly benefits have the potential to affect future benefits if left uncorrected.

While VBA is making incremental progress in areas specifically targeted through this initiative, much more work needs to be done. We will continue to look for ways to promote improvements in benefits delivery operations during our future national audits and our VARO inspections. Mr. Chairman, that concludes my statement and we would be happy to answer any questions you or the committee has.

[THE PREPARED STATEMENT OF LINDA A. HALLIDAY APPEARS IN THE APPENDIX]

Mr. RUNYAN. Thank you, Ms. Halliday. And we will begin a round of questions. First question, as you know while VBA is reporting timeliness an equal if not greater concern is the accuracy of the outcome for each veteran. VBA is looking at hundreds of thousands of claims and the veteran is looking at one and only one. Ms. Halliday, as accuracy as highlighted in your testimony is a serious area of concern, I would like to also ask you the question about VBA's quality component, STAR. You noted that VBA's STAR program has several classification errors such as benefit entitlement, decision documentation/notification, and administrative. Mr. Murphy responded to an inquiry as to STAR's failure to count error for incidents with potential to affect veterans' benefits, such as when a claims folder lacked required evidence including medical examination or opinion needed to make an accurate decision. Can you comment on that?

Ms. HALLIDAY. Yes, I would appreciate that. The OIG uses a broader definition of what constitutes an error. We report errors that affect veterans benefits as well as those that have the potential to affect veterans benefits in the future if left uncorrected. We think this is important. It is a veteran-centric approach. We do not feel that the STAR program counts all of its errors. There is a disagreement between what OIG considers an error and how VBA calculates its accuracy rate.

I have a couple of examples here that we think might help you understand. VBA does not consider an incorrect disability evaluation to be a benefit entitlement error unless the error impacted the veteran's overall combined disability evaluation. However, OIG would identify this case as an error because it has the potential to affect the future benefits if left uncorrected and that it also has a corresponding potential to affect other programs as the ratings change.

Also, cases where VBA staff simply do not request or significantly delay requesting the mandatory routine future examination to determine whether the temporary 100 percent disability determination should continue we clearly call an error. We see a significant financial impact associated with not managing those claims appropriately.

Mr. RUNYAN. Thank you. Next question, is VA working with the OIG to make the improvements identified in the audit process?

Ms. HALLIDAY. This past year there have been significant challenges to us to address the oversight that we are expected and charged with to look in the benefits inspections and to perform national audits. I finally raised this issue to the Under Secretary Allison Hickey. She has agreed to try to ensure that we do not have these obstacles or have this resistance and that we work toward a facilitated process so that OIG can help VBA get it right.

This is important. To spend so much time dealing with a nuance of a technical issue technically how you say something versus trying to fix the big picture is not the way to go. I think you need to look at what are we saying. Why are we saying it? How does it affect veterans? And then go make the changes you need in these programs.

Mr. RUNYAN. Last question. In your view, given the challenges VA faces addressing the longstanding backlog of claims, do you feel the VA has control over its remaining workload?

Ms. HALLIDAY. At this time we see that VBA's pending backlog in compensation claims is dropping. However, I have significant concerns that they do not have a good handle on some of the workload in their other areas. For example, in the area of dependency issues. As of May 15, 2014 their own VOR report, which is the VETSNET Operations Report, shows almost 253,000 disability claims that will impact benefits. On average the claims are pending over 315 days. For eligibility determinations, the same report shows approximately 110,000 adjudication decisions relating to benefits that have been pending on average 361 days. And in predetermination notices we see approximately just over 81,000 predetermination notices affecting benefits that have been pending for 177 days.

There are definitely problems in managing the workload. The priorities, we hear time and time again the priority is to bring down the pending backlog in compensation at the expense of not addressing some of the other issues. The Quick Start program is a perfect example within our audit where resources were redirected away from that program. And you can see in the audit there is a table that the workload, the timeliness spiked in 2012. And I know VBA is working hard now and has put resources back in the program, but you have to keep resources dedicated to significant transformational initiatives if you want to achieve success.

Mr. RUNYAN. Thank you for that answer. And I had that precise discussion with Chairman Miller this morning. So, thank you. With that, I will recognize the Ranking Member Ms. Titus.

Ms. TITUS. Thank you, Mr. Chairman. I was going to ask that question, too. Do you think that these programs are being hurt by the focus on just reducing the backlog no matter what? And the veterans who are in these programs do not count as part of those figures that are used to show the backlog, even though they are waiting those long periods of time. Is that accurate?

Ms. HALLIDAY. That is my understanding, yes.

Ms. TITUS. Another thing that does not seem to count, and you mentioned that the VA does not count the processing time that occurs prior to leaving the service when they are talking about the amount of time it takes to process one of these claims. Would you expand on why that would be an important aspect of this whole backlog?

Ms. HALLIDAY. In the simplest of terms, if I am a veteran and I file a claim, I start counting from that day.

Ms. TITUS. Yes.

Ms. HALLIDAY. Now I understand that VBA is very concerned that they have upfront processing at a point where the active servicemember has not become entitled to the benefit. But when you are looking at a process you must look at the process throughout the entire processing cycle so that you can understand where you have dedicated your resources and to what extent you are getting the appropriate outcomes from that resource. So, and I feel that if you go with a veteran-centric approach you would count that time. You would not start the payments for entitlement until they were released from active duty and came into VA care.

Ms. TITUS. And would that help you to understand the whole process and the procedure?

Ms. HALLIDAY. Right.

Ms. TITUS. And make needed adjustments?

Ms. HALLIDAY. Absolutely. I think that in the many discussions I have had with Ms. Rubens and Mr. Murphy, I know that resources are needed and you have to make good decisions on where those resources are. So I think it is very important to measure all of your resources and track those. It is obviously an area where the Under Secretary had not concurred with us in our report, and we are going to stand pat with what we have said.

Ms. TITUS. Okay. Well, thank you. And going back to the first point about these programs failing because so many are doing less well than expected, because so much emphasis is put on the backlog, isn't it really kind of a matter of robbing Peter to pay Paul?

Ms. HALLIDAY. I have said that a number of times.

Ms. TITUS. Okay. Well great minds think alike. Thank you, Mr. Chairman.

Mr. RUNYAN. The chair recognizes Mr. Cook.

Mr. COOK. Thank you very much. And I will not say too much more about acronyms, maybe. The, your report, very sensitive, because I used to be an IG. And I looked at your recommendations. And by the way, IG, that is a thankless job. How to lose friends and not influence people, I used to say. But it is one that you have to have in an organization. And your job is not to make friends. You already know that.

It bothered me a little bit, and maybe if you could help me out, where the, in two cases it had the VBA, which is, help me here? That is the Veterans Benefits Administration?

Ms. HALLIDAY. Yes.

Mr. COOK. They disagreed with your opinion. And then you had the other one where it was actually the Under Secretary, is that the same individual for all intents and purposes?

Ms. HALLIDAY. I would consider it the same.

Mr. COOK. You know these are, I was looking at them, you know, particularly one where the Under Secretary non-concurred but basically went along with it anyway. Did this go all the way up to the Secretary? Or is this something, is that a command decision that an Under Secretary would, because we are getting into some dicey stuff in the last few days on this. And I am trying to figure out on who is going to make these command decisions. These are pretty important. And maybe it is just my sensitivity with IG reports but 26 years in the Marine Corps, or what have you, everybody kind of gets a little nervous about IG reports and they pay attention to them, at least I used to. Maybe because I used to write them. But any comment on that at all? I do not mean to put you on the spot. But you know what I am saying, I think.

Ms. HALLIDAY. It is the responsibility of the Under Secretary for Benefits to provide the official signed comments to an IG report. I believe that the Secretary does get copies. He gets copies at the point of when we issue the draft report for review and to obtain those comments, and then gets copies of the final reports. If a report is significant we certainly brief, I would think we follow traditional audit processes that has an exit briefing, where we have a discussion with the VBA officials that are charged with the governance of the specific program. I have had many briefings with that team. And they feed up to their USB.

Mr. COOK. Well this is an important point, at least to me. In the military you used to have two things. One was you would have by direction authority, in other words it is a commanding officer but somebody in the command could sign their signature by direction. That means that, you know, by signing by direction that the commander approves this. The other was releasing authority. Releasing authority means you can go out with a message that you are the Commanding General 2nd Marine Division. Very, you do not give those, that authority away. And that is why I brought up that point that whoever signs that basically the Secretary, the way I understand it, is concurring with all those decisions that are made. It is on his or her watch. Correct me if I am wrong.

Ms. HALLIDAY. If it is signed for General Hickey by one of her staff, yes. This is the official comments.

Mr. COOK. Okay. All right. The, in terms of your role, and I think it is very, very important to go back to, how would you even be more proactive in light of some of the things? Do you have any recommendations in regards to that? I am not asking you to do more work but, yes, I am asking you to do more work.

Ms. HALLIDAY. I think that we plan the audits appropriately based on the risks in the programs. I think if you were to ask me about being more proactive I think there needs to be more discussion at the senior levels as work is completed to really how are you going to fix the problem? And as I alluded to before, worrying about the little technical nuances in getting everything just letter perfect really does not get you there. You really have to address the overall problem and how veterans are affected with the process and what is happening in whatever objective of the audit you are dealing with.

Mr. COOK. Thank you. I yield back.

Mr. RUNYAN. The chair recognizes the gentleman from Texas, Mr. O'Rourke.

Mr. O'ROURKE. Thank you, Chairman. The BDD, the Benefits Delivery Discharge claims and the Quick Start claims I think year to date are under 25,000. So if we are measuring that in the thousands or maybe tens of thousands, and then all other claims moving through the VBA we are measuring in the hundreds of thousands or millions. So when you were responding to Ms. Titus' question earlier about robbing Peter to pay Paul, and you also mentioned that we need to make better decisions about how resources are allocated, do you have some recommendations for the VBA or for the committees of oversight in terms of how we should be spending that money in a smarter fashion?

Ms. HALLIDAY. I would like to see that you ask VBA to do a good staffing analysis for its initiatives and for its current work in house. There are too many areas that are being underaddressed at this point, or what I would consider undermanaged. I think at some point if you were to put the right resources on some of these things, such as temporary 100 percent disability evaluations not being managed effectively and the association financial impact that we report in our reports, that would start to reduce and you would have a better operation. Not only from the fact that veterans would be served quicker with whatever decisions and reviews that were needed to make sure their claims were accurate. And then we would be saying that you have a stronger, you are making a stronger position as far as the financial stewardship that you are charged with VBA to ensure the entitlement decisions are accurate and timely.

Mr. O'ROURKE. And the, thank you for that, the chairman brought up a good question about why the VA's score for accuracy is better than your score. And you said one difference in the methodology is you look at potential adverse impacts to benefits down the road and perhaps the VBA does not. Is there any other difference in how you assess and the VBA assesses accuracy?

Ms. HALLIDAY. Yes, I believe there are. I would like to ask Nora Stokes to talk to the technical aspects of that.

Ms. STOKES. As you mentioned there are some definite differences as far as the potential to affect benefits. And we do call oftentimes errors that relate to that. And that is particularly when things are missing from the file. And as Mr. Murphy had indicated in his response, I believe the specific question had to do with whether or not a VA examination if it were missing would that constitute an error. What we find in our benefits inspections are the VA examinations may be not necessarily missing, some are missing, some are inadequate, but they are used to evaluate cases with anyway. Our position is according to VBA policy those examinations should be returned. If an examiner notes something during a physical examination and another disability questionnaire is required and it is not completed and we consider that an error as well because you cannot come to the point where you can make a decision on a disability evaluation if you do not have medical evidence to go one way or the other. So those are some stark differences in the methods that we would determine an error versus VBA.

Mr. O'ROURKE. And Ms. Halliday, I hate to ask you to speak for the VBA, and I certainly want to follow up with Ms. Rubens and her team, but what is their response to that distinction and the assertion that those exams should be returned or should be counted differently than they are right now?

Ms. HALLIDAY. We have agreed to disagree——

Mr. O'ROURKE. Got you.

Ms. HALLIDAY [continuing]. At that point. That is why it is documented in this audit.

Mr. O'ROURKE. Okay. And then my last question, I do not know if you heard the exchange over IDES and where we are against backlog and goal for benefits and backlog and goal for rating. Did you have any concerns or questions? Or do you agree with the assessment provided by VBA about where we are at and where we are likely to be by October?

Ms. HALLIDAY. I cannot comment to that, sir. I do not have any ongoing work addressing that.

Mr. O'ROURKE. Thank you. Thank you, Mr. Chair.

Mr. RUNYAN. Mr. Jolly.

Mr. JOLLY. Thank you. I want to follow up just on a little bit of what we have discussed. And I understand the disagreement on timeliness issues seems somewhat jurisdictional and a couple of other matters. But on accuracy, you report that the accuracy rate is about 69 percent and one of the areas of non-concurrence is something that seems pretty benign, which was insufficient oversight and training. Can you elaborate a little bit on that? And, I mean, I will put my cards on the table. In many ways you are providing a little bit of oversight into reasons for the inaccuracy it appears. One of the reasons you identified was insufficient internal training and oversight. We are engaged in the same issue right now with the department obviously on healthcare deliver. Can you elaborate to the extent you are permitted to on the disagreement on the interpretation about the department's ability to provide the oversight and training in this specific area?

Ms. HALLIDAY. Yes. I would like to ask Kent Wrathall, who led the audit. But I do believe as you looked at the training issue it

spoke specifically to how you identify a Quick Start claim. And I would like him to——

Mr. WRATHALL. The department actually agreed with the training recommendation on the identification of the Quick Start claims. Where they disagreed was on the clarification of policy concerning the nexus between servicemembers, the disability incurred during service and the claimed disability. And actually our accuracy experts here are Ms. Stokes and Mr. Figueroa, so I will turn it over to Ms. Stokes.

Ms. STOKES. Yes. One of the areas that we where the oversight was lacking had to do with just the local quality reviews. So at the local level we did find that the accuracy reviews that most regional offices would conduct on a monthly basis for individual performance was lacking. While they did have some we did find it to be inadequate. When we discussed with the staff in the CPS sites that process Quick Start claims they told us that they were busy, they had other responsibilities, and that they did not have the time to conduct the comprehensive review.

At the national level we found there was a lack of oversight in that the method that STAR uses to select their samples was lacking in that it did not sufficiently identify enough cases that you could actually get a feel for what the accuracy rate was for Quick Start claims. Or they co-mingled the results of the Quick Start cases with the results of the regional office. As an example, the Winston-Salem office had I believe for the year of fiscal year 2011 they had 255 reviews but only six of those claims that were reviewed were related to Quick Start. So we found that the method they are using was not sufficient to observe any sort of training deficiencies. And the other part of that is not only at the local and the national level were they not able to have a valid sample that might point to some of these training deficiencies, at the local level when they did conduct their quality reviews they also did not track and trend those types of errors so that they could address those training deficiencies by tailoring training to those particular areas.

Mr. JOLLY. I see. One of the reasons given was busy. I mean, I guess the part that concerns me is specifically the use of the word training because of what that means for the ability of an employee to perform. Oversight in one way is a little less concerning if that is where it is deficient. But if training is where it is deficient, you know, that just breeds a more systemic problem as case loads go up and the number of cases go up, failure in training just continues to build upon itself and create a larger problem. I appreciate your answer to the question. Thank you. Thank you, Mr. Chairman.

Mr. RUNYAN. I thank the gentleman. Do any members have any further questions? With that, thank you all again and you are now excused from the witness table and we ask the third panel to come forward.

Good afternoon, everyone. As I noted in prior panels all of your complete and written statements will be entered into the hearing record. I know I did this earlier, but I want to recognize Mr. O'Rourke if he would like to make his introduction again.

Mr. O'ROURKE. Thank you, Mr. Chair. The person I want to introduce deserves a second introduction. Ms. Gipson is a Retired Captain from the U.S. Army, was the Executive Officer at the

Warrior Transition Unit in El Paso at Fort Bliss, a former constituent of mine recently until March. She was instrumental in ensuring that I understood some of the issues at the WTU by arranging a tour there and I think will speak very eloquently to some of her personal challenges that can be extrapolated against the challenges that many transitioning servicemembers face. And so we are very glad and grate for her presence here today. Thank you, Mr. Chair.

Mr. RUNYAN. I thank the gentleman. With that, we are going to start with Mr. Jenkins. Mr. Jenkins, you are now recognized for five minutes for your testimony.

STATEMENTS OF MR. ERIC JENKINS, RATING VETERANS SERVICE REPRESENTATIVE, WINSTON–SALEM REGIONAL OFFICE, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL–CIO AND THE AFGE NATIONAL VA COUNCIL; MS. DEBRA J. GIPSON, INDIVIDUAL SERVICEMEMBER; MR. GERARDO AVILA, NATIONAL MEB/PEB REPRESENTATIVE, THE AMERICAN LEGION; MR. PAUL RAYMOND VARELA, ASSISTANT NATIONAL LEGISLATIVE DIRECTOR DISABLED AMERICAN VETERANS; AND MR. BRENDON GEHRKE, SENIOR LEGISLATIVE ASSOCIATE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

STATEMENT OF ERIC JENKINS

Mr. JENKINS. Chairman Runyan, Ranking Member Titus, and distinguished members of the subcommittee, thank you for the opportunity to testify before the subcommittee on the critical issues surrounding the BDD, Quick Start, and IDES programs.

I am a 15-year veteran of the United States Marine Corps who served in both Operation Enduring Freedom and Iraqi Freedom. I am an RVSR in the Winston-Salem regional office where I have worked for the past nine years. I am proud to serve veterans every day and I am also a disabled veteran.

As an RVSR I work both BDD and Quick Start claims and I would like to begin my testimony by stating my dedication as well as AFGE's dedication to all of these programs. These programs are critical for providing recently discharged veterans their benefits as soon as possible and it is essential that these programs are functioning at their highest capacity.

My regional office has a history of brokering claims to other regional offices in an effort to reduce the backlog. In doing so it has created a lack of sufficient cases that are ready for decision. We have brokered out approximately 20,000 cases in the last three years and now claims processors are struggling to receive adequate amounts of work to meet their production standards. Supervisors have been left scrambling to find work for the Quick Start employees. Due to brokering RSVRs are relegated to completing tasks traditionally done by VSRs.

Due to the lack of work, management recently instructed employees in BDD to begin a practice called pre-rating. Pre-rating consists of rating a case that is not in fact ready for decision because we are awaiting VA exams or additional evidence. Management instructed the raters to rate these claims as if the medical evidence

had already been received yet told the employees to not finalize the rating. This raises serious questions for both the veteran and VBA employees processing the claim. Employees could potentially receive quality errors if medical evidence arrives and does not coincide with the employee's pre-rating decision which also could lead to PIPS. Veterans should be concerned about this method used by VBA management and its effect on their rating decision. AFGE urges Congress to hold VBA senior management accountable for their brokering methods and potential effects it has on veterans and their dependents.

As with BDD and Quick Start, employees in the IDES programs report the same dedication to IDES process. However, they did outline several issues that consistently appear. IDES claim processors expressed their frustrations with the lack of communication and training issues with MSCs, or military service coordinators as they are called. MSCs are scattered at military bases all around the world and when a claims processor at a VBA office is attempting to locate additional information about a claim it is often difficult to locate the original MSC. When the claim is sent to the regional office it is supposed to be ready for decision. However, our reports say that oftentimes this is not the case. This slows down the process for the VBA employee but most importantly increases wait times for the veteran. AFGE believes that more detailed training for MSCs will significantly reduce this issue.

IDES processors also expressed issues with the National Guard and Reserve claims, the issue being not having complete military records and as they come to the regional office not ready for decision as well. At times when attempting to receive medical records the rater cannot locate the records or the unit the veteran is currently assigned to. All of these issues translate to major concerns with IDES production levels. Claims processors are also told not to defer cases, even though a decision cannot be made due to a lack of necessary evidence. There is constant pressure from the VA's Office of Field Operations and the production quotas established by OFO are arbitrary and unfair.

AFGE also heard issues regarding resources for processing BDD, Quick Start, and IDES claims. Claims levels have skyrocketed while regional offices have seen minimal growth in staffing. AFGE urges VBA to hire additional claims processors and provide more in depth and relevant training for current employees.

AFGE also urges VBA management to conduct a time motion study to determine how long each task takes to complete while working a claim. With the recent transfer to VBMS this time motion study is more applicable and necessary than ever.

