

**STATEMENT OF
DIANA RUBENS
DEPUTY UNDER SECRETARY FOR FIELD OPERATIONS
VETERANS BENEFITS ADMINISTRATION
U.S. DEPARTMENT OF VETERANS AFFAIRS (VA)
BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS
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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 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 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.