

**STATEMENT OF
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BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
HOUSE COMMITTEE ON VETERANS' AFFAIRS**

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Mr. Chairman and members of the Subcommittee, thank you for inviting me to appear before you today to discuss the independent living (IL) services provided by VA's Vocational Rehabilitation and Employment (VR&E) program. My testimony will provide an overview, performance summary, discussion of VR&E's technology system, and an update on implementation of the Government Accountability Office's (GAO) recommendations for the IL program.

VR&E Mission and Eligibility

The Veterans Benefits Administration's (VBA) VR&E program assists Servicemembers and Veterans with service-connected disabilities to prepare for, find, and keep suitable jobs. For Veterans with service-connected disabilities so severe that they cannot immediately consider work, the IL program offers services to improve their ability to live as independently as possible.

Veterans are eligible for a comprehensive vocational assessment if they have a 10 percent or greater service-connected disability rating or a 20 percent or greater memorandum rating. Servicemembers are eligible for a comprehensive vocational

assessment if they have a 20 percent or greater memorandum rating, an Integrated Disability Evaluation System (IDES) rating, or are eligible under the Wounded Warrior Act, Public Law (P.L.) 110-181, Title XVI, as extended by the Veterans Opportunity to Work (VOW) to Hire Heroes Act of 2011, P.L. 112-56, Title II, if they have a severe injury or illness.

Independent Living – Overview

The VR&E program provides eligible Veterans with IL services to enable them to function independently within their homes and in their communities. IL services can be provided in conjunction with other services in a rehabilitation plan leading to an employment goal. Many of our men and women returning from service with severe injuries are preparing to return to the workforce, but also need IL services that can be provided concurrently with their training and employment services. Rehabilitation programs may also consist exclusively of IL goals, when employment is not feasible for the Servicemember or Veteran. These independent living programs will be the focus of my testimony.

Once basic eligibility for an evaluation is established, a VBA vocational rehabilitation counselor will conduct a comprehensive assessment of the individual's interests, aptitudes, and abilities. If the counselor determines that an employment goal is not feasible for the individual, the counselor will evaluate the individual's eligibility for an IL rehabilitation plan. Servicemembers eligible under P.L. 110-181, as extended by the VOW to Hire Heroes Act of 2011 P.L. 112-56, who require IL services to transition to

civilian life, and Veterans with a 20 percent service-connected disability rating and a serious employment handicap may be eligible to participate in an IL rehabilitation program when a counselor has determined that a vocational goal is not feasible. The counselor will conduct a preliminary assessment of the individual's IL needs. If preliminary needs are identified, the counselor will conduct a comprehensive assessment to fully evaluate the individual's IL needs and identify potential services to meet those needs. The comprehensive assessment usually takes place in the individual's home. Following these assessments, the individual may be provided a program of IL if he or she has limitations in activities of daily living that impact independence, can benefit from independent living services, and can be expected to maintain achieved gains in independence after services have ended.

Programs of IL may be approved for up to 24 months, and the VR&E Officer can approve a 6-month extension. Veterans who served on or after September 11, 2001 are eligible for additional extensions as provided for in section 331 of P.L. 110-389.

Some of the IL services VR&E can provide include assistive technology, adaptive equipment, IL skills training, improved access in the home, improved access to the community, assistance with identifying and initiating volunteer or supported employment, services to decrease social isolation, and assistance in coordinating services from VA and non-VA service providers. The VBA counselor provides ongoing support and assistance to enable a participant to achieve his or her IL goals, and whenever possible, the counselor will reassess the feasibility of employment.

VR&E collaborates with the Specially Adapted Housing Grant program administered by VBA's Loan Guaranty Service when a participant is in need of home

adaptations. VR&E also collaborates with Veterans Health Administration (VHA) programs, including Home Improvements and Structural Alterations, Automobile Adaptive Equipment, and the Visually Impaired Services Team, for specialized services to support the participant's IL goals. IL plans include a coordination element with one or more of these programs when appropriate.

The Independent Living Cap

IL services started as a pilot program in 1980 with the passage of P.L. 96-466, the Veterans' Rehabilitation and Education Amendments of 1980. Under this pilot program, the number of new IL cases was limited to no more than 500 per fiscal year (FY). The program was made permanent with the passage of P.L. 101-237, Title IV, the Veterans Education and Employment Amendments of 1989. The cap was raised in 2001 from 500 to 2,500 new cases per FY. The most recent increase in the cap was included in P.L. 111-275, the Veterans' Benefits Act of 2010, which raised the cap to 2,700 cases as of FY 2011. Currently, only 2,700 new IL programs may be initiated during a FY. In FY 2013, the VR&E program initiated 2,152 new cases.

Program Data

In FY 2013, 2,152 new IL programs were approved and initiated. A total of 1,708 Veterans were declared rehabilitated upon completion of their IL programs during FY 2013. Many of these Veterans began receiving services prior to the start of the FY. As

of September 30, a total of 2,887 Veterans were actively participating in their IL programs. This includes Veterans who started their programs during the FY as well as Veterans who started their programs in prior years. IL program participants comprise about 2.3 percent of VR&E program workload.