Once again, I would like to thank the committee for providing AFGE the opportunity to share our views and I would be happy to answer any questions.

[THE PREPARED STATEMENT OF ERIC JENKINS APPEARS IN THE APPENDIX]

Mr. RUNYAN. Thank you, Mr. Jenkins. With that, Ms. Gipson, you are now recognized for five minutes for your testimony.

STATEMENT OF DEBRA J. GIPSON

Ms. GIPSON. Thank you, Chairman Runyan. I would also like to thank Congressman O'Rourke for inviting me to speak today.

In 2011 while training to deploy to Afghanistan I received a severe back injury. By the time my Reserve detachment reached the active duty training site, Fort Bliss, Texas, I was confined to a wheelchair, earning me the nickname, "The Wheelchair Soldier." Days later I was prescribed a cocktail of drugs which allowed me to walk but not without excruciating pain. Placed in the warrior transition program, efforts to rehabilitate my injury were unsuccessful requiring surgical intervention.

Before my back surgery could be performed I required a surgical procedure to treat uterine fibroids, tumors on my uterus. I did not receive a follow up gynecological appointment.

Placed in IDES, I was determined to be medically unfit to serve, received a 20 percent disability rating, medically separated, and received separation pay. Within days of signing paperwork agreeing to the rating, it was determined that I urgently needed a hysterectomy. I want to be clear that had I received a follow up to the original gynecological procedure, my hysterectomy would have been performed at least a year earlier and my disability rating would have been 70 percent. Instead of being medically retired, I was medically separated from the United States Army on January 11, 2014.

In my opinion a strong democracy requires two professions, the legislator and the servicemember, each the weapon of the other. Healthy servicemembers are the weapons of the legislator while the legislator is the weapon of wounded, injured, and ill servicemembers. We have served as your weapon. On behalf of disabled and medically separated veterans we respectfully request that you harness your arsenal's full potential to fix the IDES system and maintain the strength of our democracy.

I would like to present to you both short and long term recommendations. Please note that I participated in IDES as an end user, and please forgive me for any policy recommendations which overlap those of previous presenters.

The first, establish a consolidated disability evaluation system. The IDES system is tiresome, timely, burdensome, and inefficient. The VA and DoD must consolidate the departments' disability systems with the shared goal to promulgate policy and prescribe uniform guidelines, procedures, and standards to eliminate redundancy inherent in adjudicating claims.

Second, create a sole source disability rating. The military rates only fitting conditions while the VA rates all service connected injuries resulting in two different rating systems for servicemembers. The DoD and VA will need to reach a consensus on the definition of qualifying conditions and the rate at which those conditions and events are to be compensated. Understandably a bias in the favor of the more generous VA system will result in a corresponding rise in both retirement and medical costs.

Information sharing. Plans to roll out shared use technology will enhance and improve agency accessibility to healthcare records. The plan is both necessary and ambitious. However, the current lack of available technology I believe is only part of a much larger

problem. Government agencies, among them DoD and VA, must generate memoranda of agreement allowing agencies to openly share information. This will likely create a change in agency cultures from one of independence to interdependence when sharing information and resources.

My interim recommendations are as follows. First, I recommend a fiscal set aside. Veterans in the servicemember transition process frequently complain about the receipt of timely payments once his or her claim has been adjudicated. To date, the receipt of benefit payments can take from 90 days to a year or more to process. While uncertain of the legal or the tax implications, I recommend that once a servicemember enters federal service, active duty, Guard or Reserve, a percentage of the servicemember's salary be escrowed until the IDES or retirement process is completed. The funds set aside could then be automatically reimbursed to the veteran as a lump sum payment used to bridge the gap between the date of retirement or separation and receipt of any long or short term benefits.

An emergency rating reconsideration. Servicemembers who require emergency surgeries within 60 to 90 days of being rated should receive an automatic disability rating reconsideration.

Thirdly, complete a comprehensive staffing needs assessment, which I believe has been covered by other members of the panel.

Fourth, reduce waste, fraud, and abuse. The system is replete with opportunities for fraud, waste and abuse. The underlying premise of the adjudication process is to provide compensation and benefits for long term injury and illnesses. Any system which compensates servicemembers for injuries and illnesses must also incentivize healing and recovery. It is not a politically popular notion, however if the looming costs are to be reduced and full recovery is to be achieved this must also be a corresponding goal. A comprehensive assessment then must be performed about where opportunities exist to eliminate fraud, waste, and abuse.

And finally, organizational change. We have got to change the organizational culture which punishes servicemembers either directly or indirectly for wounds, injuries, or illnesses. In the current climate servicemembers deemed unfit to fight or conduct acts of physical fitness are cast aside and labeled, often unfairly, as lazy or cowardly. I do not advocate battlefield group hugs. However, leadership training must encourage compassion, dignity, and respect. Likewise service providers, whether military or civilian, must receive similar training. Toxic leaders, both military and civilian, must be either retrained or moved out of leadership positions or positions of authority to mitigate damage to wounded and/or recovering servicemembers.

In conclusion the recommended suggestions to improve IDES will each require a cross benefit analysis to determine feasibility. Such analysis is beyond the scope of this presenter. What is certain is that each cost and benefit must be assessed using both qualitative and quantitative analysis. It is my belief that undertaking such analysis, however painstaking, would improve IDES to the benefit of retiring servicemembers. Thank you.

[THE PREPARED STATEMENT OF DEBRA GIPSON APPEARS IN THE APPENDIX]

Mr. RUNYAN. Thank you. And with that, I recognize Mr. Avila for his testimony.

STATEMENT OF GERARDO AVILA

Mr. AVILA. Good afternoon, Chairman Runyan, Ranking Member Titus, and members of the committee. On behalf of our National Commander Dan Dellinger and the 2.4 million members of the American Legion, I want to thank you for bringing to the attention of America the transition of these servicemembers. I think it is especially important that you are paying close attention to the words of the veterans service organizations. Veterans service organizations such as the American Legion bring experience to the claims process and are critical stakeholders who can help the government meet its obligation to the veteran. The VA has recognized this on the civilian side of the dividing line of service and through their programs like the Fully Developed Claims Initiative capitalized on the partnership to improve the claims process and help veterans get the disability benefits they earned through their sacrifice in a more timely fashion.

In my current position as Medical Board and Fiscal Board Representative, I have the privilege of assisting servicemembers who might not be able to continue their military career due to a medical condition. These individuals represent some of the most at risk transitioning servicemembers due to their current medical needs.

While the current Improvised Disability Evaluation System, known as IDES, a joint program by DoD and VA, is an improvement over the previous system of doing medical evaluations, we can always make it better. The American Legion maintains a national staff at the Benefits Delivery Discharge location at Winston-Salem, North Carolina and Salt Lake City, Utah, as well as out processing sites at Joint Base Lewis-McChord in Washington State, and the Washington, D.C. Capital Region. What we found is that servicemembers could benefit from better information. This is perhaps better illustrated by members of the Reserve and National Guard who might be going through the process by themselves back at their home state. They do not have the access to the same information and resources as their active duty counterparts.

These veterans going through transition are making decisions that will impact their entire civilian lives and often they are being asked to do so with little understanding of what that impact will be. As American Legion service officers we can bring insight to what benefits they are entitled or not entitled to. We can also help them understand the importance of their medical exams. Helping servicemembers manage expectations and understanding the timelines is critical. Helping them understand what job training and resources are available, what short discharge or retirement options are best suited to them. The kind of guidance is still hit or miss without good counseling.

The American Legion helps over 500 servicemembers a quarter with their BDD and Quick Start claims but thousands of veterans still go unrepresented. It is often difficult for service organizations to communicate directly with servicemembers on post. When you consider a report issue on May 20th by the IG, VA is making errors on these claims with only around a 69 percent accuracy rate.

Veterans need advocacy at every stage of the process. The American Legion hopes to continue working with the Department of Defense and the Department of Veterans Affairs to ensure that all veterans have advocacy throughout their transition process. The system exists to serve those who wear the uniform of the United States of America. But the American Legion exists to be a veteran serving veterans organization. And we can best do that when we bridge the gap between our veterans and servicemembers and the services provided by DoD and the VA.

Thank you for inclusion of the stakeholders. We are happy to answer any questions.

[THE PREPARED STATEMENT OF GERARDO AVILA APPEARS IN THE APPENDIX]

Mr. RUNYAN. Thank you. And we will recognize Mr. Varela for his testimony from DAV.

STATEMENT OF PAUL RAYMOND VARELA

Mr. VARELA. Thank you, Chairman Runyan. Good afternoon, Ranking Member Titus, and members of the subcommittee. DAV appreciates the opportunity to testify today at this hearing to examine more closely the IDES program and other aspects affecting active duty servicemembers participating in the BDD or Quick Start programs, commonly referred to as the pre-separation process. My oral remarks will address three issues we find particularly important.

First, time frames and benchmarks established within the IDES program. The IDES program was constructed with the expectation of servicemember reaching finality within 295 days and we will highlight several critical points along this transition path. Proposed rating decisions by D–RAS locations are required to be issued within 15 days of receiving notification that a servicemember has been deemed unfit for duty. DAV service officers in the field do report delays in the proposed rating process, in some areas ranging anywhere from three to six months. Once separated from service and now considered a veteran their disability compensation payments are expected to begin within 30 days of discharge. DAV service officers have reported delays in the processing of finalized IDES claims in Providence, Rhode Island and previous delays in Seattle, Washington. At Seattle, Washington D–RAS sites improvements have been noted within the past few months due mostly to consolidation and reorganization of resources. Delays are also reported out of D–RAS sites in Rhode Island, not only affecting final rating board determinations but also the proposed rating board determination.

DAV finds most reports of delays are personnel related, specifically a lack thereof, a situation where demand has outpaced resources. A thorough evaluation is needed to determine exact resource and personnel requirements and whether a proper case to staff ration model exists. Of critical importance is when an active duty servicemember crosses the threshold and becomes a veteran. A delay here could have serious consequences as compensation benefits may in fact be their sole source of income.

Second is VSO access and support. DAV's transition service officers have earned a renowned reputation for their services within

the active duty and veteran community. Despite their reputable attributes and proven track records the launch of the new TAP/GPS program, whether deliberate or not, has adversely affected the level of service DAV TSOs have been able to provide during the pre-sep process. Prior to TAP/GPS DAV was heavily engaged in the pre-sep process. TSOs routinely provided briefings to class participants, many times at the insistence of military installations. They screened personnel medical records and performed one on one counseling to provide information and answer any questions posed by the participants.

Unfortunately our role continues to diminish and is met with some resistance at some military installations. In some cases there have even been attempts to remove the VSO presence and functions entirely. What is presently occurring seems counterintuitive. In some instances VSOs' assistance is promoted, whether through the IDES process itself during the physical evaluation board proceedings, but most certainly while engaged with the VA during the claim and appeal process. VSOs represent roughly 60 percent of claimants and 70 percent of appellants before the VA. Collaborative efforts between VSOs and program affiliates would serve as a benefit to our separating servicemembers.

Third, vocational rehabilitation and employment services. Servicemembers proceeding through IDES with ratings of 20 percent or greater have direct access to voc rehab counselors stationed at military installations where IDES is performed. Bear in mind this IDES mission parameter is staffed with voc rehab counselors that are drawn away from daily regional office VR&E operations. DAV has testified on many occasions regarding the benefits of the VR&E program. VR&E can provide opportunities for immediate transition to employment upon separation, career counseling, and supportive services and plans if employment is not aligned prior to separation. VR&E benefits may not be realized by pre-sep personnel as their focus could be on the use of Post-9/11 G.I. Bill benefits. However, DAV and our independent budget partners have recommended that Congress remove the 12-year delimiting period to use this earned benefit to ensure it is available when needed, regardless of when that need arises. With the wide range of benefits offered through the voc rehab program it is imperative that servicemembers have as complete an understanding of this benefit as possible. It could prove critical at some point in the future if circumstances in their lives change.

In conclusion resource needs must be comprehensively identified, procured, and utilized. Programmatic goals and parameters must be aligned to meet or exceed this servicemember and veteran-centric mission. VSO involvement during the pre-sep process is vital and should receive greater support by all program partners. VR&E eligible participants must continue to be identified. Availing these services during the active duty phase assures program understanding and gives our wounded, ill, and injured servicemembers and their families the best advantage by leveraging all available tools and resources needed to successfully transition out of the military.

Again, Chairman Runyan, Ranking Member Titus, and members of the subcommittee, we thank you for the opportunity to present this testimony today.

[THE PREPARED STATEMENT OF PAUL RAYMOND VARELA APPEARS IN THE APPENDIX]

Mr. RUNYAN. Thank you. And with that I would recognize Mr. Gehrke for the VFW testimony.

STATEMENT OF BRENDON GEHRKE

Mr. GEHRKE. Mr. Chairman and members of the subcommittee, on behalf of the men and women of the Veterans of Foreign Wars, I would like to thank you for the opportunity to testify at today's hearing on VA's performance in the servicemembers transition process. This past Memorial Day many Americans displayed pride in the veterans who fought in America's wars. Surveys show 91 percent of Americans say that they are proud of military servicemembers. Unfortunately the pride America has for its servicemembers still is not fully matched by the government agencies charged with supporting their transition back to civilian life.

The 2007 Walter Reed scandal was a wake-up call to Americans that the government was not properly caring for our wounded warriors. The public was outraged that Marines and soldiers were living in disparaging conditions, forced to deal with inattentive management and woefully inadequate care delivery. Equally concerning was that veterans were being shortchanged on the disability and retirements they have earned.

As a result Congress and the President conducted fierce oversight over the military's and veterans healthcare and disability benefits system. Congress concluded that the care, coordination, and reintegration services provided by the agencies were fragmented, leaving the public, servicemembers, and their families to question the government's commitment to those who carry the burden of battle. In 2008, Congress forced DoD and VA to create policies to ensure that the disability evaluation systems which determined their military and veterans benefits were streamlined and fair. As a result, DoD and VA collaborated to create the Integrated Disability Evaluation System, which simplified the disability evaluation process by eliminating duplicative disability examinations, ratings, and placing VA counselors in military transition facilities. The VA has also responded by expanding the Benefits Delivery at Discharge and Quick Start Programs to allow servicemembers to submit claims before their discharge date.

The VFW believes these promising programs are a step in the right direction. However, we recognize that these programs are far from perfect. Servicemembers still suffer from the Defense Department's disjointed policies and leadership, which govern wounded warrior care; inadequate VA and DoD staffing dedicated to the benefits evaluation process; no integrated electronic healthcare system; and poor communication. The result of DoD's and VA's shortcomings is that servicemembers are waiting too long in wounded transition units as VA processes their disability claims.

To reduce claims processing times we recommend that DoD collaborate with VA to reduce red tape and that VA expedite the adjudication of BDD and Quick Start claims. To ensure DoD creates

and enforces the policies that ensure servicemembers are not short-changed on benefits and that all policies are equitable, we recommend that Congress give the Under Secretary of Personnel and Readiness the sole authority to develop policy to improve the care and services provided through IDES.

To say the transition process is seamless for servicemembers or that DoD and VA have an integrated disability evaluation process would be inaccurate. It is impossible to have an integrated disability evaluation process without an integrated electronic healthcare record system. Therefore it is imperative that Congress use their complete authority to ensure DoD collaborates with VA to create a fully integrated electronic healthcare record system. Also communication between DoD and VA senior officials must increase and the departments must conduct better outreach to servicemembers, family caregivers, and VSOs.

In conclusion we acknowledge that both the Departments of Defense and Veterans Affairs are delivering quality care to servicemembers and veterans when accessible. We give them credit for addressing the disability evaluation system and setting ambitious timeliness goals for delivery and benefits so long as those goals are achievable. Timeliness is drastically improved from the estimated 540 days it took to complete a claim with the legacy system and VA and DoD continue to shorten the amount of time it takes to process disability claims. However, VA and DoD do not have the policies, procedures, and resources to address the influx of servicemembers who will be transitioning to civilian life as forces draw down. It is imperative that Congress not only boost its aggressive oversight over the agencies to ensure that they properly plan for the future, but they also must provide the fiscal resources to improve the access to care and benefits that our servicemembers have earned.

Mr. Chairman, this concludes my testimony and I look forward to answering any questions the committee may have.

[THE PREPARED STATEMENT OF BRENDON GEHRKE APPEARS IN THE APPENDIX]

Mr. RUNYAN. Thank you. And with that we will begin a round of questioning. And my first question is going to be for Mr. Avila. You note in your testimony that in a recent audit by the VAOIG on the Quick Start program VA responded that a lack of timeliness was due to an increase in Agent Orange claims. Unfortunately this seems to be a pattern from the VA in that they do not adequately project their future workload and divert attention from problems focusing on the unrelated issues. Can you please elaborate on this statement and how it negatively impacts a substantive focus on the improvement of pre-discharge claims?

Mr. AVILA. Mr. Chairman, when I work as an MEB/PEB issue in the IDES, I myself went through the pre-discharge claim. I retired two years ago and I used the pre-discharge claim. I used the BDD because I filed when I had over, I think I did it at 180 days. And that was a program that was currently being pushed by the VA. They said if you file this way your claim will be processed and you will receive benefits as soon as you exit the military.

Maybe some of the issue is that these claims go to certain regional offices and a lot of members started filing the claims and ei-

ther Winston-Salem or Utah would start receiving the claims. And what we started seeing is that the BDD and the Quick Start claims became a backlog because every servicemember that was transitioning was advised that this would be the most advantageous way. And by everybody filing we created a backlog.

I believe now that BDD and the Quick Start claims have come down a bit. I mentioned the Benefits Deliver at Discharge, which was another initiative that started. Basically you are submitting a claim along with all your medical documentation and asking the VA to adjudicate the claim because they have all the information available. And I believe right now these claims are being adjudicated, depending on the regional office, between 130 and 135 days. And like I said, I deal with the IDES and maybe some of the issues with IDES too is all Army cases go to the Seattle Regional Office, all the other services go to Providence, Rhode Island. And I know right now the issue on that is the Seattle Regional Office, the Army, if you look at the number, they have the majority of the IDES cases. So maybe this is, I do not know, do they switch them off to another office? Or maybe there is another, we have got to look at another system to get these members their ratings a little bit quicker so we can definitely process them out.

Mr. RUNYAN. Thank you. And my next question is for Mr. Jenkins. You note in your written testimony that pre-discharge employees experienced difficulties with communication with MSCs. Two-part question, what suggestions do you have to improving communication between MSCs and VSRs? And do you believe that greater VSO involvement in pre-discharge claims would help alleviate some of the concerns?

Mr. JENKINS. Well to answer your question, chairman, any time we can have a VSO involved that is going to assist, they have direct contact with the veteran, they are interacting on a regular basis, and sometimes they can even speak for the veteran when it comes to a claim so they can speed the process along. As far as communication between MSCs and VSRs, training has a lot to do with it. Some of the MSCs that have been hired do not have previous development training. So they have a lack of understanding of the process. It all has to do with staffing, training. Those are the bottom lines to it all. They have to be trained properly and they have to understand the process between, how it works between the regional office and the IDES locations as well.

Mr. RUNYAN. Thank you. And with that, I yield to the Ranking Member Ms. Titus.

Ms. TITUS. Thank you, Mr. Chairman. I would just say first, Ms. Gipson, my colleague Mr. Beto O'Rourke was certainly right. Yours is a power and eloquent voice for change and I thank you very much for being here. I would just ask you if at any point during the process were you asked by anybody, or did you take a survey, about how it was working? What could have been done better, if you were satisfied? Did you get, did you feel like anybody was asking for your feedback?

Ms. GIPSON. Yes, ma'am. I do. The issue with the survey is, you, I have some familiarity with surveys. And when you survey people makes a difference in what their response will be.

Ms. TITUS. Yes.

Ms. GIPSON. So for example if you survey a servicemember who has recently entered the IDES process and they are within the first 30-day window, their comment about the VA, or about the IDES system, is not going to be negative at all because they have only participated in the process for 30 days. If however you survey that same servicemember, say for example within six months of them exiting the service, when they have had an opportunity to sort of reflect back upon when or what happened to them, I think that the numbers may look very different.

Ms. TITUS. Yes.

Ms. GIPSON. And so to answer your question more specifically, yes, we were surveyed. But at the time, for example, that I took the survey, I was about six months into the process and that did not seem very daunting to me. Had I been surveyed again at month 15 my answers very likely would have changed.

