

NOEL KOCH, DIRECTOR, OFFICE OF TRANSITION POLICY CARE COORDINATION,
DEPARTMENT OF DEFENSE

PREPARED STATEMENT

OF

Mr. Noel Koch

DEPUTY UNDER SECRETARY OF DEFENSE

OFFICE OF TRANSITION POLICY AND CARE COORDINATION

BEFORE THE

SENATE VETERANS AFFAIRS COMMITTEE

July 29, 2009

NOT FOR PUBLICATION UNTIL

RELEASED BY THE

SENATE VETERANS AFFAIRS COMMITTEE

OPENING

Mr. Chairman, Committee Members, I am pleased to be here today to discuss with you the Department's continued support of our wounded, ill and injured service members, veterans, and their families, and in particular, the continued work of the Office of Transition Policy and Care Coordination (TPCC) with regard to the Disability Evaluation System (DES) Pilot.

TPCC BACKGROUND

On 14 November 2008, the Under Secretary of Defense for Personnel and Readiness established the Office of Transition Policy and Care Coordination (TPCC). As the Deputy Under Secretary for TPCC, it's my mission to ensure equitable, consistent, high- quality care coordination and transition support for members of the Armed Forces, including wounded warriors and their families by collaborating with Federal and State agencies. The TPCC assumed responsibility for policy and programs related to the DES, Service members' transition to veteran status, wounded warrior case and care coordination, and related wounded warrior pay and benefit issues. These assigned responsibilities include the totality of the Department of Defense (DoD) functions formerly assigned to DoD co-chairs of the interagency DoD and Veterans Affairs (VA) Wounded, Ill, and Injured (WII) Senior Oversight Committee (SOC) Lines of Action (LOAs) 1, 3, and 8. The TPCC also assumed DoD responsibilities for management and monitoring of performance against DoD/VA Benefits Executive Council (BEC) goals and for coordinating with VA in support of BEC activities. The TPCC has the authority to enter into agreements with VA and represent the Under Secretary of Defense for Personnel and Readiness (USD (P&R)) as a member on councils and interagency forums established under the authority of the DoD/VA Joint Executive Council (JEC), the BEC and the SOC.

DISABILITY EVALUATION SYSTEM (LOA-1)

The mission of Disability Evaluation System (DES) Reform is to develop and establish a DoD and VA Disability Evaluation System that is seamless, transparent, and administered jointly by both Departments and uses one integrated disability rating system, streamlining the process for the Service member transitioning from DoD to VA. The system must remain flexible to evolve as trends in injuries and supporting medical documentation and treatment necessitates. The Department continues to make significant steps forward in regards to the DES Pilot to include

periodic refinements to the process and expansion of the Pilot beyond the original three initial sites in the National Capitol Region.

Overview

Now, as in the past, the DoD remains committed to providing a comprehensive, equitable and timely medical and administrative processing system to evaluate our injured or ill Service members' fitness for continued service. One way we have honored these men and women, was to develop and establish a Disability Evaluation System (DES) Pilot that provides one solution for a DoD and VA Disability Evaluation System using one integrated disability rating system. This system has several key features: simplicity; non- adversarial processes; single-source medical exam and disability ratings (eliminating duplication and the inconsistencies associated with it); seamless transition to veteran status; and strong case management advocacy. The system is flexible to evolve as trends in injuries and supporting medical documentation and treatment necessitates. LOA- 1 has continued to make significant progress in regards to the DES Pilot to include the Pilot's initial expansion to an additional 18 locations across the Continental United States (CONUS).

Pilot

The DES Pilot integrates the DoD and VA disability systems to the extent allowed under current statute and includes several key features that distinguish it from the current DoD and VA disability systems. The key features of the Pilot include a single physical disability examination conducted according to VA examination protocols, with disability ratings defined by the VA and accepted by DoD for those conditions it must address under law – those that render the member unfit for military service. The Departments apply the shared results of the single disability examination and ratings to render their respective decisions (the fitness decision, disability level, separation disposition, and DoD disability benefits by DoD and disability level, Veteran disability benefits eligibility, and VA disability compensation level by VA). Another key feature of the Pilot is that the early involvement of the VA allows the Department to deliver disability compensation and benefits immediately upon transition to Veteran status for members of the Military Departments being separated for disability.

Our efforts to improve the DES is co-directed by the Deputy Director for Policy Compensation and Pension (C&P) Service from the VA and me as the DoD representative.

