

Prepared Statement

of

Ms. Nancy E. Weaver

Acting Deputy Assistant Secretary of Defense for Warrior Care Policy

and

Mr. David M. Bowen

Director, Health Information Technology/Chief Information Officer, Health Information

Technology

REGARDING

DEFINED EXPECTATIONS: EVALUATING VA'S PERFORMANCE IN THE

SERVICEMEMBER TRANSITION PROCESS

BEFORE THE

HOUSE VETERANS' AFFAIRS COMMITTEE

DISABILITY AND MEMORIAL AFFAIRS SUBCOMMITTEE

May 29, 2014

SUMMARY

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

In the Integrated Disability Evaluation System (IDES), Service members 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 Service member 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 Service members who undergo a single exam and complete VA claim paperwork before discharge, and has resulted in improved Service member 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 service members 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 Service members. From 1949 to 2007, medically discharged Service members 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 Service members 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 Service members 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 Service members 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 Service member 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 Service members. IDES introduces disabled Service members to VA's health care and disability benefits system sooner, provides more consistent access to accurate and timely information about the process to Service members, their families and caregivers, provides disabled Service members their proposed VA disability rating prior to leaving the military, and provides more consistent, understandable outcomes for Service members going through the process. And, the Service member 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 Service member 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 Service member. Throughout the process, DoD and VA case workers keep

Service members 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 Service member to include family members and caregivers during education and counseling sessions. This approach ensures that the Service member'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 Service member 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 Service members 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 Service member's transition to veteran status and reintegration back into the civilian community. The measureable improvements have benefitted thousands of seriously wounded, ill, and injured Service members.

IDES Performance

Over 82,000 Service members have completed IDES since 2007. As of April, 2014, there were 29,640 Service members 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 Service member 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 Service member'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 Service members remained in the IDES process and on active duty.

Timeliness is important, but DoD is also concerned with whether Service members are satisfied with their IDES experience. DoD monitors Service member satisfaction with IDES through surveys at two key points – after Service members 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 Service member 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. Service member feedback received between July and December 2013 indicate that

83 percent were satisfied with their overall IDES experience. Service members 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 Service members in the process. Increased staff helps ensure Service members, 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 Service members receive the best possible counseling and support while in IDES.

DoD verifies the Service member'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 Service member 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 Service member 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 Service members 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 technology 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 Service members' 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 Service member's STR and making it retrievable by VBA begins with authorized DoD personnel scanning the paper-based elements of a newly separating Service member's STR. The digitized STR, comprised of the scanned information and digital content from the Service member'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 been 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 Service member 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 Service members. 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 Service members. As a result, IDES processing times have decreased, system efficiency has increased, and 83 percent of Service members 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 Service members' ability to continue military service after wound, illness, or injury and ensure the timely receipt of DoD and VA disability benefits for those who are medically discharged.