Ms. TITUS. So you think the results are skewed based on when people take the survey——

Ms. GIPSON. Yes, ma'am.

Ms. TITUS [continuing]. And what has happened to them?

Ms. GIPSON. Yes, ma'am.

Ms. TITUS. I suspect that is true. It is pretty easy to manipulate numbers like that.

Ms. GIPSON. Yes, ma'am. Yes, ma'am.

Ms. TITUS. I would also ask the VSOs, starting with Mr. Avila, if you have ever heard that term Quick Start, Slow Finish, or Quick Start, No Finish? And have you, have you ever discouraged any soldiers from going through any of these programs, as we have heard of anecdotally? And then finally, I think Mr. Varela mentioned this, what specifically can we do to enhance your role to help soldiers before they are discharged like you help them after they become veterans that might facilitate this process?

Mr. AVILA. I have heard of the term, the Fast Start. What I currently do, I deal mainly with the MEB/PEB. I do assist servicemembers. And I know the other VSOs have representatives at installations. What I am currently advising somebody that is getting out is do not do BDD. I ask them to do an FDC. Right now that is what is getting results a little bit quicker. So they wait until they retire, they go through their transition course and gather all of the information and then once you are retired, or you can do it before, fill out all your paperwork, and then on your first day of retirement you go and submit it to the VA and use the FDC method. It depends on the regional office as well.

What can we do? I think TAPS, there was focus on TAPS several years ago, to put different resources out there for veterans that are transitioning. So for my point on the IDES, I think we need to do the same part. Because yes. So these soldiers, as you know, they have legal rights. Once they get the MEB results they have so many days to seek legal counsel. They can use the JAG offices on the installation. They can use the DSOs. The issue is that not a lot of DSOs are doing specific IDES cases. They are doing your transitional VA claim. So I think maybe speaking with DoD, and I did have a meeting with DoD, Bret Stevens who is the Director of the IDES, and trying to see what the American Legion can do. We have service officers. Can we assist? What can we do to get the

word out to these members so they can make the best decisions as they go through the process?

Mr. VARELA. Thank you, Congresswoman. Yes, we have heard of that term before, Quick Start, Slow Finish. We have discouraged some servicemembers from going through BDD or Quick Start, depending on their individual circumstances. What can we do? VSOs used to have broader access. And then all of a sudden with the implementation of TAP/GPS, we just became more and more marginalized. It is a collaborative effort. I mean, we are all in it together. We understand the active duty component, and we understand the veteran component. And we have transition service officers. I like to call them translation service officers, because we can translate a lot of what is happening in terms that they can understand.

Mr. GEHRKE. Thank you, ranking member, for the question. I think the numbers on the Quick Start speak for itself. It is 249 days on average, I think. Members receive their benefits eight months after they discharge. So that is definitely not delivery on discharge. In regards to Quick Start, we will recommend to some servicemembers, veterans, that they not submit a Quick Start claim. It depends on where they are going home to. So if they are going home to St. Paul or Columbia, which regional office operates faster than the others, then we will say, no, wait until you get home and we will send a fully developed claim in. If they are going to, say, Waco or Houston, which is not well at all, we will say, no, let us do a Quick Start now and start the process because once you go home it is going to be horrendous.

One thing that we recommended in the testimony is to treat Quick Start claims like you would a fully developed claim. The only thing different from a fully developed claim and a BDD or a Quick Start—well, I would say a BDD claim, is a DD–214. So theoretically they get to the rating officer fully developed and you theoretically should be able to rate that day. However, they are kind of pushed to the side and kind of waited on as they work their other cases. So if you treated them as the same process you would an FDC claim, you would likely see a fall in the processing times. But it is also important to recognize that if you shift the resources there you are essentially taking resources from elsewhere. But we believe these servicemembers are in need of the benefits the most. They are transitioning, they are wounded, they are still maybe looking for a job. So they are going through a lot of transition process and they really need that income to help them through that process. So I think it is appropriate to prioritize those claims.

Ms. TITUS. Well, thank you for your help. Thank you, Mr. Chairman, for the time.

Mr. RUNYAN. I thank the gentlelady, and recognize the gentleman from Texas, Mr. O'Rourke.

Mr. O'ROURKE. Thank you, Mr. Chairman. I would like to begin by just noting for the record that Ms. Rubens from the VBA is still here and was here to listen to the OIG and to the testimony from veterans and VSOs and those who are working within the system to serve veterans, and also note that Ms. Halliday and her team from the OIG are here to listen. So I really appreciate their atten-

tion and respect to the members who are here giving their testimony.

Ms. Gipson, you came up with a number of really good recommendations for us and VBA and DoD to follow. One of them was to change a culture that can seem as though it is punishing servicemembers. And I have heard this directly from servicemembers at the WTU at Fort Bliss in El Paso. We have read of some really egregious cases where it seems that the punishment is punitive, overly punitive if not downright humiliating. And I hope those are the exceptions and not the norm. And it is part of the pressure I feel to get that wait time down, which back in February was 185 additional days over the goal down to what Ms. Rubens has committed to in terms of what the VBA can control. Can you talk about from your own experiences what you have seen or witnessed within that culture, and how we might go about changing it? And I will have one additional question. So if you could answer that within the span of about a minute or two that would be great.

Ms. GIPSON. Yes, sir. It has been my experience that soldiers are often treated with if not open hostility then at a minimum a sort of dismissive attitude. It is not, I think that you have to start with the premise that soldiers deserve this, the wounded warrior programs and they deserve to have their illnesses and injuries treated. I think if you start there then that is a great springboard to build, around which to build policies and procedures that will advocate on behalf of the soldier.

What I think happens is that there is a sort of consensus that these programs are there simply for soldiers to take advantage of and to get as many benefits as they possibly can before they exit the system. And there is a resentment that builds up. And I think if there can be policies that can abate that mentality, I think you can go a long way in changing the culture.

Mr. O'ROURKE. And I should also say that I have had a chance to speak with some of the commanders at the WTU, and you know from their perspective they have this obligation and responsibility to maintain discipline and readiness and there is this understandable tension between people who are on the verge of transitioning out and their commanders who may have them for, you know, in the case of El Paso a period approaching 200 days longer than they should have. So it gives us added impetus to try to reform this system and as you say reform the culture within it.

Mr. Gehrke, I wanted to follow up on some of the comments that you made and ask you a question that I asked the OIG about where we might better commit resources and staffing. We heard from Mr. Jenkins that one potential byproduct of brokering is that we have some regional offices looking for work or creating new or different kinds of work that may not be as effective or as efficient. You have heard my concerns about the wait times in the IDES process. What are your views on how we could improve staffing levels, resourcing? What are we missing and where are we missing that?

Mr. GEHRKE. Thank you for the question. I think Ms. Gipson was right on in saying that there needs to be some sort of staffing reassessment. I mean, we hear in all of these VAOIG reports or GAO

reports that, one, there has been mismanagement. But two, it is always coupled with that there is a lack of staff. And so I would like to personally know what the formula is for deciding staffing levels, whether they have such a formula and what it consists of, and then how often they do those staff assessments. And not just for VBA, for VHA as well, and DoD as well. Because we always hear that they are missing physicians, they are missing rating officers, PEBLOs, across the board. And so there is a lack of resources. But it is hard to decide where to put the money and where to allocate those resources if there is not a proper formula for deciding what those staffing levels should be, and where it is missing, and where maybe it might be too much.

Mr. O'ROURKE. You know, from my perspective as long as VBA is able to meet their stated goals for timeliness and accuracy, I am very happy for them to decide where those resources are placed. When they are unable to then it seems as though they may need some help from either oversight bodies or VSOs that work directly with them. I would just welcome you and the other VSOs who are here to continue to stay in touch with us, where you might see deficiencies, where we are not meeting our goals when it comes to accuracy and timeliness, and where we might recommend additional resources being placed. So I appreciate your perspective on this.

And it looks like I am out of time, but I would like to follow up with you if you have additional comments. And with that, Mr. Chair, I will yield back.

Mr. RUNYAN. Do you want another minute or two?

Mr. O'ROURKE. Well, Mr. Gehrke, it looked like you were about to say something else. And so with the chair's indulgence I would love to get your answer on that.

Mr. GEHRKE. I was just going to say I think in the VAOIG report on Quick Start they pointed out that I believe it was San Diego or Salt Lake City that they had requested additional staff and VA provided those staff, and then that facility went and used the staff for other purposes. So we see that quite often. Where they say that we are going to use all this hundred people for Quick Start and they cut them in half and use them for Nehmer cases or some sort of other cases. Which shows that they may need even more staff than they are asking for or that is being allocated to them.

Mr. O'ROURKE. Thank you, Mr. Chair.

Mr. RUNYAN. I thank the gentleman, and I thank everyone for being with us today, and the panel is excused. I appreciate the time and attention you spent preparing your remarks.

It is obvious that there is still much to be done in IDES as well as the transitioning disability benefits programs. I do not want anyone here to lose sight of these transitioning servicemembers, our newest veterans, with any false argument that the VA has more important priorities until 2015. VA has always had to maintain multiple priorities and now through 2015 is no different.

I ask unanimous consent that all members have five legislative days to revise and extend their remarks and include any extraneous material. Hearing no objection, so ordered. I thank the members for their attendance today and the hearing is now adjourned.

[Whereupon, at 4:52 p.m., the subcommittee was adjourned.]

APPENDIX

PREPARED STATEMENT OF RANKING MEMBER, DINA TITUS

Thank you, Mr. Chairman for holding this hearing today on behalf of our nation's veterans.

Today, we will look into the performance of programs that VA and DoD utilizes to determine ill or injured servicemembers fit for duty status, as well as programs designed to expedite the adjudication of separating servicemembers claims. Particularly we will focus on the Integrated Disability Evaluation System (IDES), the Benefits Delivery at Discharge program (BDD) and the Quick Start Program.

All of these programs have now been up and running for a number of years. IDES was initiated in 2007 in follow-up to poor conditions and fragmented care that our Servicemembers were receiving at Walter Reed Army Hospital.

BDD was launched in 1995 as a pilot, and fully launched in 1998. The intent of BDD is to assist disabled servicemembers in making a seamless and successful transition to civilian life by allowing them to get their claim completed as early as possible while they have their medical information readily available and it is clear that there is a nexus between their disability and military service.

Quick Start was launched in 2008, is similar in nature to BDD, and was established to provide an expedited disability benefits process to servicemembers that will be discharged within 59 days.

Despite having been long established, and the intent and need to assist our servicemembers transition into civilians, all three of these programs continue to be fraught with challenges and are performing far below expectations.

The one similarity that all of these programs have is that they all suffer from continued poor timeliness on behalf of VBA in adjudicating these claims. BDD and Quick Start have particularly seen a drop off in the number of claims filed under the program. In our Committee oversight travel, we have heard VA employees and VSO's alike suggest that participating in these programs will actually increase the time it takes for a veteran to receive an outcome on their case versus their intent to reduce it. The programs have also started to draw their own mantras amongst employees and veteran advocates such as "Quick Start, Slow Finish."

In meeting with the VAOIG they have highlighted that eliminating the backlog has started to come at the price of other benefits and claims such as IDES, Quick Start and BDD, being moved to the back burner. The IG also highlights concerning disparities between VA's internal determinations of accuracy via STAR reviews and the accuracy levels that they have found in their reviews. I believe the timeliness metrics in combination with the VAOIG's findings speak for themselves, BDD, IDES, and Quick Start are simply not a VA priority.

With regards to IDES, our committee continues to receive constant emails from servicemembers. They all generally have the same ask, "I am in the Army, and I am waiting for a rating decision from the DRAS (D–RAZ) in Seattle, Washington, I need my VA rating so that I can get out of the military so that my family and I can move on with our lives." Many of them have emphasized a negative impact that the IDES process has had on them and their relationships with their families.

Our staff has witnessed firsthand the poor culture that is often prevalent at IDES stations and Wounded Warrior Battalions. I want to thank Ms. Gipson, an Army veteran who recently went through the process, and is with us here today, for highlighting the negative culture in IDES, amongst other issues, in her testimony.

I want to be clear about something with regards to the IDES process. There is no other process whereby VBA is holding individuals' lives, our Nation's injured servicemen and women, in bureaucratic limbo based on their need to reach a decision. An Army Reservist that enters the VA Rating stage of the IDES process today will not get her decision back from the Seattle DRAS (D–RAZ) until November 26th. She likely joined the IDES process around February 17th, 2014 and will not complete the process until June 23rd, 2015.

As our servicemembers wait for a VA rating decision, they are often disconnected from their families who may be at the place they call home, which is often not the same location as the IDES processing facility.

As our servicemembers wait for a VA Rating decision, they and their spouses are often hesitant to take college courses or technical training as they do not know when or how the IDES process will end.

As our servicemembers wait for a VA rating decision, they and their spouses are often unable to accept or seek employment as they do not know when they will be discharged and when they will get back to the place they call home.

For all of these reasons, and most all because it is the right thing to do, VA needs to take a hard look at their resources pointed at IDES and say how do we get to our goals today and not tomorrow.

VA's timeliness issues aside, I would also like to start the dialogue on looking at the IDES process from a new perspective. An angle that emphasizes the servicemembers, their families, and their transition, over the current process that emphasizes DoD's need to determine if the servicemember is found "physically and mentally fit to perform their military duties," or not.

My staff recently sat down to discuss this idea with DoD and we were surprised to learn that 95% of our nation's servicemembers that enter into IDES are discharged through the program. Knowing that 19 out of 20 Servicemembers are going to be discharged how could we offer servicemembers that are selected to go into IDES with an alternative option?

An option that would allow them more geographic flexibility in their transition, an option that would give them more flexibility to accept a new employment position or pursue an educational degree. Again, with 95% of IDES servicemembers getting out, I think we have to ask ourselves are we focused on the right outcomes.

I think the 378 days that soldiers spend in IDES would be better utilized emphasizing transition through the right mixture of healing, education, and employment with fewer DoD requirements and increased access to assistance. A way that allows Servicemembers to heal from their injuries while growing their capacity for civilian employment.

In closing, these programs have been around for a long time for the right reasons. It is time that we prioritize these programs to do right by those who need it most, our ill and injured servicemembers that are transitioning.

I thank all of our esteemed witnesses for joining us today and look forward to hearing their testimony.

PREPARED STATEMENT OF MS. NANCY E. WEAVER

Summary

Since 2007, the Department of Defense has collaborated with the Department of Veterans Affairs in an integrated and transparent disability evaluation system for Servicemembers who have any illnesses or injuries that may compromise their ability to perform military duties.

In the Integrated Disability Evaluation System (IDES), Servicemembers receive a single set of examinations and disability ratings that DoD uses to determine fitness-for-duty and compensation for unfitting conditions and VA uses to compensate for all conditions incurred or aggravated during military service. Determinations are completed before a Servicemember is separated so both Departments provide disability benefits at the earliest point allowed by law.

The advantages of IDES, compared to previous legacy systems, include: elimination of separate examinations and disability ratings; consistency between DoD and VA disability ratings; and, a reduction of post-separation wait time for VA disability benefits. The IDES reduces the administrative burden on Servicemembers who undergo a single exam and complete VA claim paperwork before discharge, and has resulted in improved Servicemember satisfaction, disability benefits timeliness, and rating transparency.

DoD has continued to implement process enhancements to include: improved policy; increased staffing levels; and, training standards for counselors. These and other improvements have enabled DoD to achieve and remain below its core IDES processing goal of 105-days for the past several months.

DoD is also looking at technology to gain more efficiency. We are working a joint system that will leverage existing IT capabilities where appropriate, as well as new capabilities, to support end-to-end case management; tracking, reporting; and, a bi-directional electronic IDES case file transfer. We will continue to work with VA to ensure system interface requirements are identified and planned for from design through deployment.

In support of VBA's transition to a fully digital environment for claims processing, DoD achieved the goal to implement a secure interface to allow VA to query the Health Artifact and Image Management Solution repository for relevant Service Treatment Records by January 2014 in accordance with the DoD—VA Joint Strategic Plan.

We have worked diligently to develop and support a disability evaluation system that ensures our Nation's wounded, ill and injured servicemembers receive timely,

transparent, and fair compensation for injuries and illnesses incurred in the line of duty.

Introduction

Chairman Runyan, Ranking Member Titus, distinguished Members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the Integrated Disability Evaluation System, also known as the IDES.

Over the past several years, the IDES has greatly improved the way the Department of Defense (DoD) and the Department of Veterans Affairs (VA) evaluates our seriously wounded, ill, and injured Servicemembers. From 1949 to 2007, medically discharged Servicemembers have been processed through separate DoD and VA disability evaluation programs. Each department administered their own disability examinations and ratings and seriously wounded, ill, or injured Servicemembers had to wait until after they left military service to apply for VA benefits, even when DoD had already examined and rated their disabilities. In 2007, those separate departmental disability processes took about 540 days end to end, including 300 days for DoD and 240 days after separation from military service for VA. Separate examinations and ratings by the departments led to inconsistent and confusing results.

The results of DoD and VA efforts to modernize disability evaluation are that since 2007, over 82,000 Servicemembers have benefited from IDES. Our joint processing times have decreased from a total of 540 days under the previous disability evaluation system to 353 days total in April 2014, and currently 83 percent of Servicemembers in IDES express satisfaction with their IDES experience.

Although the IDES improves on the previous disability processes, we must continue to enhance this system in order to be flexible in response to the changing demands of the 21st century. DoD is improving the IDES to meet those demands and be faster, fairer, and more consistent and transparent than the Departments' previous processes. The Department of Defense is committed to continuously evaluate and implement enhancements that will improve the IDES.

IDES Benefits

At its core, IDES remains a fitness for duty evaluation process, with the primary objective of determining whether a Servicemember is physically and mentally fit to perform their military duties. But, the IDES process also offers a number of improvements and benefits compared to the previous legacy disability evaluation environment. Integrating the previously separate, sequential processes allowed the departments to eliminate duplicate disability examinations and ratings, co-locate many process administrators, share full medical records, and capitalize on VA's disability rating expertise. IDES also provides several direct benefits to Servicemembers. IDES introduces disabled Servicemembers to VA's health care and disability benefits system sooner, provides more consistent access to accurate and timely information about the process to Servicemembers, their families and caregivers, provides disabled Servicemembers their proposed VA disability rating prior to leaving the military, and provides more consistent, understandable outcomes for Servicemembers going through the process. And, the Servicemember retains all of his or her rights to due process in both Departments. These benefits were achieved through successful collaboration between DoD and VA.

In the past, the two Departments used their own examinations to determine medical conditions incurred or aggravated by military service. They also developed separate ratings for the degree of disability caused by those medical conditions. This often led to different results between DoD and VA for disabling conditions, disability ratings and compensation levels, fostering confusion and objections over the outcome. Now, DoD provides VA the member's service treatment record. VA conducts the disability examinations, which are then added to create a complete service treatment record. DoD uses the completed service treatment record to determine whether each condition makes a Servicemember unfit for continued service. VA uses the Veterans Affairs Schedule for Rating Disabilities (VASRD) to establish a proposed rating for each disability incurred or aggravated by military service. VA shares those results with DoD and each Department then uses the results to establish a Veteran's disability determination. The IDES process ensures consistent disability evaluations and ratings for the set of medical conditions that make a member unfit for service.

Use of a common form and co-located resources also contribute to a faster, fairer, and more consistent and transparent process. The Departments share the VA/DoD Joint Disability Evaluation Board Claim form, VA Form 21–0819, to refer, track, and identify outcomes throughout the IDES process. Another advantage the IDES offers is in the area of communication. Wherever practical, DoD and VA case workers are co-located in the same building on DoD installations. This improves information flow and timeliness, and is more convenient for the Servicemember. Throughout

the process, DoD and VA case workers keep Servicemembers informed of the progress of their case, what events and activities are coming next, and their rights and responsibilities. DoD case workers strongly encourage the Servicemember to include family members and caregivers during education and counseling sessions. This approach ensures that the Servicemember's personal support structure is well informed as to expectations and requirements.

Throughout the IDES process, the use of a standardized form, co-located process administrators, and the conduct of a single set of examinations to support the disability decisions of each Department help reduce the overall amount of time required for a Servicemember to progress from a disabling wound, illness, or injury through the disability evaluation process to the point where they have their DoD disability and benefits decisions, as well as their VA disability benefits notification. This allows Servicemembers to both better plan for their future as a veteran, as well as begin receipt of VA benefits much closer to their date of discharge from military service. By integrating the two separate disability evaluation processes, DoD and VA are much better positioned to support the Servicemember's transition to veteran status and reintegration back into the civilian community. The measurable improvements have benefitted thousands of seriously wounded, ill, and injured Servicemembers.

