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STATEMENT

OF

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DEPUTY UNDER SECRETARY OF DEFENSE

(WOUNDED WARRIOR CARE AND TRANSITION POLICY)

BEFORE THE

SENATE COMMITTEE ON VETERANS' AFFAIRS

HEARING

ON

REVIEW OF THE VA AND DOD INTEGRATED DISABILITY EVALUATION SYSTEM

NOVEMBER 18, 2010

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to discuss the current status of the Integrated Disability Evaluation System (IDES) and Department of Defense (DoD), and Department of Veterans Affairs (VA) plans for worldwide expansion of IDES. We appreciate the chance to explain where we have been and where we are going with regards to the IDES, formerly the Disability Evaluation System (DES) Pilot.

The IDES integrates DoD and VA DES processes. During the IDES process, the member receives a single set of physical disability examinations conducted according to VA examination protocols, and then disability ratings are prepared by VA. During the IDES, both Departments are conducting simultaneous case processing -- this ensures the timely and quality delivery of disability benefits. Both Departments use the VA protocols for disability examination and the

VA disability rating to make their respective determinations. DoD determines fitness for duty and provides compensation ratings for unfitting conditions incurred in the line of duty under title 10, United States Code (USC), while VA provides compensation ratings for all disabilities incurred or aggravated during military service for which a disability rating is awarded and thus establishes eligibility for other VA benefits and services, in accordance with title 38, USC. The systems are integrated, not merged. The IDES requires the Departments to complete their disability determinations before DoD separates a Service member so that both Departments can validly determine a Service member's disability and provide disability benefits at the timeliest point allowed under both titles. Service members who separate or retire (non-disability) may still apply to the VA for service-connected disabilities and be compensated by the VA, in accordance with current policies and processes.

Background

The genesis of the current Disability Evaluation System is the Career Compensation Act of 1949. Until recently, the legacy system (the non-VA integrated DES) was relatively un-changed until public concern arose regarding perceived inadequacies of the DES. As a result of public concern and congressional interest, DoD and the VA chartered the Wounded, Ill and Injured (WII) Senior Oversight Committee (SOC) in November 2007. The SOC immediately recommended that a new DES Pilot be created. The SOC vision for the DES Pilot was to create a "Service Member Centric" seamless and transparent DES, administered jointly by the DoD and VA. The SOC intended the DES Pilot to:

- Simplify the disability evaluation process: Make the process easier for Service members, veterans, and families by eliminating the duplicate requirements placed on them so the process is less complex and non-adversarial.
- Improve the Transparency of the disability evaluation process: Employ a recognized, impartial disability evaluation process.
- Increase Consistency: Ensure Service members and veterans with similar levels of disability receive similar benefits outcomes by standardizing processes and increasing oversight.
- Ensure Appellate Procedures: Protect the due process rights of Service members and veterans.
- Reduce Case Processing Time: Reduce the wait Service members and veterans experience between the point they are referred to the DES until they receive VA benefits.
- Employ a single medical exam and single-source disability rating.
- Ensure seamless transition to Veteran status.
- Ensure a continuum of care – advocacy and expectation management.

DES Pilot Performance

As we reported to Congress in August of this year, Active component members completed the IDES in an average of 291 days, 46 percent faster than a sample of legacy DES cases, and Reserve component members completed the IDES in an average of 281 days. A single VA examination and rating source for Service members streamlined the process, reducing the gap between separation/retirement from Service to receiving VA benefits. There has also been in-

creased transparency through better information flow to Service members and their families. Moreover, DES Pilot surveys reflect a higher Service member satisfaction with the IDES compared to the legacy DES. The DES Pilot is a demonstrated process improvement over the legacy, but we can, and will, continue to improve.

Lessons Learned

Of the current 27 DES Pilot locations, most have successfully implemented the DES Pilot and are examples of efficiency. However, both DoD and VA have examined improvement opportunities identified during the Pilot and have taken appropriate action to address them. Site Certification procedures, conducted by DoD and VA senior leadership, were developed to ensure each future IDES location is prepared to implement the IDES. Site certification ensures appropriate exam coverage, a completed Memorandum of Agreement (MOA) between VA and DoD, sufficient resources (Physical Evaluation Board Liaison Officers (PEBLOs), Military Services Coordinators (MSCs), provider staffing), adequate facilities (sufficient space and equipment for VA and DoD personnel), sufficient IT resources, required IDES training, and a comprehensive communications plan. VA is also planning for increased exam capacity before a site is declared open for IDES, and Military departments will work closely with local VA facilities on unanticipated surges in demand while VA will develop additional exam capacity for demand spikes.

In order to improve awareness of Service member progress in the IDES, improvements are being made to the current tracking system, the Veteran Tracking Application (VTA), so that it collects performance data in a more timely and efficient manner. Shortages of PEBLOs are also being addressed DoD-wide through funding and improved force management. We are also refining operational and performance objectives to more clearly address potential problem areas at the operational and tactical levels. Findings from the DES Pilot are being utilized to inform the setting of improved performance objectives that are realistic and reflective of the actual IDES experience. DoD is also studying conditions that cause referral to the IDES, with the intent of tightening policy or aligning toward capability assessments, in order to reduce superfluous referrals in which Service members were returned to duty more often than not.

