

**STATEMENT OF  
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BEFORE THE  
HOUSE COMMITTEE ON VETERANS' AFFAIRS  
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS**

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Good morning, Chairwoman Luria, Ranking Member Bost, and Members of the Committee. Thank you for the opportunity to speak today on the Veterans Benefits Administration (VBA) Contract Medical Disability Examination (MDE) Program. Today, I will provide an update on how VBA is delivering contract examination services to Veterans in the United States and around the world. I will also discuss beneficiary travel reimbursement and highlight some of VBA's oversight functions of the program to include quality and training.

**Statutory Authority**

When necessary to adjudicate disability compensation and pension (C&P) claims, VBA orders an examination and/or medical opinion. This occurs when there is insufficient medical evidence of record to decide the claim. Prior to 1996, VA ordered C&P examinations exclusively through the Veterans Health Administration (VHA). As a result of Public Law (P.L.) 104-275, the Secretary of Veterans Affairs was authorized to contract through VBA using mandatory funds for examinations from non-VA sources. VBA began utilizing contract vendors to complete examinations in 1998, with the authority limited to 10 regional offices (RO) requesting examinations through contract.

P.L. 113-235 authorized the Secretary to expand the use of contract examinations to 12 ROs in Fiscal Year (FY) 2015, 15 ROs in FY 2016, and to as many ROs as the Secretary considered appropriate beginning in FY 2017. The expansion has afforded VBA a greater opportunity to complete a larger volume of examinations with greater flexibility in a more efficient manner. The contracts supplement VHA

capacity and have enabled VBA to provide more timely benefits decisions. Additionally, the contracts enable VBA to request examinations for Veterans and Servicemembers in overseas locations, which was not an option previously provided through any source.

Through these statutory authorities, all 56 ROs now have the flexibility to request an examination or medical opinion from VHA facilities or designated contract providers closest to where the Veteran lives or receives regular medical treatment. Claims processors at ROs use an online tool enabled by real-time VHA examiner availability data and by examination type to determine whether VHA has the internal capacity to complete an examination request or whether to direct the examination request to a contract vendor.

### **Contract Vendors**

During FY 2019, VBA has made considerable improvements in the MDE Program. In November 2018, VBA awarded new contracts for the United States and realigned the contract districts from five to four in order to provide more equal distribution of rural and urban areas across the districts. The new contracts also increased vendor capacity by allowing for three vendors in each district as opposed to only two in the previous contract. Vendors are required to meet new quality, timeliness, and customer service standards, and face stiffer penalties and disincentives if standards are not met. Specifically, the quality performance metric is as follows:

- 82%: 3-months following ramp-up period (June 2019-August 2019)
- 87%: 2<sup>nd</sup> 3-month period following ramp-up period (Sept-Nov 2019)
- 92%: 6 months after ramp-up period (November 2019 forward)

The timeliness standard requires vendors to ensure that 75%-85% of their inventory is completed within 20 days for C&P exams in regions 1-4. Vendors are also required to maintain a customer service satisfaction score of 90% to 94%.

VBA understands the challenges of serving Veterans living in rural areas where access to medical services are limited. To reduce travel beyond the contractual 50- and 100-mile requirement, VBA has authorized higher pricing within the contract that covers

the Midwest, as this region has fewer medical resources and more rural locations. To improve the accessibility of medical examinations within rural locations, vendors have invested in mobile clinics. The mobile clinics have allowed vendors to conduct examinations in support of claims clinics and other outreach events to provide services in support of disability claims. Vendors deploy mobile clinics around the country, as needed.

### Pre-Discharge and Overseas Contract Examinations

In addition to the four regional contracts, VBA also has a contract that provides examinations to Servicemembers going through the Pre-Discharge program and Veterans residing overseas. VBA contracts provide the first opportunity to serve Veterans living overseas. VBA has significantly expanded the International contract, increasing the total number of overseas locations from 25 locations in FY 2018 to 33 locations in FY 2019. VBA's overseas exam contract is operationally responsible for scheduling examinations for overseas Veterans, which also includes examinations for Benefits Delivery at Discharge and Integrated Disability Evaluation System. VBA continues to explore expanding coverage in international locations.

### Performance

In FY 2018, vendors completed 841,852 examination requests of the total 1.44 million examination requests. VBA contract vendors completed 14,448 overseas examination requests in FY 2018 and have completed 11,441 through August 2019. Also, through the end of August 2019, Pre-Discharge examination completions total 59,013. In summary, completions for all contracts through end of month August 2019 total 957,838.

### **Quality, Training, and Oversight**

VBA's administration of the MDE Program employs numerous quality, training, and oversight elements to ensure that any issues identified are addressed in a timely manner.