IDES Performance

Over 82,000 Servicemembers have completed IDES since 2007. As of April, 2014, there were 29,640 Servicemembers enrolled in the IDES (73 percent Army; 8 percent Marine Corps; 7 percent Navy, 11 percent Air Force).

As of April 2014, integrating the Departments' processes had reduced the total time from when a DoD physician referrals a seriously wounded, ill or injured Servicemember for disability evaluation until receipt of VA disability benefits by 35 percent (an average of 540 days in the previous disability evaluation system to 353 days). Working together, the Departments reduced the "benefits gap" (time between discharge from the military and receipt of VA benefits) 86 percent from 240 days in the previous disability evaluation system to 34 days in April 2014. DoD has demonstrated continuous progress in recent months by reducing the average time to complete the DoD's required core activities by 11 percent from 114 days in November 2013 to 101 days in April 2014. DoD core IDES activities include: physician referral for evaluation and intake counseling; preparation for and execution of a Medical Evaluation Board to assess the member's illnesses and injuries; preparation for and execution of a Physical Evaluation Board to determine whether the member is fit to remain in the military or must be separated or retired; and, a transition period to out-process and separate or retire those who must leave their Service, against a goal of 105 days. DoD has met the 105-day core process timeliness goal for the last three consecutive months. Among the Military Departments, the Army has successfully met DoD's core timeliness goal for the last six consecutive months; the other Services are continuing to improve their timeliness.

However, more work is needed to meet the overall IDES timeliness goals. In April 2014, a Servicemember's case file averaged 353 days to complete the integrated DoD and VA process against 295-day (Active component) and 305-day (Reserve component) timeliness goals. Days to complete VA core processes improved 25 percent from 250 days in November 2013 to 187 days against a goal of 100 days. However, DoD and VA cannot achieve the IDES overall 295- and 305-day goals until both Departments reach their respective performance goals. VA has shared their improvement plan to meet its timeliness goal by October 2014. Together, the Departments anticipate meeting the overall goal by the end of this year.

The integrated nature of the IDES means that each Department can gain efficiency in their core processes, but must be attentive of how these efficiencies affect both Departments' processes so they do not inhibit the smooth transition between IDES stages. DoD's improved case processing efficiency resulted in more cases being transferred to VA than could be completed, extending the time Servicemembers remained in the IDES process and on active duty.

Timeliness is important, but DoD is also concerned with whether Servicemembers are satisfied with their IDES experience. DoD monitors Servicemember satisfaction with IDES through surveys at two key points—after Servicemembers complete their Medical Evaluation Board and after they receive the results of their Physical Evaluation Board. Seeking feedback after the Physical Evaluation Board is important to DoD because after that board, the Servicemember has been informed of their proposed disability rating and the results of the DoD fitness decision—return to duty, separate, temporary disability retirement, or permanent disability retirement. Servicemember feedback received between July and December 2013 indicate that 83

percent were satisfied with their overall IDES experience. Servicemembers reported even higher levels of satisfaction with IDES DoD customer service (88 percent).

IDES Enhancements

As IDES matures, DoD has continued to work to refine and enhance the process. In 2011, the Warrior Care Policy Office began drafting DoD policy to combine thirteen separate policy documents, disability evaluation issuances, and directive-type memoranda. This is the first comprehensive rewrite of IDES policy and procedures issuances. By summer 2014, the Military Departments will be able to work from a much improved set of policy documents that provides simpler, clearer guidance to the individuals administering the program. This should, in turn, lead to more consistent interpretation and implementation of policy and more consistent outcomes. DoD appreciates the quality assurance program guidance in the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112–239) and is preparing a comprehensive disability evaluation quality assurance program to fully implement Congress' guidance in October 2015. Implementing the quality assurance program will standardize the way DoD compares and reports the accuracy and consistency of DoD disability decisions. Analyses from these reviews will allow DoD to identify best practices and areas needing improvement. DoD will institutionalize the quality assurance program in policy to ensure long-term improvements to the accuracy and consistency of the process.

DoD increased its IDES staff levels by approximately 700 individuals (127 percent) between 2011 and 2013 to ensure it has sufficient case managers, doctors, lawyers, and adjudication staff to improve timeliness and sustain the performance of DoD core functions for Servicemembers in the process. Increased staff helps ensure Servicemembers, their families and caregivers receive more frequent and meaningful communication about the IDES and where the member is in the process at any given point, which makes the significant life event of transitioning to Veteran status somewhat easier. These actions ensure that the IDES is more transparent to participants and their families.

DoD issued enhanced training requirements for Service Physical Evaluation Board Liaison Officers. These new requirements provided minimum standards for training program content and performance objectives for Physical Evaluation Board Liaison Officers to ensure their consistent performance and that Servicemembers receive the best possible counseling and support while in IDES.

DoD verifies the Servicemember's service treatment record includes all available information prior to providing the record to VA. This ensures VA has all necessary medical information and can complete their medical examination and rating processes faster without searching for additional information. A complete service treatment record also increases the accuracy of medical examinations and helps the Servicemember retain an accurate assessment of his or her own health and fitness. While this change could result in an increase in time for a minority of cases referred into the IDES, it is in the best interest of the Servicemember that DoD provides VA all available medical documentation. Having the complete file ensures that all medical evidence is available for consideration and can prevent future case rework.

DoD is continuing to make the necessary improvements to ensure we are using the best possible evaluation system. The IDES has been in place since 2007, and although we review processes regularly, DoD is conducting a follow-up study to a Fiscal Year 2012 National Defense Authorization Act (Public Law 112–239) requirement to provide critical analysis and recommendations for consolidating the organizations that execute the IDES. DoD expects to deliver the results of this analysis to Congress this summer.

In the area of information technology enhancements, over the past year, the Warrior Care Policy Office and the Military Departments have been collaborating to identify business needs for a Joint Disability Evaluation System (JDES) IT solution. Each Service has varying degrees of IT maturity and none have the functionality required to fully meet Service's needs for disability evaluation. A JDES IT solution will provide DoD the capability to manage a flexible and adjustable DES to respond to the next contingency operation or war that drives more seriously wounded, ill, or injured, and reduce delays in transitioning Servicemembers from active duty to Veterans status or reintegration back to their units. It will enable the Department to leverage existing IT capabilities where appropriate, and include new capabilities to support end-to-end case management: tracking, reporting, and electronic IDES case file transfer in a twenty-first century environment.

The current electronic Case File Transfer (eCFT) system is Phase I of JDES; it has been operating as a pilot at two locations since 2012. In December 2013, DoD tested an interface between eCFT and the VA Data Access Service (DAS), which allowed the transfer of files electronically to the VA. However, this information tech-

nology solution will only yield benefits in timeliness when VA can successfully establish a bi-directional case file transfer capability. Currently, it takes approximately 14 days of the IDES process to mail records within the Military Departments and between VA and DoD.

DoD also revised the IDES satisfaction surveys in July 2013 to better capture and report Servicemembers' feedback. Additionally, the department recently conducted a survey of DoD personnel who administer the IDES process to gauge policy effectiveness, as well as satisfaction with training and resources.

DoD expects these enhancements to lead to further improvement in IDES performance and the department will continue to monitor current performance and prepare for future challenges.

Although not part of the IDES, you requested that we provide information as to the status of DoD and VA's agreement to provide electronic Service Treatment Records (STR) within 45 days of separation.

In January 2013, in support of VBA's transition to a fully digital environment for claims processing, DoD committed to accelerate the deployment of the Health Artifact and Image Management Solution (HAIMS) for the purpose of transferring electronic STRs to VA. Specifically, DoD committed to and achieved the goal to develop and implement a secure interface to allow VA to query the HAIMS repository for relevant STRs effective not later than January 2014 in accordance with the Fiscal Year 2013–2015 DoD–VA Joint Strategic Plan.

As of December 31, 2013, the Services stopped mailing hard copies of STRs to the VA and the STR scanning process commenced on January 2, 2014. The process for digitizing a Servicemember's STR and making it retrievable by VBA begins with authorized DoD personnel scanning the paper-based elements of a newly separating Servicemember's STR. The digitized STR, comprised of the scanned information and digital content from the Servicemember's DoD electronic health record, is submitted into the HAIMS repository and made available to the VA as a single record.

The current process entails the MTF conducting a Quality Assurance check on the STRs and within 45 days of separation/discharge, sending them to a designated scanning location—Central Cells—for each Service. The staffs at the Central Cells receive and track all incoming STRs. They also do the document preparation and metadata tagging needed for successful upload into HAIMS. Based on the MTF's QA check, the last document scanned into HAIMS is the DD Form 2963 (STR Transfer or Certification Form), certifying that all due diligence has be done to ensure the STR is complete.

The Army and Air Force were initially operating at contingency sites and have just taken possession of a co-located scanning location in San Antonio, Texas. The Navy is using a contract facility in Chantilly, Virginia which is augmented by four additional Navy MTFs within CONUS. When a separated Servicemember or Veteran files a claim, a VBA rating specialist establishes a claim in VBMS on behalf of that individual. VBMS initiates an automated request for the STR. As of May 12, 2014, the Services have scanned and uploaded over 44,000 STRs into HAIMS.

Conclusion

An efficient disability evaluation system is key to ensuring a fit force and assuring fair compensation for a career cut short because of service-related wound, illness, or injury. Since piloting IDES in 2007, DoD and VA have made significant strides improving disability evaluation for our most seriously wounded, ill, and injured Servicemembers. Together DoD and VA have eliminated duplication, reduced paperwork and administrative burden, increased transparency and consistency in benefits outcomes, and accelerated delivery of disability benefits to eligible Servicemembers. As a result, IDES processing times have decreased, system efficiency has increased, and 83 percent of Servicemembers report they are satisfied with their IDES experience. Despite these advances, DoD will continue to enhance the process to improve timeliness, fairness, consistency, and transparency in the IDES.

Thank you for your support of the brave men and women that serve our nation, and your dedication to ensuring DoD has the most efficient systems in place to evaluate Servicemembers' ability to continue military service after a wound, illness, or injury and ensure the timely receipt of DoD and VA disability benefits for those who are medically discharged.

PREPARED STATEMENT OF DIANA RUBENS

Good morning Chairman Runyan, Ranking Member Titus, and Members of the Subcommittee. My name is Diana Rubens, Deputy Under Secretary for Field Operations, in the Veterans Benefits Administration (VBA). I am pleased to be joined by Thomas Murphy, Director of VBA's Compensation Service and [TBD], Department of Defense (DoD). My testimony will focus on the status of the Integrated Disability Evaluation System (IDES), Benefits Delivery at Discharge (BDD), and Quick Start programs.

With respect to IDES, VA and DoD's joint efforts over the past six years have resulted in changes and improvements to DoD's Disability Evaluation System. These changes and improvements began in 2007 in the wake of the issues identified at the Walter Reed Army Medical Center. IDES originated as a pilot authorized by the National Defense Authorization Act of 2008 and was approved for enterprise-wide implementation in 2010, which was completed in October 2011. Since that time, IDES has been DoD's enterprise-wide disability evaluation system.

Together the Departments have created an integrated disability process for Servicemembers who are being medically retired or separated. This joint process was designed to eliminate the duplicative, time-consuming, and often confusing elements of the separate and consecutive disability determination processes within VA and DoD. The goals of the process were to: (1) Develop a single set of medical exams used by VA and DoD for disability rating; (2) eliminate the benefits delivery gap from separation to receipt of VA benefits; (3) increase transparency and consistency of the disability evaluations for Servicemembers; (4) reduce the combined processing time; (5) develop a less complex and non-adversarial process; and (6) provide a seamless transition of benefits and health care for separating Servicemembers through IDES. As a result of our collaborative efforts, we have met these goals.

In contrast to the legacy process for disability evaluations, IDES provides a single set of disability examinations and a single-source disability rating that are used by both Departments in executing their respective responsibilities. IDES has resulted in more consistent disability ratings, faster decisions, and more timely delivery of benefits for those personnel being medically retired or separated. Following discharge, VA can deliver disability benefits in the shortest period allowed by law, thus reducing the "benefit gap" that previously existed under the legacy process. Through the integration of VA's Military Service Coordinators (MSC) into the claims process prior to separation, Servicemembers no longer have to navigate the VA disability system on their own to apply for VA benefits. The VA and DoD integrated approach has eliminated the duplicate medical exam and rating processes found in the legacy system.

VA and DoD continually track and monitor IDES performance. Additionally, VA's IDES Program Office conducts monthly internal video teleconferences with all VA senior executives involved in the execution of IDES. VA also conducts bi-weekly teleconferences with DoD and the military Departments to monitor performance, resolve problems, and discuss process improvements. Recently VA participated in the first Army IDES training symposium.

Currently in IDES, there are approximately 29,000 Servicemembers. Within IDES, VA is responsible for four core process steps: Claim development, medical examination, proposed rating, and benefit notification. For the combined four core steps, VA average processing time in April 2014 was 183 days. This is a 29-day improvement from March 2014 and the lowest VA core time since April 2013. VA's target for the combined core steps is 100 days of the 295-day combined VA–DoD target.

VA created a plan to improve IDES timeliness that involved a phased approach. The first phase of the plan was to meet benefit notification timeliness standards by March 2014. This portion of the IDES process is focused on ensuring Servicemembers who transition into the civilian world as veterans timely receive benefits to which they are entitled.

The second phase of the plan is to meet timeliness standards for proposed ratings by October 2014. To meet these timeliness standards, VA trained and promoted 36 raters at the Seattle, Washington, Disability Rating Activity Site (DRAS); brokered 250 proposed ratings per month from Seattle to Providence, Rhode Island from August 2013 through December 2013; instituted mandatory overtime; and implemented Disability Benefits Questionnaires (DBQ) at all sites. In addition, the Army provided 21 soldiers to VA to assist in preparing case files for rating at the Seattle DRAS.

VA achieved its intermediate goal of eliminating excess inventory in the Benefits Notification stage in March 2014. In April 2014, VA met the performance goals for three of the four core steps: Claims development, medical examinations, and benefit

notification. VA is still working on meeting the standard for completing the proposed rating.

Mandatory overtime for claims processors remains in effect. VA and DoD also remain in close communication, discussing referral rates and production expectations. VA is on track to eliminate excess inventory in the proposed rating stage by August 2014 and meet all timeliness standards by October 2014. VA continues to collaborate with DoD on ways to improve IDES execution, while remaining focused on meeting timeliness standards. Our continued partnership with DoD is critical. VA and DoD are committed to supporting our Nation's wounded, ill, and injured Servicemembers through the IDES process.

Benefits Delivery at Discharge (BDD) and Quick Start

The BDD and Quick Start programs are important elements of VBA's strategy to provide transitional assistance to separating or retiring Servicemembers and engage Servicemembers in the disability claims process prior to discharge. VBA's goal is to ensure that each Servicemember separating from active duty who wishes to file a claim with VA for service-connected disability benefits will receive assistance in doing so. Just as IDES provides Servicemembers facing medical discharges with the opportunity to initiate a claim for disability benefits, BDD and Quick Start provide this opportunity to Servicemembers who are transitioning via traditional or "non-medical" separation.

Participation in the BDD program is available to Servicemembers who are within 60 to 180 days of being released from active duty and are able to report for a VA examination prior to discharge. BDD's single cooperative examination process meets the requirements of a military separation examination and a VA disability rating examination.

VBA established the BDD program in 1995 at three VA regional offices and three Army installations. Today, there are 96 BDD memoranda of understandings (MOU) covering BDD operations at 131 military installations. The MOUs facilitate the collaboration between local VA regional offices and local military installations by streamlining processing of pre-discharge claims. In April 2007, in an effort to promote processing consistency and quality decisions, VBA consolidated BDD rating activity to the VA Regional Offices in Winston-Salem, North Carolina, and Salt Lake City, Utah.

In July 2008, VA introduced the Quick Start pre-discharge claim process. Quick Start made pre-discharge claim processing available to 100 percent of transitioning Servicemembers, including those who are within 59 days of separation, and those who are within 60–180 days of separation but are unable to complete all required examinations prior to discharge. In 2010, Quick Start claim processing was consolidated to the VA Regional Offices in San Diego, California, and Winston-Salem, North Carolina.

VA's and DoD's marketing efforts, outreach activities with transitioning Servicemembers, and the support of Veterans Service Organizations, who promote the benefits of these programs, have resulted in high levels of Servicemember participation in the BDD and Quick Start Programs. By 2010, approximately 60,000 of the 181,000 transitioning Servicemembers elected to utilize the BDD or Quick Start claim processes to submit VA disability claims each year.

In August 2010, VA published its Final Rule establishing new presumptions of service connection for three disabilities associated with Agent Orange exposure: Ischemic heart disease, Parkinson's disease, and hairy cell and other chronic B-cell leukemias. From 2010 to 2012, VBA devoted significant resources to readjudicating over 90,000 previously denied claims for these three conditions, which was required by the order of the U.S. District Court for the Northern District of California in Nehmer v. U.S. Department of Veterans Affairs. Additionally, over 50,000 claims received after the decision to establish the new presumptive conditions was announced, but before the effective date of the final regulation implementing the decision, were also subject to Nehmer review. During this effort, VBA's 13 Day One Brokering Centers (D1BC) were dedicated exclusively to this readjudication. During this same period, there were significant increases in claim receipts for BDD.

As the Nehmer mission ended, VBA utilized the D1BCs that were processing Nehmer claims to reduce the inventory of BDD and Quick Start claims. This effort took place from February 2012 to March 2014 and resulted in significant timeliness improvements. As of April 2014, the average days pending for Quick Start claims is 98.3 days, an improvement of 137.3 days since May 2012, and the average days to complete a Quick Start claim is 158 days fiscal year to date (FYTD), an improvement of 200 days since June 2012. As of April 2014, the average days pending for BDD claims is 136.7 days, an improvement of 55.8 days since April 2013, and the

average days to complete a BDD claim is 198.2 days, an improvement of 116 days since May 2013.

Beginning in 2012, we began to see new trends in claims received, including a significant drop in claims for the Quick Start program, from 32,990 in Fiscal Year (FY) 2010 to 21,375 in FY 2013. As of May 2014, a little over 11,000 Quick Start claims have been received FYTD, with less than five months remaining. As of April 2014, there are 6,649 Quick Start claims pending, a decrease of 77 percent from January 2012, when there were 29,130 Quick Start claims pending. Receipts for BDD have declined steadily from a high of 30,893 in FY 2011, to 30,381 in FY 2012, and 27,333 in FY 2013. This FY through mid-May 2014, approximately 13,000 BDD claims have been received.

Claims accuracy is not specifically measured for BDD or Quick Start claims processed at the three Rating Activity Sites. Instead, accuracy is measured for each regional office as a whole. As of April 2014, Winston-Salem's three-month issue-based accuracy is 98.7 percent and claim-level accuracy (12-month) is 89.5 percent; San Diego's three-month issue-based accuracy is 96.1 percent and claim-level accuracy (12-month) is 85.2 percent; and Salt Lake City's three-month issue-based accuracy is 98.6 percent and claim-level accuracy (12-month) is 91.7 percent. As part of our transformation plan to eliminate the backlog of claims older than 125 days and increase quality to 98 percent, VBA began paperless processing all Quick Start and BDD claims in December 2012. In October 2013, VBA began the use of the separation health assessment DBQs to expedite the rating process.

VBA continually monitors claim accuracy and provides substantial training and oversight for claim processing personnel. Benefits Delivery at Discharge and Quick Start claims are included in the statistically random sample selected for the regional office's Systematic Technical Accuracy Review. Compensation Service Quality Assurance Program Review Staff also conducts special focused reviews of pre-discharge claims.

VBA is now working to redesign the pre-discharge claim processes by building on lessons learned through the execution of the BDD and Quick Start Programs. The new pre-discharge program will consolidate and replace the existing BDD and Quick Start programs. VBA is leveraging functionality now available in the Veterans Benefit Managements System and eBenefits, to add convenience to the application process and efficiency throughout the claims process. Servicemembers can currently submit pre-discharge claims electronically through eBenefits; VBA is developing programming that will route these electronic applications directly to dedicated personnel who specialize in pre-discharge claim processing.

