

**STATEMENT OF
THOMAS MURPHY,
DIRECTOR, COMPENSATION SERVICE
VETERANS BENEFITS ADMINISTRATION
U.S. DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
HOUSE COMMITTEE ON VETERANS AFFAIRS
JUNE 25, 2014**

Chairman Miller, Ranking Member Michaud, and Committee Members, thank you for providing me the opportunity to discuss the Department of Veterans Affairs' (VA) Compensation and Pension (C&P) examination process. I am accompanied today by Beth McCoy, Acting Deputy Under Secretary for the Veterans Benefits Administration (VBA) Field Operations, and from the Veterans Health Administration's (VHA) Office of Disability and Medical Assessment (DMA), Dr. Gerald M. Cross, Chief Officer, and Patricia D. Murray, Director Clinical Programs and Administrative Operations. The Veterans Benefits Administration (VBA) and the Veterans Health Administration (VHA) work closely together and are committed to providing quality medical examinations in a timely manner in support of our disability claims evaluation process. These medical examinations ensure proper benefits are provided to Veterans, and providing these examinations in a timely manner is critical to VBA's goal of eliminating the claims backlog with 98-percent rating accuracy in 2015.

VHA Involvement in the Disability Claims Process

VHA conducts these medical examinations at the request of VBA for a number of purposes in the disability claims evaluation process. A medical examination may be necessary to diagnose a claimed condition for a disability determination or to determine the severity of a disability and the impairment that it causes. Medical examinations are also necessary to determine the cause of specific disabilities. VBA may also request medical opinions to consider whether a disability originated in military service or results from another disability that is due to service.

A medical examination or opinion is required in claims when, after the development of all other relevant evidence, there is not sufficient medical evidence to make a rating decision on the claim. To trigger the requirement for the examination, there must be evidence of a current disability; evidence of an event, injury, or disease in service; and evidence that the current disability may be related to the event, injury, or disease in service. These medical examinations and opinions are vital in the process of determining whether a disability is caused by military service and assigning an appropriate percentage of disability. VBA may request medical examinations from VHA or from its own contractors. In addition, a Veteran may submit medical evidence from a private or VHA provider.

VBA and VHA have instituted several initiatives to improve the timeliness and accuracy of claims processing based on medical evidence. For example, Disability Benefits Questionnaires (DBQs) are designed to more efficiently gather medical evidence from VHA clinicians and private physicians by capturing all the medical information needed to process a claim for a specific condition at once and up front. A total of 81 DBQs are available to VHA clinicians, including 71 DBQs that can also be completed by private physicians. The terminology in the DBQs is built around the specialized requirements needed to make forensic determinations regarding a disability and gather the information needed to rate a disability claim. DBQs were designed for use by raters and may not follow the usual clinical workflow or thought process. The timeliness measure of 30 days and the Audit Quality Review for consistency and sufficiency are DBQ metrics used by VHA.

Similarly, in the Acceptable Clinical Evidence (ACE) process, VHA clinicians review existing medical evidence and determine whether that evidence can be used to complete a DBQ without requiring the Veteran to report for an in-person examination. For many Veterans, this means they no longer need to travel and take time off for an examination, which can be a significant burden. In addition, VHA demonstrated success conducting mental health examinations using Telehealth technology. Clinicians also have the option to supplement medical evidence with telephone interviews with the Veteran, or to conduct an in-person examination if determined necessary.

VHA is providing certified C&P clinicians at all 56 VBA regional offices (RO) and the Providence, RI and Seattle, WA Disability Rating Activity Service (DRAS) offices. The clinicians provide medical opinions, answer staff questions, correct insufficient examinations, and serve as a key communication link between VBA and VHA. This assistance reduces the need for Veterans to schedule in-person examinations; however, no examinations are conducted at the ROs.

VHA and VBA joint analytics teams work closely together to better understand the overall claims process. The team looks for creative ways to track C&P examination metrics as well as to analyze data to be able to identify trends, strengths, and weaknesses. VHA's quality assurance program was developed and integrated with VBA's quality assurance review process to more accurately measure examination request and quality. In addition, the team works to develop long-term strategies to enhance the claims process.

Along with communication at the local level, VHA and VBA host weekly meetings to discuss the disability claim examination process. These meetings are data-driven and allow senior leaders in both organizations to provide guidance. Both organizations have established mailboxes for any questions employees may have about the process and participate in weekly calls to discuss claims initiatives and any other issues impacting the disability examination process. VBA and VHA also collaborate on training programs and development of national policy and procedures to ensure consistency and quality.

Examinations Conducted by VHA

VHA's DMA is a national office that facilitates the disability examination process to support field C&P clinics conducting disability examinations. Nearly 8,200 VHA registered and certified C&P examiners, which includes physicians, nurse practitioners, physician assistants, and psychologists, work closely with VBA to perform C&P disability examinations. They include full-time VHA employees, part-time VHA employees, Residents, Fee-for-Service examiners, VHA contract vendors, Locum Tenens and speciality providers.