## Quality

VBA is committed to ensuring that Veterans are provided with high-quality disability examinations. Examination quality is evaluated on a quarterly basis by applying quality assessment criteria to a statistically valid sample of examination reports. The results from the quality reviews are used to identify training needs and provide feedback to contractors. VBA utilizes various feedback mechanisms such as monthly phone calls, quarterly meetings, memos, etc., to improve quality. Quality reviews are conducted by Quality Analysts with the assistance of Medical Officers. At the beginning of this fiscal year, the office responsible for quality reviews became fully staffed with 17 Quality Analysts. This has allowed VBA to stay up-to-date on quality reviews and identify issues for improvement more readily.

## Training

In order to best serve Veterans, contract examiners receive the same training required for VHA examiners in order to provide consistent results and to familiarize them with Veteran-specific needs. Contract examiners receive privacy training to ensure all Veteran medical information is protected under the Health Insurance Portability and Accountability Act. VBA has recently expanded the office responsible for developing, delivering, and tracking training for contract providers.

Since filling these positions earlier this year, VBA has conducted an initial validation of provider training requirements and developed an approach for future, ongoing training validation. VBA develops ad hoc training modules when we identify error trends in our quality reviews or when program requirements require a change. Most recently, training has been developed and delivered to vendors on topics including Military Culture, Supplemental Gulf War Illnesses, Musculoskeletal Exams, and Audiological and Mental Health examinations. VBA has also investigated options to improve delivery and tracking of training requirements and is in the process of implementing the Talent Management System for all vendor providers.

## Oversight

Oversight of the contract exam program is critical to ensuring that Veterans claims are completed accurately and timely. The MDE Program utilizes multiple mechanisms to effectively oversee the contract exam program. Using internal systems and ancillary contracts, we can effectively evaluate vendor performance. VBA has created a formal oversight mechanism to strengthen the overall performance and integrity of the MDE Program. The MDE Program coordinates access to MDE systems and provides training to assist field users with understanding and utilizing the contract examination process. My staff works proactively with the contract vendors to investigate and take appropriate action on any concerns reported about an examination experience.

The ancillary contracts administer financial auditing, provider credentialing validation, and customer service survey results. The third-party credentialing vendor reviews the contract examiner medical license credentials. In this regard, provider licensing information is checked against multiple sources, such as State Medical Licensing Boards and Federal Sanctions databases. This allows VBA to identify, among other things, any revoked licenses or past disciplinary actions of providers. Finally, a separate contract audits financial activity associated with vendor invoices and payments. The financial audits provide detailed insight and validation of payments made to all MDE vendors to validate the accuracy of invoicing. The customer service survey contract provides feedback regarding the Veteran experience during vendor examinations. All vendors are currently achieving an overall customer satisfaction score of 90 percent or better.

## Exam Management System (EMS)

VBA designed an examination management system that provides the capability to interface with multiple vendor proprietary systems. VBA continues to make significant progress in the enhancement of the EMS system. Through collaboration with VA's Office of Information and Technology, additional resources were committed to support a monthly software release schedule that was implemented to address system defects and new functionality. These releases were prioritized to minimize impact to

claims processing timeliness. In the last year, we have addressed connectivity issues and enhanced system functionality to improve oversight and visibility into vendor performance.

### **Beneficiary Travel**

Veterans in the United States and its territories traveling to authorized health care facilities for scheduled examinations are eligible for travel reimbursement. Beneficiary travel payments are mailed to Veterans immediately following their disability examination appointments. Payments are based on the distance between the Veteran's address of record and the examination site. Upon issuance of the beneficiary travel payment, vendors invoice VBA for the amount paid to the Veteran. If a Veteran does not endorse the beneficiary travel payment, vendors issue credits back to VBA for the amount previously invoiced. Beneficiary travel payments are validated through VBA's 3<sup>rd</sup> party financial audit contract.

### **Conclusion**

In summary, the MDE Program is vital to the delivery of timely and high-quality claims decisions. VBA continues to expand the capacity to perform contract examinations both in the United States and overseas, while maintaining the flexibility to send examinations to VHA based on timeliness specifications. In the last year, VBA has significantly improved MDE Programs operations by right-sizing staffs that oversee the MDE Program and realigning stateside operations from five districts to four regions. VBA has enhanced collaboration between Veterans, Veterans Service Organizations, ROs, and contract exam vendors with the MDE staff through the design of its corporate mailbox. The mailbox provides an internal mechanism to communicate challenges with the vendors, program or process issues, as well as customer service complaints. The VBA program office utilizes the information received to improve vendor performance and to provide support to field offices.

VBA appreciates the authority provided by Congress to obtain contract examinations for Veterans and transitioning Servicemembers. Continuous oversight and enhancement of the MDE Program remain priorities as well as looking for opportunities to further streamline the examination process.

This concludes my testimony. I would be happy to address any questions from Members of the Committee.