VBA is also working to maximize the use of electronic record-sharing in the pre-discharge claims process, and eliminate the requirement for pre-discharge claimants to gather and submit photocopies of their service treatment records as part of their application package. Pre-discharge rating sites will capitalize on DoD's commitment to provide VA with 100 percent of separating Servicemembers' "gold standard" service treatment records within 45 days of discharge, which will serve to support more timely decisions on pre-discharge claims. This is accomplished via the Health Artifact and Image Management Solution (HAIMS) to VBMS interface, which was implemented January 1, 2014. The service treatment record "gold standard" contains the complete medical record, complete dental record, and DD Form 2963—Certification Form. All of these need to be available in HAIMS for transmission to VA in a complete package within 45 days of separation/retirement from the military.

VA is committed to supporting our Nation's Servicemembers through improvements in pre-discharge programs. VA believes its continued enhancements are critical to program success—and are nothing less than our Servicemembers and future Veterans deserve.

STATEMENT OF LINDA A. HALLIDAY
ASSISTANT INSPECTOR GENERAL FOR AUDITS AND EVALUATIONS
OFFICE OF INSPECTOR GENERAL
DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
HEARING ON
"DEFINED EXPECTATIONS: EVALUATING VA'S PERFORMANCE IN THE SERVICE MEMBER TRANSITION PROCESS"
MAY 29, 2014

INTRODUCTION

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to discuss the results of the Office of Inspector General's (OIG) work related to the Department of Veterans Affairs (VA) Pre-Discharge Program. Our focus will be on a recently released OIG report, *Veterans Benefits Administration Quick Start Program,* which is one component of VA's Pre-Discharge Program. I am accompanied today by Ms. Nora Stokes, Director, OIG Bay Pines Benefits Inspection Division, and Mr. Ramon Figueroa, Project Manager, in that office.

BACKGROUND

Delivering timely and accurate benefits to the millions of veterans who served in our Nation's Armed Forces is central to VA's mission. The Veterans Benefits Administration's (VBA) Pre-Discharge Program includes four components: Benefits Delivery at Discharge (BDD), Quick Start, Very Seriously Ill/Seriously Ill, and the Integrated Disability Evaluation System. Every component is designed to provide service members a seamless transition from the Department of Defense (DoD) into the VA medical and benefits system. However, each component has unique requirements for service member participation.

VBA's Quick Start Program is one of several VBA transformational initiatives to improve claims processing and eliminate the claims' backlog. During fiscal year (FY) 2013, the Quick Start Program processed about 30,900 veteran disability claims, a small subset of the approximately 1.2 million claims completed by VBA during that year. According to program officials, service members submitting disability compensation claims under the Quick Start Program makes it possible to receive VA disability benefits as soon as possible after separation, retirement, or demobilization.

Service member claims meet Quick Start Program requirements if claims are submitted from 1 to 59 days prior to discharge or 60 to 180 days prior to discharge without required medical examinations. Quick Start claims are received by claims processing staff at various intake sites who initiate claims processing actions and then forward the claims to Consolidated Processing Sites (CPSs) that VBA established in 2008. Beginning in 2012, VBA also began Quick Start claims-processing at designated Day One Brokering Centers. Most Quick Start claims are processed by the CPSs which

are collocated with the San Diego VA Regional Office (VARO) and Winston-Salem VARO.

AUDIT RESULTS

In our audit, we reported that VBA had improved Quick Start claims-processing timeliness and accuracy. However, we also reported that significant improvement was still needed to achieve VBA timeliness and accuracy targets.[1] Our audit focused on VBA's timeliness and accuracy of processing Quick Start claims completed during 2011 and 2013.[2] In discussions with the Under Secretary for Benefits, we decided to compare and contrast results from our two independent reviews to assess the effectiveness of this VBA transformation initiative to improve claims-processing timeliness and accuracy.

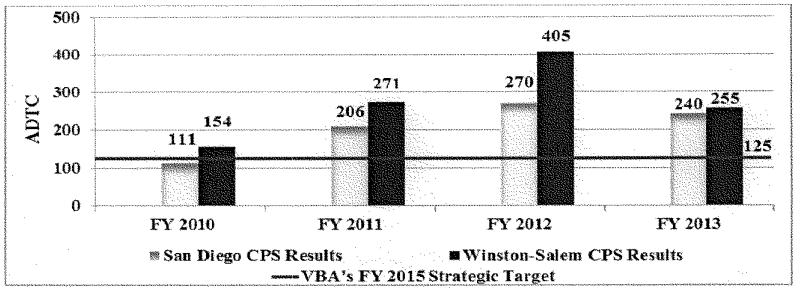
TIMELINESS ISSUES

Given one of the objectives of the Quick Start Program is to make it possible for veterans' to receive VA disability benefits as soon as possible after separation, retirement, or demobilization, we determined significant opportunities exist for VBA to improve claims-processing timeliness. From 2011 to 2013, VBA improved Quick Start claims-processing timeliness by reducing the average days to complete (ADTC) from 291 to 249 days. Significant improvement is needed for VBA to realize the program objective of having VA disability benefits available for service members soon after leaving military service. Improvement in timeliness would also be needed to reduce the 249-day average to achieve the Secretary's FY 2015 target of 125 days to process disability claims.

As shown in the figure on the next page, in FY 2010 the Quick Start claims-processing timeliness for the San Diego and Winston-Salem CPSs was near VBA's target of 125 days. During FY 2011 the ADTC for both CPSs increased significantly. From FY 2011 to FY 2013, the ADTC for both CPSs initially continued to increase and then declined to 240 days for the San Diego CPS and 255 days for the Winston-Salem CPS. However the ADTC for both CPSs was still about double the 125-day average target.

[1] *Audit of VBA's Quick Start Program*, May 20, 2014.
[2] We reviewed statistical samples of disability claims completed in 2011 and April 2013 through June 2013.

Quick Start Program ADTC
Compared With Strategic Target



We determined that the two designated VBA sites did not process Quick Start claims timely because VBA lacked adequate program controls in the following areas:

- Automated system reports from Veterans Service Network Operations Report (VOR) that track claims pending prior to military discharge.
- Recurring evaluations to assess CPSs' ability to meet program targets.
- Mandatory training on accurately identifying and processing Quick Start claims for CPS and intake site claims assistants.

The Under Secretary disagreed and attributed the delays to VBA initiatives to increase outreach and access for service members and veterans, increased use of technology and social media by veterans and their families to learn about available benefits and services, increased demands for compensation as a result of 12 years of war, and VA efforts to provide benefits to Vietnam veterans exposed to Agent Orange. While we agree increased demands for services and benefits contributed to the claims processing challenges, our other determinations are valid.

VOR Capabilities

VOR is VBA's automated system that provides data on a continuing basis regarding the number of Quick Start claims received and completed. In addition, intake site and CPS staff use VOR as a tool to assist staff in monitoring required claims-processing actions through establishment of suspense dates for actions such as following up on Compensation and Pension (C&P) examination and private medical record requests. Claims-processing delays occurred prior to service member discharge because intake site staff did not have an adequate VOR to track Quick Start claims development.

VOR did not track pending days for individual Quick Start claims from the date VBA receives and establishes active service members' claims to the date DoD discharges

service members. Because service members may submit Quick Start claims up to 180 days before discharge it is critical that VOR has the capability to track Quick Start claims prior to discharge. Despite the Under Secretary's disagreement that VOR limitations affected claims-processing timeliness, based on our discussions during the audit, VBA revised VOR to track the date an intake site establishes a claim and the date following a service member's discharge.

We projected the portion of Quick Start ADTC that occurred before DoD discharged service members was 41 days during 2011 and 57 days during 2013. VBA disagreed that claims-processing time should be included in Quick Start claims-processing timeliness performance results. However, considering one of the program goals for the Quick Start Program is to make it possible for service members to receive VA disability benefits as soon as possible after separation, retirement, or demobilization, we believe it is important for VBA to account for all time spent processing Quick Start claims, regardless of whether claims processing occurs before or after discharge. Excluding the time VBA staff spend on processing Quick Start claims before discharge prevents VBA and CPS managers from having the information needed to improve claims-processing timeliness. If VBA does not measure the true representation of the time it takes to process Quick Start claims, it cannot accurately determine the number of resources needed to process claims timely.

Recurring Program Evaluations

Program managers must ensure programs achieve their intended results, use resources consistent with VBA's mission, and protect programs from mismanagement. They can obtain that information through program evaluations. Those evaluations need to include systematic reviews that assess how well the program is working and examine achievements within the context of other performance aspects, such as process/implementation, outcome, impact, and cost benefit evaluations.

The lack of recurring evaluations of the Quick Start Program contributed to VBA not maintaining sufficient staff to process Quick Start claims inventories timely. While VBA uses a staffing model to allocate most staffing resources, it did not use the model or any other formal process to estimate staff needed for the Quick Start Program. Consequently, CPS staffing levels did not keep pace with program workload through FY 2013.

From FY 2010 through FY 2012, Quick Start pending claims inventory increased over 500 percent, while staffing levels increased about 100 percent. This caused the quarterly pending inventory per full-time employee (FTE) to increase from a low of 23 claims to a high of 198 claims. In FY 2012, staffing levels increased significantly from 173 to 261 FTEs, which reduced pending inventory per FTE to 67 claims. From FY 2012 through FY 2013, VBA successfully reduced CPSs' Quick Start claims pending inventory by about 8,800 or 51 percent. The Under Secretary agreed to conduct formal and in-depth recurring evaluations of Quick Start Program operations and controls.

We found that VBA reallocated staff from the Quick Start Program to other VBA priorities. In March 2011, the San Diego VARO requested 78 additional FTEs for the CPS. The request cited increases in Quick Start claims of over 400 percent from FY

2009 through FY 2010. The request also compared the period October through February for FYs 2010 and 2011, which showed a claims receipt increase of just over 50 percent. In response, VBA increased the CPS's ceiling by 30 FTEs to 130 FTEs in April 2011. However, according to CPS managers, the Veterans Service Center maintained the 30 staff and took 44 additional staff from the CPS to complete more than 8,000 Nehmer claims.[3]

Consequently, the San Diego CPS's pending inventory increased by 15 percent from about 10,100 to nearly 11,600 claims and ADTC increased 33 percent from 222 days to 295 days from April 2011 through March 2012. VARO management eventually shifted the 44 staff back to the CPS in October 2011 and added the 30 staff to increase the CPS's ceiling in March 2012. This was nearly a year after VBA approved the ceiling increase for CPS San Diego staff.

Inadequate Training on Quick Start Claims Impacted Timeliness

Quick Start claims-processing was also untimely because claims assistants did not receive adequate training on identifying and processing Quick Start claims. As a result, we identified instances where claims assistants incorrectly performed processing actions, misrouted claims to incorrect VBA facilities, and misidentified claims as the wrong type of claim. To ensure VBA staff process Quick Start claims timely, claims assistants at intake sites and CPSs must receive training on correctly identifying and processing Quick Start claims.

OIG Recommendations to Improve Quick Start Claims-Processing Timeliness

We offered four recommendations to help improve Quick Start claims-processing timeliness:

1. Establish VOR capabilities to track claims from the date VBA receives and establishes active service members' claims to the date of service members' discharge from military service. Even though the Under Secretary non-concurred with this recommendation, we note that VBA implemented this recommendation during our audit.

2. Track and report claims-processing time prior to service members' discharge in timeliness performance results for the Quick Start Program or its successor.

   The Under Secretary non-concurred with this recommendation citing the following:
   - VA has no legal authority to pay benefits until the claimant is separated from military service.
   - The active duty service time may be extended, or the service member may decide to remain on active duty.
   - Inclusion of time waiting for a service member to separate from service would not be an accurate measure of VA's timeliness.

[3] Under the order of U.S. District Court for the Northern District of California, in *Nehmer versus U.S. Department of Veterans Affairs*, VA must re-adjudicate previously denied claims known as Agent Orange/*Nehmer* claims.

- The time that elapses between receipt of a pre-discharge claim and the award of benefits may not be directly related to the development of the claim.

We maintain that VBA's reasons for not including claims processing time prior to service members' discharge in timeliness performance results for the Quick Start Program are not valid because:

- The legal authority preventing VBA from paying benefits until DoD discharges service members from military service does not prevent VBA from tracking the time and resources spent developing Quick Start claims before DoD discharges service members. Considering the purpose of the Quick Start Program is to provide service members their benefits soon after discharge, it is critical VBA track, monitor, and report the claims-processing time prior to service member discharge.
- If service members extend active duty time less than 60 days from the expected discharge date at the time they submit their Quick Start claims, VBA generally continues to process their claims and thus this time should be included in VBA's timeliness calculations. Generally, if service members extend active duty time for 60 days or more, VBA does not process the claim under the Quick Start Program and time spent processing the claim should not be included in VBA's Quick Start timeliness calculations. When a service member extends their active duty status, prudent program management would require VBA to track the resources used, in order to measure the program's effectiveness.
- Regardless of whether or not VBA is waiting for service members to separate from military service, all time and resources VBA spends performing Quick Start claims-processing activities should be included in Quick Start performance metrics.
- VBA executives contend that pre-discharge claims-processing time should not be included in timeliness performance measures because some pre-discharge claims processing activities are outside VBA's control, such as the time VA facilities take to schedule and complete medical examinations. However, measuring this time is a true representation of the time it takes to process a claim in this program. VBA lacks control over the same type of claims-processing activities during post discharge claims processing, yet includes time for performing these activities in timeliness performance measures.

VBA's exclusion of time processing claims before service members' discharge results in VBA inaccurately reporting the total time taken to process claims and provide veterans their benefits. If VBA does not measure the true representation of time it takes to process Quick Start claims, it cannot accurately determine the number of resources needed to process the claims timely. Not monitoring claims-processing activities during pre-discharge time also limits VBA's information on challenges in this stage of claims processing and may hinder VBA from taking action to address them. Most importantly, tracking resources and time provides the view that is relevant to our veterans, who

measure the program's effectiveness based upon the date they file their claim to the date they receive information that benefits have been approved.

3. Conduct recurring evaluations that identify needed staffing adjustments to ensure sufficient staff are allocated to accomplish the timeliness targets of the Quick Start Program or its successor. The Under Secretary concurred with this recommendation.

4. Require CPSs and intake site claims assistants staff to obtain periodic training on identifying and processing claims submitted through the Quick Start Program or its successor. The Under Secretary concurred with this recommendation.

ACCURACY ISSUES

VBA's Quick Start claims-processing accuracy still needs significant improvement. For our review of 2011 claims, we projected CPS staff accurately processed 62 percent of Quick Start claims processed. For our review of 2013 claims, we observed improvement in claims processing actions and projected staff accurately completed 69 percent of the claims processed. However, a 69 percent accuracy rate is still at an unacceptable level and falls considerably short of VBA's 98 percent FY 2015 accuracy goal.

The inaccuracies we found included errors where CPSs did not process medical disability compensation claims in accordance with VBA policies and procedures. Generally, we found that CPS staff:

- Incorrectly evaluated disability claims – VBA's "Schedule of Ratings" policy details how VBA staff must rate disability claims using standardized criteria. We identified Quick Start disability claims with evaluation errors that resulted from misapplication of the rating schedule. In June 2012, a VA medical examination report showed a veteran's bilateral foot condition supported a non-compensable evaluation. However, in an April 2013 rating decision, a Rating Veterans Service Representative (RVSR) incorrectly over evaluated this condition and assigned a 30 percent evaluation. The RVSR also evaluated the veteran's right knee condition as 10 percent disabling, but the medical evidence did not provide the objective evidence needed to support the 10 percent evaluation assigned. VBA's Systematic Technical Accuracy Review (STAR) staff agreed the RVSR incorrectly evaluated the severity of both conditions that resulted in overpayments to the veteran totaling just over $2,800.

- Improperly denied or established compensation benefits – VBA policy requires staff to deny claims when medical and other records do not establish claimed conditions occurred because of military service. In April 2013, an RVSR denied service connection for hearing loss and tinnitus even though military service treatment records showed these two conditions were diagnosed while the veterans was on active duty. Because the RVSR incorrectly denied this claim, the veteran did not receive nearly $2,400 in benefit payments.

VBA policy requires staff to grant service connection for claimed disabilities if evidence shows a veteran incurred an injury or disease resulting in disability coincident with military service. However, in an April 2013 rating decision, an RVSR granted service connection for a residual disability associated with a right arm fracture. In this case, the results from the VA medical examination showed residual disabilities related to the fracture did not exist and that the condition had resolved. VBA's STAR staff disagreed that the RVSR's decision to establish benefits was in error and yet they agreed that VBA did not have a written policy that would support the granting of this claim. In November 2013, subsequent to our review of Quick Start claims processing, VBA's Compensation Service published a new policy related to the evaluation of fractures. In a Compensation Service Bulletin, claims processing staff were advised to establish service connection for fractures if the service treatment records contain X-ray evidence of the fracture. The guidance directed staff to assign a non-compensable evaluation even in the absence of a residual disability, such as limited motion or any other functional loss.

- Used inadequate medical examination reports to evaluate disability claims – VBA policies require RVSRs to return examination reports to the VA facility for correction or clarification if they are insufficient to evaluate disability claims. Generally, insufficient examinations lack required information or contain conflicting information. In April 2012, a veteran filed a Quick Start claim for service connection for multiple disabilities, including a left shoulder condition. In an April 2013 rating decision, CPS staff denied service connection for the left shoulder condition. However, the medical examiner did not examine the veteran's left shoulder as requested. VBA's STAR staff agreed the RVSR should not have denied the veteran's claim without receiving an adequate medical examination.

VBA and OIG Disagreements on Claims-Processing Accuracies

While we draw independent conclusions on the accuracy of claims decisions, we do engage VBA in discussions related to exceptions identified during our audits, reviews, and inspections. The purpose of the discussions is to assess the knowledge level of staff and their ability to apply VBA's policies related to the program under review. To the degree possible, we also seek concurrences with the exceptions identified as a measure to make meaningful recommendations that target the root cause of the errors.

For this audit, we engaged in discussion of errors with CPS staff; however, in June 2013 CPS managers advised the audit team that VBA's STAR staff would review prior error calls from 2011 as well as the error calls from 2013. Ultimately, VBA STAR staff agreed with our assessments in 43 of the 56 claims that we identified as having errors. VBA disagreed with the remaining 13 claims, generally due to the differences in how STAR staff and OIG staff identify claims-processing errors.

VBA's STAR Program has several classifications of errors such as Benefit Entitlement, Decision Documentation/Notification, and Administrative. VBA's national rating accuracy is based solely on Benefit Entitlement errors, which only include outcome-

related deficiencies found in the end product under review. VBA's general guideline is to record an error when an action taken violates current regulations or other directives. Outcome-related deficiencies include, but are not limited to, errors that result in an overpayment or underpayment to a claimant and deficiencies that would result in a remand from the Board of Veterans Appeals if not corrected.

In November 2013, we met with VBA STAR staff to further discuss claims-processing errors and reemphasized that our work is designed to assess VBA's compliance with its own policies and procedures to identify errors. During our review of the Quick Start sites, we determine whether CPS staff complied with VBA policy for claims processing. We report errors, classifying them as those that affect veterans' benefits and those that have the potential to affect veterans' benefits. Typically, errors that have the potential to affect veterans' benefits involve situations where the claims folders lacked required evidence, such as a medical examination or opinion needed to make accurate decisions. For these types of errors, neither OIG, STAR, nor CPS staff can accurately evaluate disability claims.

We concluded Quick Start claims are at risk of processing errors such as erroneous disability evaluations or improper grants or denials of benefits. As such, OIG's purview to conduct compliance reviews to determine if CPS staff consistently adhere to VBA policy is clearly necessary to ensure sound financial stewardship and minimize improper benefits payments.

Accuracy Recommendations

Based on our findings, we made five recommendations to VBA to improve the accuracy of Quick Start claims processing actions:

- Modify STAR to include a systematic review of claims processed through the Quick Start Program or its successor.
- Establish policies and procedures requiring CPSs to analyze trends of systemic issues identified during Quality Review Team and STAR evaluations of claims processed through the Quick Start Program or its successor.
- Establish policies and procedures requiring CPS managers to provide staff recurring training on systemic issues identified during trend analyses of Quality Review Team and STAR results.
- Require CPS managers to ensure staff adhere to VBA policies related to service connection while processing claims received through the Quick Start Program or its successor.
- Revise policies and procedures to clarify that evidence must establish a nexus linking veterans' claimed conditions to military service regardless of diagnosis proximity to discharge.