The VR&E Longitudinal Study Annual Report issued in 2013 provides information on two cohorts of Veterans participating in the VR&E program. Data for 2010-cohort participants who enrolled in an IL program reflects that, as of September 30, 2012, 70 percent had successfully rehabilitated, 24 percent were still actively participating in their programs, and 6 percent had discontinued participation as of the end of FY 2012. Data for 2012-cohort participants in an IL program reflects that, as of September 30, 2012, 12 percent had successfully rehabilitated, 87 percent were still actively participating in their programs, and 1 percent had discontinued participation as of the end of FY 2012¹. The second year of longitudinal data for the 2010-cohort is encouraging given the strong rehabilitation rate and the rate of participants continuing to pursue their programs. If the 2010-cohort continues on this positive trajectory, their program outcomes will be consistent with the 94 percent IL target rehabilitation rate² reported in the FY 2012 President's Budget as part of the VR&E performance plan.

Program Oversight

Oversight of IL programs begins with the development of the Individualized Independent Living Plan (IILP). The plan outlines individual IL rehabilitation needs and details the services that will be provided to meet those needs. At VBA regional offices,

¹ VR&E Longitudinal Study, Annual Report 2013 for FY2012

² FY 2013 President's Budget submission

VR&E counselors must obtain approval from their VR&E Officer for all proposed plans of independent living prior to implementation to ensure that program procedures and policies have been properly followed. Depending on the total cost of the case, additional approvals may also be required prior to implementation. Cost thresholds for cases including construction services are as follows: \$2,000 or less requires VR&E Officer approval; \$2,001 to \$25,000 requires the Regional Office Director's approval; and over \$25,000 requires the VR&E Service Director's approval. Cost thresholds for cases without construction services are as follows: \$25,000 or less requires the VR&E Officer's approval; \$25,001 to \$100,000 requires the Regional Office Director's approval; and over \$100,000 requires the VR&E Service Director's approval.

Nationally, VR&E Service monitors IL services through several mechanisms, including reviews conducted during ongoing quality assurance audits, site visits, and cost approval requests. VR&E conducted 12 site visits in FY 2013, conducted 120 targeted reviews of IL cases, and 26 reviews of IL construction cost-approval requests for services exceeding \$25,000. Additionally, VR&E monitors the number of new IL program plans each month to ensure the cap is not exceeded.

VR&E Service developed and deployed an IL Training Performance Support System in FY 2013 to provide important training to vocational rehabilitation counselors on independent living eligibility, assessments, plan development, and case management requirements. Vocational rehabilitation counselors will be required to complete all modules of this training course during FY 2014.

Information Technology

Corporate WINRS (CWINRS) is the VR&E case-management application (named after the stations that collaborated to develop the original version: **W**inston-Salem, **I**ndianapolis, **N**ewark, **R**oanoke, and **S**eattle) used to record adjudication of VR&E claims, rehabilitation planning, provision of services, and disposition of cases. CWINRS tracks a Veteran's progress through the VR&E program. This includes establishing entitlement to benefits, establishing appointments, and sending transactions to the financial management systems for vendor payments. CWINRS utilizes VBA's corporate database to maintain participant information and interfaces with VBA's Benefits Delivery Network (BDN) and other financial systems to process payment and accounting transactions. Veteran cases for all five tracks, including the IL track, are managed through the CWINRS application.

CWINRS enhancements are currently focused on developing a Subsistence Allowance Module which will eliminate VR&E's reliance on the legacy BDN system and move towards payment through the corporate Financial Accounting System. The new corporate payment module is being beta tested in eight regional offices, and is currently successfully making subsistence payments to more than 200 participants in the VR&E program. VR&E is finalizing development of this module to enable future national deployment. VR&E is also building requirements for a future case-management system that will build on functionality in the Veterans Benefits Management System.

Update on implementation of GAO recommendations

GAO made three recommendations in their report titled “VA Vocational Rehabilitation and Employment Program: Improved Oversight of Independent Living Services and Support is Needed.” GAO recommended that VBA “work with the Undersecretary for Health to explore options on ways to enhance coordination to ensure IL track veterans’ needs are met by VHA, when appropriate, in a timely manner.” VBA worked with VHA to automate medical and dental referrals in the Compensation and Pension Records Interchange system, which will expedite services and better coordinate and track services to ensure Veterans’ needs are timely met. The system enhancements are complete, and a 60-day pilot of the new capability began in September 2013. Upon completion of the pilot, VBA and VHA intend to implement the new process to automate medical and dental referrals nationally.

GAO’s second recommendation was to “implement an oversight approach that enables VR&E to better ensure consistent administration of the IL track across regions.” VBA is exploring whether ad hoc reports, which provide data on total case costs and types of benefits provided, can be developed to meet this requirement. VBA will also consider preparing business requirements to allow for additional IL data collection for implementation in future years. GAO’s third recommendation was to “reassess and consider enhancing the agency’s current policy concerning the required level of approval for IL track expenditures, given the broad discretion individual regional offices have in determining the types of goods and services IL track veterans receive.” VBA finds merit in reassessing the current policy to identify areas that can be strengthened. While the existing policy includes a great deal of cost-threshold approvals, there may be

room to improve consistency in determining the types of IL goods and services Veterans receive. VBA contracted for a detailed review of the IL program, including benchmarking against other programs. The initial report from this study is due to be completed in first quarter of FY 2014. VBA will consider the results and recommendations from this assessment in determining the best way to implement GAO's recommendation.

Concluding Remarks

VR&E continues to assess the IL program to ensure we are providing effective services to our Nation's men and women who sacrificed so much and deserve to live their lives without dependence on others to the maximum extent possible. We have developed detailed training, conducted significant oversight, and continue our efforts to enhance the services we provide.

Mr. Chairman, this concludes my statement. I would be pleased to answer questions from you or any of the other members of the Subcommittee.