Additionally, VA is adding supplemental medical examination contract capability to be in place by December 31, 2010. Virtual Lifetime Electronic Record (VLER), interoperability between DoD's and VA's electronic health records (AHLTA and VISTA, respectively), and IDES IT initiatives will increase health record sharing and build DoD-VA interfaces, pertinent to more efficient handoffs between VA and DoD.

Case Study of Success--Fort Riley, Kansas

While we have noted areas that are improving based on opportunities identified during the DES Pilot, we would also like to single out one location that we hold up as an example of DES Pilot success, Fort Riley, Kansas. This location is an example of the impact that dedicated and energized leadership has on the DES Pilot. At Fort Riley, key senior leaders were intimately involved from the early onset of the DES Pilot. Leaders took lessons learned from the conferences, hotwashes, and after-action-reports and liaised directly with VA counterparts to develop a joint common operating concept and conducted joint contingency site planning before initiation of the DES Pilot. Monthly Fort Riley/DoD/VA meetings enabled development of crucial working relationships, and review of DES Pilot procedures allowed for identification of issues and established a schedule for resolution of action items prior to implementation of the DES Pilot on February 1, 2010. Fort Riley developed a "one-stop" Medical Evaluation Board (MEB) clinic. This clinic performs a thorough case evaluation before referral to the DES Pilot, thus preventing

cases from starting the DES Pilot prematurely and reducing potential delays. The MSCs and Army Out-Reach Counselors are co-located with the Army PEBLOs, greatly improving process workflow and communications between the VA and DoD. As a result of these concerted efforts, the current average days to complete IDES processing at Fort Riley is 231 days, which is a savings of 309 days over the 540-day legacy DES benchmark and a 60-day savings over the IDES average of 291 days. Fort Riley has emerged as the model for other sites to emulate.

Worldwide IDES Expansion

Based on the high satisfaction rate of Service members, demonstrated efficiency, and lessons learned from the DES Pilot, the SOC Co-chairs (Deputy Secretary of Defense and Deputy Secretary of Veterans Affairs) on July 30, 2010, directed worldwide implementation of the process beginning in October 2010 and to be completed at the end of September 2011. Because it is no longer a pilot, the name was changed to IDES. The Under Secretary of Defense (USD) for Personnel and Readiness (P&R) signed a memorandum on August 16, 2010 asking Service Secretaries to take action to expand the IDES.

The DES Pilot's 27 locations cover about 47 percent of Service members (12,735) who enter the DoD disability evaluation system annually. The impact of each stage of the IDES expansion and cumulative DES population is shown below:

- Stage I-West Coast & Southeast (October-December 2010) – 28 Sites - 58%
- Stage II-Mountain Region (January-March 2011) – 24 Sites – 74%
- Stage III-Midwest & Northeast (April – June 2011) – 33 Sites – 90%
- Stage IV-Outside Continental United States(OCONUS)/CONUS (July – September) – 28 Sites – 100%
- Total IDES locations when expansion is complete: 140

In preparation for the IDES expansion, VA and DoD will conduct Site Planning Conferences for each stage. These conferences will bring together the local VA and DoD site officials responsible for the implementation of the IDES in their own geographic areas. These joint conferences will engender frank discussions of the goals and milestones that must be met prior to each site's Initial Operating Capability (IOC). In addition, training will occur for Patient Administration personnel, PEBLOs, MSCs and Physicians. Detailed Site Assessment Matrices and Checklists will be completed and signed by the DoD and VA officials and strict certification procedures will be followed and approved by senior levels of leadership in VA and the Military Departments before a site may implement the IDES. Sites will also provide 30 day Post-IOC written assessment "hotwashes."

With regards to Stage I, the Military Departments are reporting December 31 as the Stage I IOC date for the next 28 sites. Seventeen of the 28 Stage I expansion sites will rely on VA contracts for medical exam coverage; as a bridge to other in-house services, VA contracts for medical exams have been awarded and are available for sites to meet the December 31 IOC. The Deputy Secretary of Defense tasked the Assistant Secretary of Defense, Health Affairs, to develop a plan for overseas IDES exams with an estimated completion date of December 15, 2010.

Closing

We appreciate the Committee's continued interest and leadership in this very important program and we are mindful of the concerns raised by the Committee in recent months as we move forward with the expansion. Under the Legacy DES, the Departments administered duplicate disability examinations and ratings. The DES Pilot improved and streamlined the overall process

that Service members and their families navigate to reach Veteran status to receive the compensation and benefits they have earned. The DES Pilot process has proven to be a success; it was faster, more transparent, more understandable, and provided more consistent, equitable outcomes than the legacy DES. As a result, both DoD and VA are fully committed to the successful worldwide expansion of IDES within the timelines discussed in this statement. DoD will continue to closely work with VA, monitoring every facet of the expansion and making adjustments as necessary. We are also in the process of thoroughly reviewing the recent Government Accountability Office (GAO) draft report, "Military and Veterans Disability System: Pilot has achieved Some Goals, Further Planning and Monitoring Needed" and will be providing official comments at a later date.

Mr. Chairman, this concludes my statement. On behalf of the men and women in the military today and their families, I thank you and the members of this Committee for your steady support. We will continue to provide regular updates on our progress.