The Under Secretary agreed with four of the five recommendations we made to improve accuracy; however disagreed with our statement that Quick Start claims-processing inaccuracies resulted from insufficient oversight and training. We maintain that oversight was lacking at the national and local level. At the national level, VBA's STAR staff conducted some quality reviews on Quick Start claims; however, the methodology

used for selecting claims to review did not ensure a systematic and representative selection of these cases. At the local level, the two sites had limited quality review measures in place; however, comprehensive quality reviews did not occur or the results of the quality reviews were intermingled with traditional claims processing work at the VAROs. Further, management from both sites did not track the errors they identified during the limited reviews conducted so they could not target training to address deficiencies.

The Under Secretary also disagreed with the recommendation related to revising policies and procedures to clarify that evidence must establish a nexus. She indicated the rules for establishing a nexus linking a Veteran's claimed conditions to military service are published in 38 Code of Federal Regulations (CFR) 3.303 and 3.159. The Under Secretary also noted that there are no separate evidentiary standards that have been established for Quick Start claims and that a nexus between the current disability and military service must be shown for all conditions. Further, 38 CFR 3.159(c)(4)(ii) shows a medical opinion is not necessary if there is "competent evidence showing post-service treatment for a condition, or other possible association with military service."

We maintain that 38 CFR. 3.159(c)(4) outlines the elements for determining if a medical examination or medical opinion is necessary. One requirement for this determination is that the information and evidence of record indicates the claimed disability or symptoms may be associated with an established event, injury, or disease in service or with another service-connected disability. 38 CFR 3.159(c)(4)(ii) states that this requirement could be satisfied by competent evidence showing post-service treatment for a condition, or other possible association with military service. VBA incorrectly cites this provision as support for not needing a medical opinion, when it actually describes when a medical examination or medical opinion is necessary.

Our audit found inconsistent interpretations by CPS managers, STAR staff and managers, and C&P program managers regarding requirements on considering diagnosis proximity to discharge when establishing a nexus linking veterans' claimed conditions to military service. The lack of consistency between VBA policy makers, national quality review staff, and staff responsible for applying the policy demonstrates a need to clarify VBA policies and procedures for claims processing staff in an effort to minimize these types of errors in the future.

EFFECT ON VETERANS

The effect on veterans of VBA's untimeliness and inaccuracies in processing Quick Start claims was unnecessary delays and inaccurate benefit payments. We projected veterans using the Quick Start Program experienced an average delay of 196 days in receiving benefits totaling about $88 million in 2011 and an average delay of 99 days in receiving benefits totaling approximately $20 million in 2013. We also projected that inaccurate claims-processing resulted in some veterans being underpaid at least $2.8 million and overpaid at least $463,000 from December 2010 through July 2012.

CONCLUSION

VBA continues to face challenges in improving the timeliness and accuracy of disability claims processing actions as well as maintaining efficient CPS operations. Results of this audit, as well as results from benefits inspections of VAROs have consistently shown that claims processing staff do not always comply with VBA policy to accomplish their benefits delivery mission. Claims processing and operational problems identified during this Quick Start review are placing unnecessary burdens on separating service members and result in incorrect payments or veterans experiencing delays receiving these benefits. While VBA has made some incremental progress in areas specifically targeted through its own initiatives, much more work remains to be done. We will continue to look for ways to promote improvements in benefits delivery operations during our future nationwide audits and VARO inspections.

Mr. Chairman, this concludes my statement. We would be pleased to answer any questions that you or other Members of the Committee may have.

STATEMENT BY

ERIC JENKINS
RATING VETERANS SERVICE REPRESENTATIVE
VBA REGIONAL OFFICE, WINSTON-SALEM, N.C.

ON BEHALF OF

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO
AND THE AFGE NATIONAL VA COUNCIL

BEFORE

HOUSE VETERANS AFFAIRS COMMITTEE
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS

ON

DEFINED EXPECTATIONS: EVALUATING VA'S PERFORMANCE IN THE SERVICEMEMBER TRANSITION PROCESS

MAY 29, 2014

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Executive Summary

The American Federation of Government Employees and the AFGE National VA Council (hereinafter "AFGE"), the exclusive representative of employees processing disability claims at the Department of Veterans Affairs (Department) Veterans Benefits Administration (VBA) Regional Offices (ROs) appreciates the opportunity to share views on behalf of our members working on the front lines processing claims. AFGE appreciates the opportunity to share our views on VBA programs assisting service members transitioning from active duty to veteran status.

AFGE sought feedback from members who work at ROs and physicians completing these exams in Veterans Health Administration (VHA) facilities. Consistently, respondents expressed a strong belief in the goals and focuses of these programs. They believe that these programs, when functioning properly, are essential for ensuring that service members have a seamless transition to receiving care and benefits as a veteran.

There are several problems AFGE members consistently highlighted as well, including issues with production requirements, barriers to communications with Military Service Coordinators (MSCs), and difficulties processing National Guard and Reserve cases.

IDES

AFGE received feedback from several facilities that process IDES claims, including the two largest IDES sites, Seattle and Providence. AFGE members at all sites proclaimed their support for the program and stated that they believe it is a huge benefit to service members. AFGE remains committed to improving IDES in order to make sure that it is functioning as intended.

AFGE members consistently raised concerns over communication and training issues with MSCs. These coordinators coordinate with Veterans Service Representatives (VSRs) during the pre-development phase of claims processing. Communication between MSCs and VSRs is difficult since MSCs are scattered around the world at military bases. Some MSCs also work as VSRs at ROs performing this function as an extra duty. Supervisors at ROs can follow up with supervisors at military bases if there is an issue with a case, but with each case coming from different bases, this becomes onerous.

When MSCs send cases to the RO, the cases should also be ready to rate in order to move the case along as quickly as possible. However, this is often not the case, and cases are regularly sent to ROs that are not ready to rate. This demonstrates a lack of training for MSCs and an inability for their supervisors to correct work and point out quality issues, as would take place more easily in an RO.

National Guard and Reserve claims were also an issue mentioned across the board. More often than not, these types of claims are not ready to rate by the time they reach the Rating VSR (RVSR). National Guard and Reserve cases are especially likely to slowed down by unresolved previous claims, missing medical records, and difficulties determining duty status. At times, when attempting to retrieve medical records, the RVSR cannot retrieve the records since the Guard unit has already disbanded.

Members handling IDES claims reported problems meeting production goals. Due to the nature of IDES cases, they are very complex and average about 16 issues per case. In addition, IDES cases typically have a higher number of complex mental health issues. Stations are under constant pressure from VA's Office of Field Operations (OFO) to have a high level of production; one respondent observed that if every employee reached his individual production goal, the station would still not meet the station goal. Despite the fact that stations are evaluated on 90 day evaluation periods, stations still must demonstrate to OFO several times a day that they are on pace for achieving goals.

With the push for high production, managers instruct employees not to defer cases. ROs use a separate exam review team for these cases. As mentioned earlier, IDES cases are complex in nature, yet the exam review team is instructed to move quickly through exams to get them completed in a timely manner. RVSRs are then told not to defer the case since the exam review team has determined that the case is ready to rate, and they are not provided with excluded time for reviewing the case again.

Essentially, in a daily effort to achieve production goals, managers are determining cases as ready to rate when they may not be in order to keep cases moving. Management tracks deferrals and employees are punished for deferring cases.

Proper resource allocation remains an issue for IDES claims. Recently, inventories of cases have skyrocketed, yet IDES locations have not been provided additional claims processors to deal with this situation. A VHA physician completing neurology exams mentioned concerns with proper resources and allotting time to go through the claims folders in VBMS. The physician described IDES assignments as "other duties assigned" in the list of formal physician responsibilities. In light of the complexity and number of IDES claims, AFGE urges Congress and VBA to take actions to hire additional claims processors at these sites as well as to examine whether they are given proper attention at VA Medical Centers.

AFGE Recommendations:

- VBA and DOD must improve communication capabilities between IDES locations and military bases. Congress must provide oversight.
- MSCs should be trained properly and in conjunction with standards that VBA employees are held to in order to ensure the best result for the veteran.
- VBA must conduct a scientifically based time motion study to determine the length of time it should take for each IDES claims processor to complete each task, and adjust production goals and standards accordingly. Congress should mandate the study and provide oversight.
- Congress and VBA must take steps to hire additional claims processors.

BDD/Quick Start

As with IDES, AFGE members' initial feedback was to highlight the great benefits of BDD and Quick Start to service members and demonstrate their commitment to improving the programs.

BDD and Quick Start employees reported similar issues with production as IDES. One employee reported that he was a high performer within Quick Start, and as a result, he was moved to the Service Center, where he then began working claims he had never worked before. His quality dropped from nearly 98% to 86%, and he felt that he was punished for being a strong performer in Quick Start.

The Winston Salem RO, the largest site for BDD and Quick Start claims, reported major issues with a lack of work available for RVSRs. Over the last two years, Winston Salem brokered out approximately 20,000 cases. Though the system states that they currently have 6,000 cases, on Wednesday, May 21, they only had 22 cases ready to rate. Management has been scrambling to keep raters productive, including assigning BDD and Quick Start teams to set up exams for veterans (work that is done by VSRs). Management should be held accountable for brokering and this practice should be examined further.

Due to the lack of work as a result of brokering, management recently instructed employees to begin "pre-rating" work. Pre-rating consists of rating a case that is not in fact ready to rate, for example when VBA is waiting on an additional medical exam or evidence. Management instructed the raters to rate the claim as if the medical evidence had already arrived, yet also told employees not to finalize the rating. This raises serious questions and concerns for both veterans and VBA employees. Employees could potentially be punished for a lack of quality if medical evidence arrives that does not prove the employee's prior pre-rating or if the evidence adds additional conditions which must be rated. Veterans should be concerned about this new tactic by VBA management and how this will affect their final ratings.

AFGE Recommendations:

- VBA must conduct a scientifically based time motion study to determine the length of time it should take for each BDD and Quick Start claims processor to complete each task, and adjust production goals and standards accordingly. Congress should mandate the study and provide oversight.
- Congress should investigate VBA's practice of brokering work and the potential negative impacts on ROs.
- Congress should investigate VBA's recently announced practice of "pre-rating" decisions without proper medical evidence and the potential impact on veterans and claims processors.

Production Issues

As AFGE has mentioned in past testimony before the Committee, VBA has never had a formal work credit system based on actual data that reflects the amount of time required to process specific types of claims and their components. These issues also are present for employees processing IDES, BDD, and Quick Start claims. VBA should not deprive employees of the proper credit for critical work needed to process claims accurately and timely the first time. The broken work credit system creates performance standards that are arbitrary, inconsistent, and focus too much on quantity over quality.

The agency has made a few perfunctory efforts to establish a more reliable set of measures over the years. However, AFGE has not seen any work credit study or work credit system

based on actual data. Given VBA's current transformation and the national rollout of VBMS, AFGE believes the timing is ideal for a scientific based time motion study to create a formal work credit system.

The first essential step is to develop an inventory of tasks that employees must complete on a daily basis. The current work credit system does not include an inventory of employees' daily tasks. The absence of a valid work credit system exacerbates the well-documented problem of VBA managers manipulating backlog data to improve performance measures. Veterans who fought for this nation deserve to have their claims processed in a timely manner, and waiting over two years for a decision from VBA is unacceptable. While undergoing transformation, VBA must accurately determine productivity and quality and judge an employee's performance on the basis of data driven metrics.

Eric Jenkins Bio

Eric Jenkins works as an RVSR in the Winston Salem RO. Eric has worked at VBA for 9 years, first as a VSR for 6 years, and now as an RVSR for nearly 4 years. Eric is a 15 year veteran of the Marine Corps and a service connected veteran. He is a combat veteran, deployed in Afghanistan and in Iraq for both Operation Desert Storm and Iraqi Freedom. Eric also works as a shop steward in AFGE Local 1738. Eric graduated from North Carolina State University with a degree in political science.

PREPARED STATEMENT OF DEBRA J. GIPSON

I would like to thank Chairman Runyan for holding this important hearing on the Integrated Disability Evaluation System (IDES). I am honored to have been asked to participate.

History

In 2011, while training to deploy to Afghanistan, I sustained a severe back injury. By the time my Reserve detachment reached the Active Duty training site, Fort Bliss, Texas, I was confined to a wheel chair earning me the nickname, "The Wheel Chair Soldier." Days later, I was prescribed a cocktail of drugs which allowed me to walk but not without excruciating pain. Placed in the Warrior Transition Program, efforts to rehabilitate my injury were unsuccessful and required surgical intervention.

Before my back surgery could be performed, I required a surgical procedure to treat uterine fibroids; tumors on my uterus. I did not receive a follow-up gynecological appointment. Placed in IDES, I was determined medically unfit to serve, received a 20% disability rating, medically separated and received separation pay. Within days of signing paperwork agreeing to the rating, it was determined that I urgently needed a hysterectomy. I want to be clear that had I received a follow-up to the original gynecological procedure the hysterectomy would have been performed earlier and my disability rating would have been 70%.

Instead of being medically retired, I was medically separated from the United States Army on January 11, 2014.

Introduction

In my opinion, a strong democracy requires two professions: the Legislator and the Servicemember; each the weapon of the other. Healthy Servicemembers are the weapons of the Legislator while the Legislator is the weapon of wounded, injured and ill Servicemembers. We've served as your weapon. On behalf of disabled and medically separated Veterans, we respectfully request that you harness your arsenal's full potential to fix this system and maintain the strength of our democracy.

I present the following long and short term recommendations:

Long-Term Recommendations

1. **Establish a Consolidated Disability Evaluation System**

The Integrated Disability Evaluation System (IDES), the disability ratings process by which Servicemembers are evaluated and declared eligible for compensation, is timely, burdensome and inefficient. The VA and DoD must consolidate the Departments' disability systems with the shared goal to promulgate policy and prescribe uniform guidelines, procedures and standards to eliminate redundancy inherent in adjudicating claims using dual disability rating systems.

2. **Create a Sole Source Disability Rating**

The military rates only "fitting" conditions while the VA rates all service connected injuries resulting in two different ratings for qualifying Servicemembers. The DoD and VA will need to reach a consensus on the definition of qualifying conditions and events and the rate at which those conditions and events are to be compensated. Understandably, a bias in favor of the current, more generous VA system will result in a corresponding rise in retirement and medical costs.

3. **Information Sharing**

Plans to roll-out shared use technology by 2017 will enhance and improve agency accessibility to health care records. The plan is both necessary and ambitious. However, the current lack of available technology is only part of a much larger problem. Government agencies, among them the DoD and the VA, must generate Memoranda of Agreement allowing agencies to openly share information. This will likely require a change in agency culture from one of independence to interdependence on sharing information and resources.

Interim Recommendations

1. **Fiscal Set Aside**

Veterans in the Servicemembers Transition Process frequently complain about the receipt of timely payments once his or her claim has been adjudicated. To date, the receipt of benefit payments can take from 90 days to a year or more to process. While uncertain of the legal or tax implications, I recommend that once a Servicemember enters Federal service (Active Duty, Reserve or Guard) a percentage of the Servicemember's salary be escrowed until the IDES or (retirement) process is complete. The funds set aside could then be automatically reimbursed to the Veteran as a lump sum payment used to bridge the gap between the date of retirement (or separation) and receipt of any long-term or separation benefits.

2. **Emergency Surgery Rating Reconsideration**

Servicemembers who require emergency surgeries within sixty (60) to ninety (90) days of being rated should receive automatic disability rating reconsideration.

3. **Complete a Comprehensive Staffing Needs Assessment**

The Office of Personnel Management must undertake a comprehensive staffing needs assessment to: a) properly assess the cost/benefit of properly staffing the IDES system, and b) research areas where backlogged claims exist to determine whether problems of redundancy and inefficiency are functions of process or staffing related to organizational behavior, poor training, and/or a lack of incentives.

Staffing at the appropriate level will go a long way towards: a) eliminating the current claims backlog and, b) reducing the amount of time it takes to assess individual claims. Increasing staff means a short-term increase in personnel costs offset by a reduction in both the amount of time it takes to process claims and the number of Servicemembers anxiously awaiting claims adjudication.

4. **Manage Fraud, Waste and Abuse**

The system is replete with opportunities for fraud, waste and abuse. The underlying premise of the adjudication process is to provide compensation and benefits for long-term injuries and illnesses. Any system which compensates Servicemembers for injuries and illnesses must also incentivize healing and recovery. It isn't a politically popular notion. However, necessary if ballooning costs are to be reduced and full recovery a goal.

A comprehensive assessment of where opportunities for fraud, waste and abuse exist must be conducted and measures put in place to mitigate such opportunities. Examples include: encouraging physician second opinions, eliminating redundancy in paperwork, and information sharing not just between agencies but within.

5. **Organizational Change.**

We have got to change the organizational culture which punishes Servicemembers (directly or indirectly) for sustaining wounds, injuries or illnesses. In the current climate, Servicemembers deemed unfit to fight or conduct acts of physical fitness are cast aside and labeled; often unfairly, as lazy or cowardly. I do not advocate group hugs on the battlefield. However, leadership training must encourage compassion, dignity and respect. Likewise, service providers, whether military or civilian, must receive similar training.

Toxic leaders (military and civilian) and service providers must be either retrained or moved out of leadership or positions of authority to mitigate damage to wounded and/or recovering Servicemembers.

Conclusion

The recommended suggestions to improve IDES will each require a cost-benefit analysis to determine feasibility. Such analysis is beyond the scope of this presenter. What is certain is that each cost and benefit must be assessed using both quantitative and qualitative analysis. It is my belief that undertaking such analysis, however painstaking, will improve IDES to the benefit of retiring Servicemembers.

STATEMENT OF
GERARDO AVILA, NATIONAL MEB/PEB REPRESENTATIVE
VETERANS AFFAIRS AND REHABILITATION COMMISSION OF THE AMERICAN LEGION
BEFORE THE
SUBCOMMITTEE ON DISABILITY AND MEMORIAL AFFAIRS
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
ON
"DEFINED EXPECTATIONS: EVALUATING VA'S PERFORMANCE IN THE SERVICEMEMBER TRANSITION PROCESS"

MAY 29, 2014

At its core, the disability process for veterans always revolves around three very simple points of fact.

1. Does the veteran have a current medical condition?
2. Did that condition occur, originate, or worsen during their period of service?
3. Is there a medical opinion linking the occurrence in service with the current condition?

As veterans transition from their active duty careers in the military to their veteran status in the civilian world, answering these three questions should be a little easier than it is for a veteran who applies for disability compensation years after service. Transitioning veterans have access to military medical examinations, a complete electronic record of their military health history; there are no questions about intervening civilian years and what impact they might have had on a veteran's health. In short, service connected disability claims in transition should be far simpler and yet the systems put in place to deal with veterans in transition - the Integrated Disability Evaluation System (IDES), the Benefits Delivery on Discharge (BDD) program, and the Quick Start (QS) program still struggle, much as the traditional disability claims process does, with backlogs, delays and confusion.

Despite the simple equation for service connection illustrated above, the process for service connection of disabilities remains complicated. Service members and veterans alike benefit from experienced personnel familiar with the system who can help them navigate the complicated claims process. Unfortunately, the most experienced personnel assisting veterans with the claims process – veterans' service organizations (VSOs) are often restricted in access while the service members are still in DoD facilities.

The American Legion currently works nationally to assist service members across the United States. Our organization has staff assisting with the MEB/PEB process from the Soldier Family Assistance Center (SFAC) at Joint Base Lewis-McChord, WA, and from the National staff offices in the nation's capitol, we support the Washington D.C. Capital Region and the Warrior Transition Units located at Walter Reed National Military Medical Center (WRNMMC), Fort Belvoir, VA, and Fort Meade, MD. The American Legion provides assistance reviewing the

findings of the board, writing rebuttals and answering questions on the IDES process. In addition The American Legion maintains service officer staff at the VA's BDD sites in Winston-Salem, NC and Salt Lake City, UT to assist veterans with over 500 BDD and QS claims quarterly, reviewing exam results, as well as representing service members in hearings when warranted.