VHA supplements these C&P clinics' capabilities, as necessary, using contracted disability examination services. These contractors support the performance of required disability examinations during surges in claims processing, for periods of staffing vacancies, or for times when specialists are required. VHA may also use these services for Veterans who do not live near a VHA medical facility. The use of these "on demand" services allows VHA to maintain examination timeliness and quality to support VA's goals for processing disability claims. VHA medical facilities can use locally contracted services through an individual facility or utilize the centralized, national VHA Disability Examination Management (DEM) contract.

In 2011, VHA established a nationwide medical examination contract with additional overseas capabilities. The contract is held by four vendors who provide their services to meet VHA standards. VHA has also established a contract oversight board to provide the field an opportunity to oversee VHA contract performance. Included in the contract is the requirement to conduct quality reviews.

In addition to contract services, VHA has provided VA medical centers a number of tools to manage increases in disability examination workload. Examples of these tools include hiring staff, fee-basis support, the locum tenens program (ability to rapidly replace credentialed and privileged certified C&P providers during periods of absence or to enhance surge capabilities), and additional funding.

The national standard for completing C&P disability examinations is 30 days, or 45 days for Integrated Disability Evaluation System (IDES). This measures from the day VBA electronically submits an examination request to VHA to the day VHA electronically returns examination reports to VBA. For fiscal year (FY) 2014, as of June 16, 2014, the average time to complete disability examination requests by VHA and VHA contract examinations for C&P was 24 days and 32 days for IDES. The total number of disability examinations and medical opinions completed by VHA and VHA contractors for FY 2012 - 1,850,386; FY 2013 - 2,176,651; and FY 2014 through June -1,584,545. The foundation for the improvement is the improved relationship between VHA and VBA. That created the foundation for data sharing and cooperation.

VHA Disability Examination Program	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Total Examinations Completed by VHA Clinicians	1,152,139	1,295,700	1,850,386	2,176,651	1,584,535
Total Examinations Completed by VHA DEM Contractors	N/A	N/A	59,194*	178,406	170,499
Total Veterans served by VHA	631,888	694,597	797,935	821,440	595,713
Total served by VHA using Contractors	N/A	N/A	14,662	54,364	45,655

* First year reporting was based on examination requests versus completed examinations.

VHA has successfully met and exceeded the required timeframes for timeliness of completion of examination requests. Collaboration with VBA has been critical to this success. Weekly War Room discussions, the use of VHA clinicians at the ROs, innovative use of ACE evaluations, and providing medical evidence for opinions and in support of those claims needing additional information have contributed to improvement. Initiating the “No Wrong Door” approach has resulted in accommodating any examination request, regardless of jurisdiction. The focus on C&P as the transition from active duty to Veteran status has improved the access to Department of Defense medical information, thereby reducing the amount of time needed to complete an examination request. Site visits, focused weekly training for clinicians and clerical staff, and closely working with Veterans Integrated Service Network and facility leadership to forecast workload has optimized resource use and improved timeliness.

Use of Contract Examinations by VBA

In addition to examinations completed by VHA, VBA contracts with three vendors to conduct C&P examinations. These contractors provide examinations to

18 Regional Offices: Atlanta, Cleveland, Denver, Des Moines, Honolulu, Houston, Indianapolis, Lincoln, Los Angeles, Muskogee, Providence, Roanoke, Salt Lake City, San Diego, Seattle, St. Louis, Waco, and Winston-Salem. Additionally, the contractors provide examinations in support of VBA Special Missions, such as Integrated Disability Evaluation System (IDES) and the Benefits Delivery at Discharge Program (BDD). Veterans report high levels of satisfaction with the contractors who currently perform these examinations.

VBA is able to conduct these contract examinations using both mandatory and discretionary funds. VA's authority to use discretionary funds for contract exams will expire on December 31, 2014. VA supports extension of this authority and proposed this extension in the FY 2015 budget request. VBA's authority to use mandatory funds for contract exams is limited to 10 ROs. The authority to contract disability exams is essential to VBA and achievement of our goal to eliminate the claims backlog. The demand for disability examinations increased significantly in recent years, primarily due to an increase in access to and utilization of benefits. The increase in disability examinations can also be attributed to the increasing complexity of disability claims, an increase in the number of disabilities Veterans claim, and changes in eligibility requirements for disability benefits. In FY 2013, VBA contractors completed over 225,000 examinations, in addition to the over two million examinations conducted by VHA and its contractors.

VHA and VBA examination contracts were competed and awarded separately and contain different timeliness standards. In addition, VBA's disability examination contracts have different timeliness standards, as the contracts are independent from each other. The VBA contracts reimbursed from the mandatory appropriation will be re-competed in the first quarter of FY 2015 and will align timeliness standards closer to VHA's contract standards. In FY 2014 through June 16, examinations conducted using funding reimbursed from the mandatory appropriation were completed in an average of 29 days and examinations conducted using discretionary funding were completed in an average of 17 days (timeliness standard of 20 days).

The ability to conduct contract examinations has contributed to the completion of more than one million claims each year for the last four years.

Conclusion

VBA and VHA have worked to expand capacity for disability examinations provided internally and through contract resources. This collaboration has helped improve the timeliness and accuracy of examinations and ultimately improved the delivery of benefits to disabled Veterans. We will continue to assess our processes to ensure Veterans' medical information is efficiently gathered to expedite the claims process.

This concludes my testimony, Mr. Chairman. I would be happy to address any questions you or the other Members of the Subcommittee may have.