



Highlights of GAO-06-362, a report to congressional committees

March 2006

## MILITARY DISABILITY SYSTEM

### Improved Oversight Needed to Ensure Consistent and Timely Outcomes for Reserve and Active Duty Service Members

#### Why GAO Did This Study

The House Committee on Armed Services report that accompanies the National Defense Authorization Act of fiscal year 2006 directs GAO to review results of the military disability evaluation system. In response to this mandate, GAO determined: (1) how current DOD policies and guidance for disability determinations compare for the Army, Navy, and Air Force, and what policies are specific to reserve component members of the military; (2) what oversight and quality control mechanisms are in place at DOD and these three services of the military to ensure consistent and timely disability decisions for active and reserve component members; and (3) how disability decisions, ratings, and processing times compare for active and reserve component members of the Army, the largest branch of the service, and what factors might explain any differences.

#### What GAO Recommends

GAO recommends the Secretary of Defense improve oversight of the military disability evaluation system, including providing guidance to the services to collect reliable data to allow for an adequate assessment of the system.

In its comments, the Department of Defense agreed with our recommendations, indicating the department will implement them all.

[www.gao.gov/cgi-bin/getrpt?GAO-06-362](http://www.gao.gov/cgi-bin/getrpt?GAO-06-362).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Robert E. Robertson at (202) 512-7215 or [robertsonr@gao.gov](mailto:robertsonr@gao.gov).

#### What GAO Found

Policies and guidance for military disability determinations differ somewhat among the Army, Navy, and Air Force. DOD has explicitly given the services the responsibility to set up their own processes for certain aspects of the disability evaluation system and has given them latitude in how they go about this. As a result, each service implements its system somewhat differently. Further, the laws that govern military disability and the policies that DOD and the services have developed to implement these laws have led reservists to have different experiences in the disability system compared to active duty members. For example, because reservists are not on active duty at all times, it takes longer for them to accrue the 20 years of service that may be needed to earn monthly disability retirement benefits.

While DOD has issued policies and guidance to promote consistent and timely disability decisions for active duty and reserve disability cases, DOD is not monitoring compliance. To encourage consistent decision making, DOD requires all services to use multiple reviewers to evaluate disability cases. Furthermore, federal law requires that reviewers use a standardized disability rating system to classify the severity of the medical impairment. In addition, DOD periodically convenes the Disability Advisory Council, comprised of DOD and service officials, to review and update disability policy and to discuss current issues. However, neither DOD nor the services systematically determine the consistency of disability decision making. DOD has issued timeliness goals for processing disability cases, but is not collecting information to determine compliance. Finally, the consistency and timeliness of decisions depend, in part, on the training that disability staff receive. However, DOD is not exercising oversight over training for staff in the disability system.

While GAO's review of the military disability evaluation system's policies and oversight covered the three services, GAO examined Army data on disability ratings and benefit decisions from calendar year 2001 through 2005. After controlling for many of the differences between reserve and active duty soldiers, GAO found that, among soldiers who received disability ratings, the ratings of reservists were comparable to those of active duty soldiers with similar conditions. GAO's analyses of the military disability benefit decisions for the soldiers who were determined to be unfit for duty were less definitive, but suggest that Army reservists were less likely to receive permanent disability retirement or lump sum disability severance pay than their active duty counterparts. However, data on possible reasons for this difference, such as whether the condition existed prior to service, were not available for our analysis. GAO did not compare processing times for Army reserve and active duty cases because GAO found that Army's data needed to calculate processing times were unreliable. However, Army statistics based on this data indicate that from fiscal 2001 through 2005, reservists' cases took longer to process than active duty cases.