The American Legion has been focused on the challenge of transitioning service members over the past decade of war, and while some improvements have been made to the transition process, it has been well documented that the Department of Defense (DoD) and the Department of Veterans Affairs (VA) still do not have a single, integrated and interoperable medical records system to communicate health data. Between 2009 and 2012 DoD and VA wasted over a billion dollars to develop an interoperable health record, and today, still struggle to communicate.

In previous years, the DoD and VA rated disabilities according to differing sets of criteria. The IDES templates emerged to ensure when a service member was being evaluated, DoD and VA were operating out of the same playbook. Rather than requiring a DoD exam and a separate VA exam, service members can now get one Compensation and Pension (C&P) exam that meets the needs of both agencies, and for cases where a rated condition causes a service member to fall short of retention standards, the DoD must apply the same rating provided by the VA through Title 38 of the Code of Federal Regulations (CFR).

The IDES system has been helpful in some ways, generally providing for a shorter gap between retirement or discharge and VA benefits delivery, although that gap is still over 60-90 days in many circumstances. Other problems have emerged, which The American Legion has recorded through working with veterans in the IDES process.

American Legion claims' officers often find that service members still are suffering from a shortage of relevant facts to make informed decisions about the IDES process, and because these decisions will affect the balance of their civilian lives, informed decisions are critical. The issue becomes even greater for National Guard and Reserve component service members. In some cases active component personnel are able to have their cases adjudicated on an active duty post far from their hometown. National Guard and Reserve units, on the other hand, lack the full infrastructure of support available to active duty troops and this can hamper their ability to work through the process.

The American Legion has learned that Guard and Reserve members are especially challenged by a severe lack of Line of Duty (LOD) investigations. Line of Duty investigations are more critical for Reserve component troops because the disability process will not compensate them for conditions acquired during their down time, only while they are on active duty or training. While regular active duty service members are eligible for benefits for anything that happens during their period of service, including ongoing health conditions such as sleep apnea, Guard and Reserve members must be able to point to specific incidences while activated, or during training, and require LOD investigations. It can prove difficult to gather witnesses and corroborate injuries when unit members are released back to their homes across state lines after drill weekends.

Service members undergoing evaluation can be placed on the Temporary Disability Retirement List (TDRL) which is used for service members found unfit to continue duty but who may have conditions that are not stable and thus cannot be assigned a permanent rating. Once placed on the TDRL these service members undergo periodic examinations to determine if the condition has improved, worsened or remained the same. Veterans can wind up further assigned to the Permanent Disability Retirement List (PDRL) and given a DoD disability percentage based on the subsequent examinations.

The American Legion is seeing that when service members are assigned to the TDRL for an extended period of time, they often wind up losing valuable time and benefits. Service members can be assigned to the TDRL for up to five years which places them in a kind of limbo status, not eligible for benefits, and not able to participate in drills or active duty. We have also found that that these reexaminations are done independent of VA, so veterans can wind up with different ratings for the same conditions; this is one of the challenges that IDES was supposed to solve.

An American Legion employee assisting a Navy veteran with a disability claim found the sailor was being reduced in rating from 50 percent to 30 percent and being moved to the PDRL. Upon examining the claims folder, The American Legion found that the exam used to reduce the sailor's rating was not an exam of that sailor, but of another individual in the IDES system. This example highlights the critical need for experienced service officers to be accessible available for service members when proceeding through the disability process.

Finally, service members in the IDES program express concerns to The American Legion that once they enrolled in the program, their access to care within DoD decreased. In essence, they feel that DoD is reluctant to pursue any further procedures such as surgery because it would unnecessarily extend the IDES timeline. This cannot be the intended result of the IDES program, and The American Legion believes that additional oversight of the IDES program may be warranted.

With the two key programs of BDD (for service members with between two months and half a year expected before discharge) and Quick Start (for service members with less than two months expected before discharge), The American Legion is finding that some problems still remain.

The VA Office of the Inspector General (VAOIG or OIG) recently completed an audit of the Quick Start program, finding troubling delays remain and accuracy figures well below VA target numbers. While VA was able to reduce the Average Days to Complete a Claim (ADTC) from 291 days in 2011 to 249 days in 2013[1] the accuracy of those claims still remains below 70 percent[2]. The OIG found the lengthy ADTC rates were due to insufficient program controls in VA and recommended recurring program evaluations and increased training on processing QS claims.

The American Legion is concerned the VA Undersecretary for ~~Benefit's~~ Benefits response not only disagreed that *"untimely claims processing occurred because of inadequate program controls."* But that *"The Under Secretary stated the untimeliness[sic] was primarily the result of*

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[1] VAOIG Report 12-00177-138 "Audit of VA' s Quick Start Program" May 20, 2014
[2] IBID

VBA outreach, veterans' use of technology to learn about available benefits, demand for compensation resulting from twelve years of war, and VA efforts to provide benefits to veterans exposed to Agent Orange."[3]

To begin with, blaming VA's lack of timeliness of veterans' claim, on veterans actually finding out they are entitled to benefits is unnecessarily combative. Further, it's unclear how the increase in Agent Orange claims, which were supposed to be processed in separate VA sites, impacted the processing of QS claims which also go through a completely different channel for benefits. The streams of returning Global War on Terror Quick Start claims are supposed to be processed in different sites than the influx of additional Agent Orange claims brought about by the Secretary's laudable decision to proceed forward with the findings of the Institute of Medicine (IOM) which added three additional conditions to the list of those presumptively associated with exposure to the chemical herbicide Agent Orange.

The American Legion is concerned because this speaks to a larger problem. Rather than addressing the criticism that there may be systemic problems with how certain type of claims are processed, it is the response of the Undersecretary to deflect blame to the veterans themselves and attempt to pit two generations of veterans against each other. This attitude cannot continue, and there must be recognition from VA that criticism, whether from OIG or other stakeholders such as VSOs, comes from intent to improve and strengthen the VA system and make it better able to serve veterans.

The American ~~legion~~ Legion has been vocal in past testimony and has informed both VA and congress that service members actually *don't* have an overabundance of information about their claims to bombard VA. The American Legion believes there needs to be a more robust presence of VSOs on the DoD side in order to provide these veterans with the education and assistance they need throughout transition. The American Legion has argued for better dissemination of information[4] by both DoD and VA, as well as arguing to make the IDES system robust enough to assist veterans with Vocational Rehabilitation and Employment programs[5]. Better support is needed for National Guard and Reserve members to ensure they do not fall behind their active duty counterparts.

All of these challenges can be improved with better integration of stakeholders at all levels of the process. There must not be so severe a disparity in access to support between active duty, Guard and Reserve, and veteran that these men and women who deserve these earned services must continue to struggle unnecessarily. The American Legion is committed to helping veterans through all phases, and the government must enjoin with us do the same. Increased access to service members to lend support through the process will help smooth the process for all parties involved.

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[3] IBID

[4] Resolution No. 42: "Compensation Benefits Information Disseminated at all Transition and Access Points"

[5] Resolution No. 32: "Enhancements to Integrated Disability Evaluation System Process"

The American Legion thanks this committee for their diligence and attention to the transition process, which is often overlooked when considering disability evaluation. We are happy to continue working with VA, DoD and the committee to ensure the best results for veterans.

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STATEMENT OF
PAUL R VARELA
DAV ASSISTANT NATIONAL LEGISLATIVE DIRECTOR
BEFORE THE
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
MAY 29, 2014

Chairman Runyan, Ranking Member Titus and Members of the Subcommittee:

On behalf of the DAV and our 1.2 million members, all of whom are wartime wounded, ill or injured veterans and their families, we thank you for extending this invitation to us to testify on aspects of the joint venture between the Departments of Defense (DOD) and Veterans Affairs (VA) to operate the Integrated Disability Evaluation System (IDES) program and other functions of the pre-separation process.

DAV is actively engaged in providing claims assistance to military members before they leave active duty. This service is provided to active duty personnel through our Transition Service Officer (TSO) program. In 2013 DAV TSOs assisted over 30,892 at 80 military installations across the country.

During the same time in 2013, DAV NSOs interviewed over 187,000 veterans and their families; reviewed more than 313,000 VA claims files; filed over 215,000 new claims for benefits; and obtained more than $4.3 billion in new and retroactive benefits for the wounded, injured, and ill veterans we represented before the VA. Our NSOs also participated in more than 272,000 VA Rating Board actions.

IDES OVERVIEW

IDES originated in 2007. It was launched as a pilot project by the DOD and the VA. Since its roll-out, it was found to be conducive and beneficial towards accomplishing the mission of transitioning wounded, ill and injured service members from active service. Based on its success, it ultimately replaced the legacy Disability Evaluation System (DES) in October 2012 and now operates at a total of 139 locations worldwide.

A previous comparison between the IDES pilot and legacy DES found active component military members completed the pilot in an average of 289 days, and reserve component military members completed it in an average of 270 days, compared

to the legacy DES average of 540 days. Surveys revealed significantly higher satisfaction among IDES pilot participants. On July 30, 2010, the DOD Senior Oversight Committee co-chairs directed IDES be expanded worldwide.

The legacy DES was replaced with the IDES in four stages and was fully deployed in October 2012.

- Stage I-West Coast and Southeast (October–December 2010)—28 Sites
- Stage II-Mountain Region (January–March 2011)—24 Sites
- Stage III-Midwest and Northeast (April–June 2011)—33 Sites
- Stage IV-Outside Continental United States (OCONUS) (July–September 2011)—28 Sites
- Total IDES currently: 139

Under this system, military members are referred to IDES when their continued service is questioned, resulting from wounds, injuries or illnesses incurred in active service that adversely affect the state of their physical or mental health. These active-duty service members would then be placed in a status making them ineligible for deployment or unable to carry out the duties of their rank or military specialty.

As a result of treatment and health status, military members are evaluated by a Medical Evaluation Board (MEB), which is typically comprised of at least two physicians. If the MEB determines that the member has a medical condition(s) that would hinder or impede continued military service, an MEB narrative summary is prepared and the case is referred to a Physical Evaluation Board Liaison Officer (PEBLO).

PEBLOs guide service members through the IDES process to ensure they are aware of the options available to them and to help with the many decisions they need to make while still on active duty. The PEBLO compiles administrative data, informs military members of the IDES process and the MEB, and then refers them to the VA Military Services Coordinator (MSC).

The VA MSC then meets with the military members to advise them about the next phase of the IDES process, assist in completion of documentation, establish a formal VA disability claim, and initiate case development. The VA MSC is charged with requesting the appropriate VA medical examinations, monitoring their progress, providing copies of the completed examination reports to the PEBLO, and completion of any additional development actions as needed.

The VA MSC then meets with the military members to advise them about the next phase of the IDES process, assist in completion of documentation, establish a formal VA disability claim, and initiate case development. The VA MSC is charged with requesting the appropriate VA medical examinations, monitoring their progress, providing copies of the completed examination reports to the PEBLO, and completion of any additional development actions as needed.

Once medical examinations are complete, the VA MSC provides them to the PEBLO and the VA Disability Evaluation System Rating Activity Site (D-RAS) which prepares the proposed disability rating. The PEBLO incorporates the medical examination results in the IDES case file and provides it to the MEB convening authority. The Military Treatment Facility then conducts an MEB and provides the results back to the PEBLO, including the results of the MEB's response to any rebuttal of the member about the MEB findings. The PEBLO then provides a copy of the MEB findings, to include the completed VA medical examination results, to the military member and forwards the case to the PEB administrator if the MEB did not return the military member to duty. The PEB administrator prepares and provides the member's case to the Informal PEB (IPEB).

The IPEB is typically comprised of a two- or three-member board. The IPEB adjudicates the case and requests the D-RAS provide the proposed ratings for the military member's conditions that the IPEB has determined to be unfit. The D-RAS prepares the proposed disability ratings, and reconsideration of the proposed ratings, if the military member so requested. Once all information is received, the IPEB decides whether the member can continue in the military. If so, the individual is designated "fit" and returned to duty. If not, he or she is found "unfit." There are three broad types of medical separations the member can receive as a result of being found unfit: separated without severance pay, separated with severance pay, or retirement.

Once the military member is informed of the IPEB's decision, the member can either accept those findings or appeal the decision to the Formal Physical Evaluation Board (FPEB). The FPEB is comprised of a three-member board, two personnel officers and a physician. They review all the information that the IPEB possessed, with the added feature of the member being able to personally appear before the FPEB and offer additional evidence. The FPEB then holds a hearing, weighs the prior evidence, the member's testimony as well as any new evidence presented, and renders its recommendation. The member can accept the decision of the FPEB, or request reconsideration of the proposed ratings. Similar to the IPEB, three broad types of medical separations can be issued: separated without severance pay, separated with severance pay, or retirement.

Military members have a final appeal option of the FPEB findings regarding fitness for duty through all subsequent levels allowed by their branch of service, such as the Department of the Navy Council of Review Boards and the Department of the Air Force Personnel Council.

The three categories of medical separations can result in several types of medical discharges. Specifically, those with a disability rating of 20 percent or less receive a Discharge With Severance Pay or DWSP. Those whose medical conditions were found to exist prior to military service and found unfit can be discharged without disability compensation if their conditions were not permanently aggravated through military service.

Those who receive a disability rating of 30 percent or more may receive permanent retirement, or be placed on the temporary disability retired list and reevaluated at least every 18 months until their conditions become stable with a final disability rating decision rendered at the five-year point. An exception would be mental disorders due to traumatic stress on active duty, which require re-evaluation within six months after discharge, if assigned a disability rating of not less than 50 percent.

IDES & OTHER PRE-SEPARATION PROGRAM CONCERNS

While DAV is generally pleased with the IDES program, we find several aspects to be of some concern. One area is service members participating in IDES not having ready access to representation from a veterans service organization (VSO) in the same manner as they did under the legacy DES. Delays in awards of disability compensation payments upon separation from active service, and PEBLOs' full understanding of program aspects and awareness regarding VA Vocational Rehabilitation and Employment (VR&E) services are other areas where additional oversight and improvement may be required.

Prior to the implementation of the new IDES process, DAV was actively engaged in the legacy DES, but now VSOs are drastically limited in their scope and functionality within the IDES process, or are excluded altogether. Under the legacy DES, our TSOs represented 282 military members before DOD's Physical Evaluation Boards from July 2008 to June 2009. In the following year, that number dropped to 92 and to 22 in the year after. This change was based on the DOD and VA's focus on speeding the delivery of benefits so they could be placed in the hands of separating military personnel closer to the time of their discharge.

In DAV's 29 Palms area of operation, our TSO notes that IDES classes doubled in 2014. Classes now take place every other week; previously they were conducted once a month. Attendance averaged less than 10 participants prior to 2014, but now average anywhere from 7-10 participants every other week.

Proposed ratings from the Rhode Island D-RAS processing site are delayed and average anywhere from three to six months; however, program standards stipulate that 30 days after the D-RAS receives completed examination reports, the proposed rating must be completed. There are currently two MSCs covering this location, but there is some concern regarding their availability, only providing partial coverage anywhere from three to four days each week. There is also a concern with their inability, or unwillingness, to accept Benefits Delivery at Discharge (BDD) claims.

Beginning this Summer in the 29 Palms area, DAV's role may even be reduced further as we will no longer have the ability to review STRs, and one-on-one counseling services are slowly being taken over by MSCs.

Our Seattle office reports that since October 2013, the preliminary ratings being returned to the PEB fell from 9,000 to the current level of 7,141 as of April 2014, with

average processing time of 79.5 days. Since October 2013, the final ratings to the service member or veteran dropped from 7,000 pending to the current level of 1,100. As of April 2014, the average processing time was 27.4 days, below VA's requirement of 30 days.

Our personnel find the D-RAS in Seattle is operating more efficiently given the Day 1 Brokering Center (D1BC) mission has been removed and the employees were folded into the IDES mission. The communication with the Army has improved because the VA is receiving electronic discharge records now, rather than paper copies, and the Army is not dumping thousands of IDES claims on the VA at one time. Moderation of delivery of these records is easier to manage.

Just as with the larger disability claims process and its current focus of "breaking the back of the backlog," IDES is similarly focused. It is our view that while speed is an important factor, any claim, whether while on active duty, or as a veteran should be done right the first time with an emphasis on timeliness, access to available resources and rating decision accuracy.

Most service members do not understand the complexity of the IDES disability adjudication process. We believe their best interests would be served if they had access to the free assistance of certified representatives, such as DAV. We can provide them with a full understanding of the process and their rights, and also act as their advocates and attorneys-in-fact.

Most military members undergoing the discharge evaluation process may find the complexities of the disability adjudication and retirement systems overwhelming. As a result, they may be accepting PEB decisions that are not in their best interest and/or the benefits they receive may be less than what they would have been had they understood the long-term consequences of their decision to accept a particular PEB decision. As stated in the September 2013 Recovering Warrior Task Force (RWTF) report, "service members going through the IDES process often do not have a clear idea about where they are going and what their futures hold."

The RWTF is charged with conducting an assessment of the effectiveness of DOD programs and policies for Recovering Warriors (RWs). Their findings continue to highlight the importance of providing legal counsel throughout the IDES program. The relationship between access to legal counsel and satisfaction with the IDES process is clear. The issue of access to counsel to advise military members on the VA disability claims process was cited as a concern by the RWTF in several of its annual reports, to include in their most recent one published September 2013.

To DOD's credit, some improvement has occurred in VSO access to IDES. The Directive-Type Memorandum (DTM11-015) pertains to IDES. Within this document, the DoD provides guidance to, "establish procedures for their respective Military Departments to inform service members upon referral to the IDES that they may seek assistance during the IDES process from Government legal counsel provided by the

Military Departments, private counsel retained at their own expense, or from a VA-accredited representative of a service organization recognized by the Secretary of Veterans Affairs, using VA Form 21-22, "Appointment of Veterans Service Organizations as Claimant's Representative," or from a VA-accredited claims agent or attorney using VA Form 21-22a."

Furthermore, the PEBLO is charged with informing the service member of the DOD IDES process and the availability of assistance from government legal counsel provided by the military departments, private counsel retained at their own expense, or from a service organization recognized by the VA.

The VA MSCs are also charged with advising service members about representation opportunities before the VA by any attorney, agent, or officer of a service organization. These multiple information points that disclose options for representation to service members help to mitigate any potential miscues during this often difficult and lengthy process. DAV believes there is still room for improvement and suggests that PEBLOs and MSCs, not only advise service members about the availability and benefits of representation, but to also make service members aware of any VSO presence on military installations.

Although some trends are heading in the right direction, another one is of some concern. A report from one of DAV's senior supervisory National Service Officers in San Diego, finds that "since July 23, 2012, when the administration launched its Transition GPS and September of 2013 when the pilot program for the revamping was held here in San Diego, the DAV has had little to no input. DOD contractors were hired and this organization's TSOs and DSOs were very underutilized initially. We were told we would be included in the pilot; we were not. Office space was reduced to accommodate DOD contractors. Some of these contractors went so far as to try and get all VSOs off the base. However, the military, specifically the Marine Corps, would not allow it. These DOD contractors were hired and basically we were told our services wouldn't be needed. They would answer questions and provide advice [to individuals] on what to do. We were eventually allowed to put a power point slide up or a sign to inform transitioning military personnel of DAV's ability to assist. We are now allowed to give a 10 to 30-minute presentation and screen service medical records depending on the base. Several bases have now given us access to TAP/GPS Transition Readiness Seminar (TRS) classes, including Camp Pendleton, 29 Palms, Miramar, MCRD, Port Hueneme and Ft. Irwin, while Navy bases locally do not allow us to inform or screen service treatment records (STRs). Again, in my opinion, the transitioning military member is losing out on a valuable service that should be left to the experts like the DAV, not a DOD contractor who is ill equipped to handle it."

A local TSO from California reports that DAV has not been allowed back into the Navy bases located in San Diego even though they were given Under Secretary Allison Hickey's memo requesting the VSOs be permitted to participate during the Transition GPS process. It was explained to our staff that DAV would encroach in VA's allotted

time and additional time could not be spared. While DAV continues to be excluded from the TAP GPS classes, our client workload has only declined by about 30%.

Our clients from local Navy bases visit DAV TSOs because they are referred by senior personnel at the command or have heard about our office and/or the reputation of the service officers. At the local Marine Corps bases, DAV provides STR screenings to TAP GPS personnel. Our service officers only perform lectures at MCRD and Camp Pendleton. No lectures are performed at MCAS Miramar but again, DAV does have access to these personnel for record reviews. As to all other bases in the Southern California area, (Ft. Irwin, 29 Palms, China Lake and Port Hueneme) outside of the San Diego area, we provide both lectures and record reviews.