The vision for the DES Pilot is a Service member-centric, seamless and transparent disability evaluation system jointly administered and supported by the Departments. The Departments set the following objectives for the Pilot:

- Design a more transparent, efficient, and effective DES
- Evaluate reform initiatives
- Refine reform mechanisms
- Identify training requirements
- Identify staffing and system support requirements
- Identify legal and policy issues/constraints.

Current Operational Status

As of July 12, 2009, 2,944 Service members are currently enrolled in the DES Pilot at 21 MTFs.

Four hundred sixty-six (466) Service members completed the DES Pilot by returning to duty, separating, or retiring. Active Component Service members who completed the DES Pilot averaged 275 days from Pilot entry to VA benefits decision, excluding pre-separation leave. Including pre-separation leave, Active Component Service members completed the DES Pilot in an average of 294 days. This is 1% faster than the goal for Active Component Service members and 46% faster than the current or legacy DES and VA Claim process. Reserve Component / National Guard Service members who completed the DES Pilot averaged 266 days from Pilot entry to issuance of the VA Benefits Letter, which is 13% faster than the 305 day goal.

Customer Satisfaction

On the whole, Pilot participants reported higher average satisfaction than legacy participants. Additionally, Pilot participants reported higher satisfaction for all MEB and the PEB. Notably, Service members were significantly more satisfied with the procedural justice component of the PEB phase (i.e., they felt the PEB portion of the Pilot was fairer than did legacy DES participants). Finally, the Pilot participants were more satisfied than legacy DES participants on the Transition phase of the program. Family members of DES Pilot participants were most satisfied with medical providers and the medical care the Service member received in the DES Pilot process. Stakeholder (perceptions of the impact of the Pilot on Service members and Veterans were favorable; their ratings reflected a DES Pilot process that was more responsive to Service members and their families, fairer, more consistent, and timelier compared to the current DES program. Perhaps most importantly, stakeholders felt that people within their organization cared about the Service members in the DES Pilot program. These results speak to the dedicated efforts of Physical Evaluation Board Liaison Officers, Military Service Coordinators, care providers, and others who are remaining responsive to the needs of their customers given the limited level of resources they have available. The VA is preparing to administer surveys to determine satisfaction with pilot one year after separation. We look forward to that information in spring 2010.

Expansion

The Departments carefully planned for and expanded the DES Pilot beyond the initial three, National Capital Region locations, to 18 additional locations throughout the continental United States. In accordance with recommendations by the U.S. Government Accountability Office, this deliberate approach allowed the Departments to gather data on the effectiveness of the Pilot at a diverse set of locations. Expansion to these locations began October 1, 2008 and was completed May 31, 2009. The SOC is scheduled to meet in August, 2009, to evaluate future expansion opportunities.

Should the SOC decide to further expand the Pilot into the norm, significant DoD and VA planning and preparation will be essential to efficient and effective implementation.

Initial Conclusions of the Pilot

The Departments successfully implemented a more transparent, efficient, and effective disability evaluation system through the DES Pilot. The Pilot resulted in a significant improvement in case timeliness with perhaps the most important enhancement being the elimination of delays between separation or retirement and the award of VA disability benefits. Service members were more satisfied with the process and the outcomes were improved over the legacy system.

Based on the proven performance of the Pilot, the Departments are evaluating effective ways to extend the advantages of the Pilot to all Service members in the DES. Additionally, the Departments are reviewing the Joint DoD / VA DES process as a bridge to further DES reform.

CLOSING

We are extremely proud of the progress made to date and the success enjoyed in the Pilot. Our obligation to our Service members, veterans, and their families is a lifetime pledge which requires our unwavering commitment to complete the work which has been started. There remains more work to do. Our valiant heroes and their families deserve our support and dedication to ensure their successful transition through recovery, rehabilitation, and return to duty or reintegration into their communities.

With those thoughts in mind, the Departments successfully implemented a more transparent, efficient, and effective disability evaluation system through the DES Pilot. The Pilot resulted in a significant improvement in case timeliness with perhaps the most important enhancement being the elimination of delays between separation or retirement and the award of VA disability benefits.

Based on the proven performance of the Pilot, the Departments are evaluating effective ways to extend the advantages of the Pilot to all Service members, Veterans, and their families in the DES. Thank you for your generous support of our wounded, ill and injured service members, veterans and their families. I look forward to your questions.