The service officers at Miramar are constantly asked why we are not going out to the Navy bases because that was part of the reason they attended the classes. They also stated that information received during the veterans' benefits lectures was confusing and it appeared VA contractors were just reading the lesson plans. DAV's reputation at the Miramar, Camp Pendleton and 29 Palms TAP offices is noted for its efficient and fast service. Waiting times for appointments to file a BDD or Quick Start claim at the Miramar office are less than a day, with submission of the claims to the VA satellite office following the appointment with DAV TSOs.

Concerning the IDES program within the San Diego area, our office does not have direct interaction within this process, however, the majority of the time, personnel undergoing the IDES program also attend the TRS/GPS program, so our TSOs see them at that time, or in some cases service members make an appointment with DAV for one-on-one counseling.

Issues identified at our DAV office in San Antonio, Texas pertain to IDES, BDD and Quick Start. Our office reports that BDD and Quick Start need to be completely revamped. Our personnel report the programs are good overall, but with fine tuning they could be much better. They find both programs are too slow. That is the single biggest complaint DAV receives from its clients regarding these programs in this location.

Veterans are being told their claim processing will take a certain amount of time and when they do not have an answer, they express their concern and frustration to DAV personnel. DAV is able to provide each veteran with his or her claims status.

It is reported that veterans have been removed from the BDD or Quick Start programs and they do not know the reason for removal, and removals occur with some regularity. Veterans are prohibited from supplying additional evidence while in the program and they find this to be unreasonable, which adds to their frustration. Occasionally, DAV must direct service members to avoid BDD and Quick Start altogether because of their individual circumstances; they may be relocating within the very near future, or other personal matters may interfere with their claims.

The IDES system at this location has basically eliminated DAV's involvement within the program. At one time, DAV staffed 2 TSOs at SAMMC and now we have only one. DAV provides representation at the Formal Physical Evaluation Boards, however, because DAV is not involved until the service member receives their Informal Physical Evaluation Board results, service members are unaware, or do not recall that DAV provides legal representation.

DAV is permitted to provide formal briefings twice a month at San Antonio Military Medical Center (SAMMC), formerly Brooke Army Medical Center, for those service members in the IDES process, but most service members utilize military attorneys at the FPEB. DAV's role has been diminished. The Army has posted two military lawyers and a paralegal to handle the FPEBs and they are on site. As a result, DAV represented fewer than 10 service members at the FPEB during the past twelve months.

DAV brings vast experience, a renowned reputation and expertise concerning claims processing and holds power of attorney for hundreds of thousands of veterans and their families. Our NSOs and TSOs continue to be actively engaged in informing military members of their eligibility for VA and DOD benefits though briefings at Transition Assistance Program GPS classes. With the realization of the TAP GPS program, DAV and other VSOs found themselves with lessened exposure and declining DOD support at military installations. This is seen as limiting, or altogether eliminating the participation of the VSO during these important junctures through the separation process. The ability to address and assist active duty service members on military bases was garnered over years of hard work and great effort after proving that VSO services during the active duty period were in fact worthwhile and represented a vital resource.

We continue to provide assistance to those active duty service members that request accelerated receipt of their VA disability benefits under VA's BDD and Quick Start, but, we see our role as being continually marginalized, reduced with the possibility of elimination.

DAV and other VSOs play an integral part in the overall claims process and make the VA's job easier by helping veterans prepare and submit better claims, requiring less time and resources for them to be developed and adjudicated. If provided broader access and working in a collaborative fashion with the DOD, its military facilities and other program affiliates, we can make the DOD's job easier as well, by ensuring military members going through IDES have a better understanding of the paths within the IDES program and beyond.

Another issue involves access to and awareness of VA's Vocational Rehabilitation & Employment (VR&E) program and services offered to those migrating through the IDES program. Basic eligibility requirements to gain access to VA's vocational rehabilitation counselors and services is met when a service member is set to be released from active duty with a disability rating greater than 20%.

Within the VR&E program, service members work with vocational rehabilitation counselors towards an employment goal outlined within one the five tracks to employment, which are reemployment, rapid access to employment, employment through long-term services, self-employment, and independent living.

The benefit of entering the VR&E program at the earliest point within the IDES process cannot be overstated. This gives the service member that head start he or she will need before making the transition from the military to the civilian sector and more importantly, identify potential employment opportunities that would be conducive to their service related disabilities.

In the RWTF's 2013 report, it found "significant value on VR&E, recognizing the key role VR&E plays in supporting transitioning RWs and will continue to play after the current conflict ends and drawdowns are completed. The RWTF sought and received briefings on the availability of VR&E at numerous site visits and made recommendations on VR&E in both their FY2011 and FY2012 reports. Recovering Warriors (RWs) focus group participants more often than not stated that job readiness activities including VR&E met their needs and mini-survey results from participants with first-hand experience with VR&E indicated high satisfaction. However, despite such positive satisfaction, mini-survey results also indicated that VR&E utilization was low; only 18 percent of respondents had first-hand experience. Site briefers identified a number of barriers that likely contribute to the low utilization. At several installations, the chain of command and RWs displayed a lack of awareness of VR&E and/or a misunderstanding of the program. The RWTF also observed poor coordination between VR&E counselors and other installation staff, or poor integration of VR&E into the IDES process."

The RWTF does an excellent job illustrating the importance of the VR&E program and the benefit of availing this program to those members meeting the basic eligibility requirements. Congress must ensure that every service member receiving a medical separation with a rating of 20% or greater is made aware of the program. Counselors at military installations should make meeting with eligible service members a routine duty. This would ensure the relationship is established and maintained throughout the ongoing IDES process and prepare service members to utilize benefits they may be entitled to receive once they become service-connected veterans.

Another issue is delayed receipt of finalized VA rating board decisions upon separation from active limitary service. One of the goals within the IDES process is to complete the VA disability compensation delivery phase for active component service members in no more than 30 days from the date of separation to the date VA issues the disability benefits decision letter.

DAV NSOs report that since April 2014, VA has been gaining efficiencies and completing the final rating process within 27 days. It is reported that VA has been largely aided in reaching this target processing time at one site due to the elimination of D1BC operations and aligning remaining resources toward IDES support. Any delay in

the finalization of the VA rating process is of serious concern to DAV and this issue must be closely monitored. Delayed payments to wounded, ill and injured veterans just out of the military and fending for themselves and in some cases without the benefit of continued employment, places an unnecessary and undue hardship upon newly separated veterans. Now service-connected wartime veterans, no longer in the employ of the DOD, they will come to rely on their disability compensation benefits to support themselves and in many cases, their families.

Lastly, PEBLO observations from our staff in the field indicate mixed assessments pertaining to their performance. There are some concerns regarding the availability of PEBLOs when sought after by service members within IDES and information gaps concerning programmatic elements.

In order to bolster the proficiency of the PEBLO and in turn, offer the greatest level of support to IDES participants, continued and enhanced training must be afforded. Additionally, no program can ever hope to achieve its maximum effectiveness if it does not contain a quality review and accountability component. Work performed by those entrusted to shepherd our wounded, ill and injured through the IDES process and ease their transitions from active military service into the civilian sector is of the highest importance and should be equally regarded in terms of support that is required to meet their objectives.

DAV RECOMMENDATIONS

With this testimony in mind, on behalf of DAV, I offer the Subcommittee the following recommendations:

- Provide greater access and support throughout the entirety of the IDES and Pre-Separation process to qualified, capable and duly recognized VSOs;
- Ensure proper resource allocation to meet or exceed all established IDES programmatic timeframes;
- Ensure VR&E services are highlighted and emphasized to service members meeting basic eligibility entitlement;
- Ensure proper PEBLO resource allocations;
- Establish and maintain proper client-to-counselor ratios for PEBLOs and MSCs;
- Ensure PEBLOs receive adequate training to increase comprehension of all programmatic elements, services and benefits available to IDES participants; and
- Ensure proper and continued accountability within the IDES program by performing effective and ongoing oversight.

DAV thanks the Subcommittee for this opportunity to express our views and recommendations concerning the IDES and pre-separation process. This concludes my testimony and will gladly answer any questions posed by the members of this committee.

PREPARED STATEMENT OF BRENDON GEHRKE

Mr. Chairman and Members of the Subcommittee:

On behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and our Auxiliaries, I would like to thank you for the opportunity to testify on today's hearing regarding VBA's role in veterans transition as it relates to the Integrated Disability Evaluation System, the Benefits Delivery at Discharge and the Quick Start Program.

In the 2008 National Defense Authorization Act Congress required DoD and VA to create policies to ensure that the disability evaluation system, which determines military and veterans benefits, is streamlined and fair. As a result, DoD and VA collaborated to create the Integrated Disability Evaluation System (IDES) which simplified the disability evaluation process by eliminating duplicate disability examinations and ratings, and placing VA counselors in Military Transition Facilities (MTF) to ensure a smooth transition to veteran status. The VA and DoD also responded by improving the Benefits Delivery at Discharge (BDD) program and created Quick Start programs to allow servicemembers to submit a disability claim before their discharge date.

The VFW believes these programs are a step in the right direction to fulfil the country's promise to our wounded warriors, but we recognize that these programs are far from perfect. Servicemembers still suffer from the Defense Department's disjointed policies and leadership which govern wounded warrior care, inadequate VA and DoD staffing dedicated to the benefits evaluation process, no Integrated Electronic Healthcare System, and poor communication. We encourage the Committee to evaluate and implement the suggestions made by the Government Accountability Office (GAO), Recovering Warrior Task Force (RWTF) and Veterans Service Organizations (VSO).

Processing Times

Currently, the Veterans Affairs' Benefits Delivered at Discharge and Quick Start programs are not living up to their names. The BDD program rarely delivers benefits within 60 days of discharge, and the Quick Start program may allow servicemembers to submit claims earlier, but the adjudication of those claims are anything but quick. As indicated in the latest VAOIG report on the Quick Start program, VBA reduced the average days to complete a Quick Start claim from 291 days in 2011, to 249 days for the period of April through June 2013. However, VBA needs to cut the amount of time to adjudicate a claim in half to achieve the VA Secretary's goal to have no claim pending more than 125 days. Likewise with BDD, the Salt Lake City Regional Office, who adjudicates 56 percent of BDD claims, takes an average of 266 days to deliver benefits. This means that a servicemember who applies 60 days prior to discharge will not receive payment for at least eight months after their discharge.

The amount of time it takes to process a claim through IDES frustrates wounded warriors and their commands. As of May 11th, it takes 284 days to process through IDES, although that number has grown as high as 376 days in the past year. It is important to note that processing times change daily and differ dramatically from facility to facility; Fort Knox has taken longer than 423 days to process claims, Fort Riley takes upwards of 336 days to process claims, while claims in Fort Gordon may process in less than 161 days. The processing time is even higher for reserve component servicemembers. Minnesota's National Guard Command reports that the average time to complete the IDES process for its soldiers is 581 days. Of Minnesota's active cases, the average soldier has been waiting in processing for 258 days; 43 percent have already exceeded the military's Medical Command standard of 204 days to finish a claim.

It is clear that the VA backlog is also creating a backlog in IDES cases. The longest phase in the IDES process is the VA disability rating portion, where 59 percent of cases pending are awaiting a VA rating decision. VA's goal is to process IDES claims within 100 days, but it takes 230 days on average to process claims. The VA's inability to process IDES claims is adversely affecting wounded warriors recovery and their transition process. The backlog creates unnecessary extended separations and financial burdens on families causing stress on an already vulnerable family. Moreover, it prohibits servicemembers from finding civilian employment and/or causes them to miss college enrollment dates.

Unlike the BDD, Quick Start, or IDES claims, Fully Developed Claims (FDC) are close to meeting the Secretary's goals of adjudicating claims within 125 days. In 2010, Under Secretary Hickey refined the FDC program and encouraged veterans and VSOs to submit claims that do not require development of non-governmental evidence. Between the first and second quarter of this year, FDC submission in-

creased from 12 percent to 18.5 percent, 25 percent of the claims VSOs submit are FDC, and the average amount of time to complete an FDC claim was only a 150 days. Despite the dramatic difference in the number of days it takes to adjudicate an FDC claim compared to a pre-discharge or IDES claim, the only document included in an FDC claim that isn't in a pre-discharge or IDES claim is a DD–214. Therefore, we recommend VA allocate resources to work pre-discharge claims as they would a FDC claim.

Inconsistent Management Policies

It is difficult to evaluate the Department of Veterans Affairs role in the transition from servicemember to veteran without mentioning the Department of Defense's role in the transition process. The two agencies are inextricably connected; one agency cannot fulfill its responsibilities to the transitioning servicemembers without the other. Ultimately, the agencies share equal responsibility to ensure servicemembers successfully transition back to civilian life.

In regards to IDES, DoD is responsible for guiding servicemembers through the entire process to ensure they are aware of their options and the many decisions they or their families need to make. In regards to the pre-discharge benefits program, DoD is responsible for managing all entry point sites and implementing the cooperative exam process—a key aspect of BDD to streamline access to benefits. DoD's lack of leadership, standard policies, and oversight has created large discrepancies in the standard of service and treatment servicemembers receive from one site to the next.

Despite recommendations from VSOs, RWTF and GAO, the Defense Department still maintains a disjointed leadership structure for wounded warrior care. The Deputy Under Secretary of Defense for Personnel and Readiness is responsible for establishing health and benefit policies. However, the Deputy Under Secretary can develop the best policy possible to ensure continuum care and transition services but without the authority to force the military branches to implement DoD's guidance, as is the current situation, the policies are inept. Our concern is that these inconsistencies in the services' interpretation and application of the laws governing IDES affect servicemembers adversely.

Therefore, the VFW recommends that Congress give the Under Secretary of Personnel and Readiness the sole authority to develop policy to improve the care and services provide through IDES. Only then will the Under Secretary be able to improve management of pre-discharge benefits sites, provide proper oversight, and most importantly force services to comply with DoD directives. Empowering senior civilian leaders will allow for the long-standing problems plaguing the process to be addressed and promote accountability.

Staffing Resources

Insufficient staffing and budget allocations on both DoD's and VA's part contribute to poor case management and protracted disability determinations. servicemembers continue to complain that the military Physical Evaluation Board Liaison Officers, who are responsible for guiding the servicemember through the IDES process, are often overburdened and poorly trained. The same goes for the VA case managers who assist some servicemembers through the VA rating phase. Although VA and DoD officials said they added case managers to its IDES rating sites to handle the high demand, we have not seen an improvement in processing times or increased attentiveness to servicemembers and their family's needs.

However, no matter how many case managers they hire, the long waiting times will persist unless VA and DoD ensure adequate physician staffing levels. DoD must ensure proper physician staffing levels to identify conditions and write narrative summaries that are used to determine the servicemembers' fitness for duty. Likewise, VA needs an adequate number of physicians to complete the Compensation and Pension (C&P) examinations used to determine both DoD and VA disability rates.

Appropriations for VA have not kept pace with the demand created by thousands of severely wounded servicemembers returning home, resulting in staff shortage across the Veterans Health Administration. Compounding the problem is that sequestration limits DoD's ability to hire more doctors for the pre-discharge benefit sites and the MEB. The Administration (and previous Administrations) has requested insufficient resources to meet the ever-growing need for health care and transition services. It is now incumbent upon Congress to provide the staffing, facility resources, and technology software needed to help VA address the claims backlog, including the backlog in BDD, Quick Start and IDES claims.

Integrated Electronic Health Care Records

To say the transition process is seamless for servicemembers, or that DoD and VA have an integrated disability evaluation process, would be inaccurate, although the

agencies have drastically improved collaboration efforts. It is impossible to have an integrated disability evaluation process without an Integrated Electronic Healthcare Records System. For the past ten years, Presidential Commissions, Congressional Task Forces, VSOs and the GAO have described the need for an Integrated Electronic Healthcare Record System; yet veterans are not any closer to having one today than they were ten years ago.

Since VA and DoD providers lack the ability to share health records for servicemembers instantaneously, they have to result to more archaic measures of sharing information, such as fax or snail mail. For example, one National Guard unit reported that they continue to ship hardcopy health records via FedEx to Reserve Components Soldier Medical Support Centers, and they are notified by mail when the MTF receives the packet. Furthermore, DoD uses different records keeping systems for inpatient, outpatient, and behavioral health records, making it difficult for servicemembers to ensure all their records are fully compiled and transferred. VA compounds the problem by brokering IDES claims; for example, one servicemembers' records were individually sent to Baltimore, Vermont, Maine, and Seattle before it was adjudicated and sent back to the MTF.

The VA and DoD entered into a Memorandum of Understanding that required DoD to provide complete copies of Service Treatment Records (STR) to VA. Although the MOU went into effect early this year, a high level VBA official recently stated that 81 percent of Gold Standard STR's are overdue by 45 days.

In addition, reserve component members face unique difficulties when obtaining scattered and often incomplete records because of members' multiple, nonconsecutive deployments. VA disproportionately denies Reservist and National Guardsmen benefits because they cannot establish that their condition is service-connected due to the missing Line of Duty (LOD) statements. An LOD determination is an administrative tool for determining a member's duty status at the time of injury, illness, disability, or death, and is the gateway to VA benefits. The VFW encourages Congress to urge the National Guard Bureau to create a uniformed LOD policy and implement a single electronic processing system to ensure all eligible reserve component members have access to earned healthcare and benefits.

Similar to the lack of an Integrated EHR system, servicemembers need a singular transparent system to monitor IDES. Multiple system accesses are still required to obtain and track necessary data. The Veterans Tracking Application (VTA) is a joint VA/DoD application that tracks the initial arrival of a servicemember into the VA health system and monitors benefits applications and administrative details. VTA also tracks servicemembers that have been referred to a Medical Evaluation Board (MEB).

We consistently hear from servicemembers, who are frustrated that they do not know the status of their IDES case because access is granted to a limited amount of staff. As a result, servicemembers cannot plan for the future because they don't know when the next exam will be or their discharge date. We recommend that VA work with DoD to broaden VTA access to those supporting wounded warriors to include, MEB attorneys, Community Based Warrior Transition Units and authorized veteran advocates.

Outreach

The VOW to Hire Heroes Act established a requirement that all servicemembers, participate in the Transition Assistance Program by November 2012. Since the universal implementation of TAP, the VFW has gone from having an entire day to brief servicemembers on the benefits and resources available to them to five minutes in some locations. More so, VA continues to push servicemembers and veterans to the e-benefits' portal, which is not regularly updated, or does it allow veterans to share information with service officers. As a result of the TAP changes, we have found servicemembers are less aware of the BDD or Quick Start Program and are not seeking assistance with claims. In addition, when servicemembers use e-benefits they feel as if their claim enters into the abyss. Our fear is that if servicemembers do not seek VSO help they will ultimately end up filing appeals as veterans.

We also understand that the TAP process introduces a variety of information resources, web sites, and call centers to servicemembers so that they can education themselves on their benefits. Much of the services provided to servicemembers by DoD are redundant, which can overwhelm and confuse servicemembers causing them to underutilize the services. An RWTF focus group, "revealed significantly unmet needs for information" at various points in the recovery or transition process. More so, we receive complaints from family caregivers and surviving spouses that DoD does not properly inform them of programs and benefits created by Congress to support them.

While DoD has developed a means of tracking members' involvement, it has not established an accurate means to measure participation in TAP including VA benefit briefings. We believe that DoD and VA must establish a policy to promote the accuracy, timeliness, availability, and relevant information; they must also establish the method to gauge servicemembers' participation and satisfaction with TAP, and work to include community partners in the TAP process.

Conclusion

The VFW acknowledges that both the Departments of Defense and Veterans Affairs are delivering quality care to servicemembers and veterans. We also give them credit for setting ambitious timeliness goals for delivering benefits and addressing issues with the disability evaluation system; timeliness has drastically improved from the estimated 540 days it took to complete a claim with the legacy system, and VA and DoD continue to shorten the amount of times it takes to process all disability claims.

However, VA and DoD do not have the management, policies, procedures, and resources to address the influx of servicemembers who will be transitioning to civilian life once forces withdraw from Afghanistan and DoD cuts its force structure. It is imperative that Congress not only continue its aggressive oversight over the agencies to ensure they properly plan for the future, but they must also provide the fiscal resources to improve the delivery of care and benefits that our servicemembers have earned.