

September 2008

# VETERANS' DISABILITY BENEFITS

## Better Accountability and Access Would Improve the Benefits Delivery at Discharge Program





Highlights of [GAO-08-901](#), a report to congressional requesters

## Why GAO Did This Study

Recent military conflicts have increased interest in federal efforts to support servicemembers preparing to leave military service. Through the Benefits Delivery at Discharge (BDD) program, the Department of Veterans Affairs (VA), in collaboration with the Department of Defense (DOD), has made efforts to streamline access to veterans' disability benefits by allowing some servicemembers to file a claim and obtain a single comprehensive exam prior to discharge. This report examines VA's efforts to manage the BDD program and how VA and DOD are addressing challenges servicemembers face in accessing BDD. To address these objectives, GAO analyzed relevant documents and data, interviewed officials, and conducted site visits and interviews at selected military bases.

## What GAO Recommends

GAO recommends that VA improve timeliness and accuracy measures for BDD and pre-discharge claims data, collect additional data to monitor these claims, evaluate the BDD paperless process initiative, and improve its reviews of BDD operations. We recommend that DOD improve how it measures its goal for participation in VA benefits briefings. We also recommend that VA and DOD disseminate promising practices for the cooperative exam process. DOD concurred with our recommendations. VA generally agreed with our recommendations but did not agree to track the timeliness of BDD and pre-discharge claims development.

To view the full product, including the scope and methodology, click on [GAO-08-901](#). For more information, contact Daniel Bertoni at (202) 512-7215 or [bertonid@gao.gov](mailto:bertonid@gao.gov).

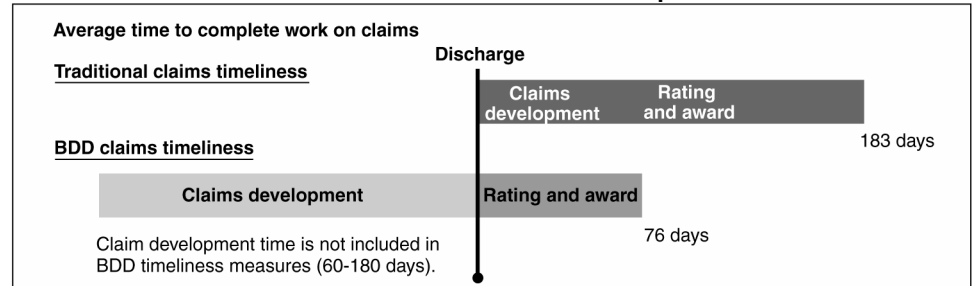
# VETERANS' DISABILITY BENEFITS

## Better Accountability and Access Would Improve the Benefits Delivery at Discharge Program

### What GAO Found

While VA awards compensation more quickly under BDD than through its traditional process, VA's efforts to manage the BDD program provide limited accountability for achieving optimal results. For example, the agency does not measure the time local VA personnel are developing BDD claims and thus has limited information on potential problems during claim development. Also, VA has reviewed BDD operations in only 16 of the 40 regional offices with the program. Reviewers in those 16 offices conducted limited assessments of some key aspects of program operations, such as ensuring that VA personnel fully developed claims prior to sending them to be rated. Finally, VA has not evaluated initiatives to improve the program, such as its effort to achieve paperless processing of BDD claims. As a result of these gaps in oversight, VA has limited information on how well the program is working or whether further improvements are warranted.

### BDD Timeliness Measures Do Not Include Claims Development



Source: GAO analysis of VA information.

VA and DOD have established BDD sites where most servicemembers discharging from the military have access to the program and issued policy guidance in July 2008 to extend access even further. Further, the agencies implemented an alternative pre-discharge program for members who have no or limited access to the BDD program, such as members of the National Guard or Reserves. However, whether the pre-discharge program expedites benefits for some members unable to use BDD cannot easily be determined, because VA does not collect sufficient data on these claims. To further improve BDD access, VA and DOD raise awareness of the program through VA benefits briefings, although attendance is not always mandatory. DOD recently established a goal of 85 percent attendance, but has not developed a plan for reaching this goal or a reliable method to measure participation. Finally, while a national agreement between VA and DOD gives local officials flexibility in implementing the cooperative exam process—a key aspect of BDD to streamline access to benefits—some bases have faced challenges maintaining local memoranda of understanding. VA and DOD have not recently evaluated or disseminated promising practices that could address such challenges.

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## Abbreviations

BDD	Benefits Delivery at Discharge
DOD	Department of Defense
MOU	memorandum of understanding
TAP	Transition Assistance Program
VA	Department of Veterans Affairs
VCAA	Veterans Claims Assistance Act

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United States Government Accountability Office  
Washington, DC 20548

September 9, 2008

Congressional Requesters:

Recent conflicts in Iraq and Afghanistan have heightened interest in federal efforts to support injured servicemembers, including those preparing to leave military service and transition to life as civilians and veterans. The Benefits Delivery at Discharge (BDD) program is one way the Departments of Defense (DOD) and Veterans Affairs (VA) are working to ease this transition. First established in 1998, the BDD program—administered by VA in cooperation with DOD—allows servicemembers to complete their VA disability benefits application while they are still in the military and provides access to VA personnel located at their base to assist them. Additionally, the BDD program provides the opportunity for servicemembers to receive one exam that satisfies DOD’s requirement to determine their general health and VA’s requirement to assess any claimed disabilities, instead of separate exams for both DOD and VA. Since the military has a separate disability evaluation process for servicemembers who are being discharged because they can no longer perform their duties due to a disabling condition, BDD is designed for members with conditions that, while disabling, do not generally result in their being unable to perform their military duties. Once a BDD application is approved, according to VA officials, veterans may begin receiving benefits within 2 to 3 months, instead of the 6 to 7 months it would typically take if they had applied after discharge under the traditional disability claims process. In the past 5 years, about 140,000 servicemembers have used the BDD program, which was available at 153 locations in the United States, Germany, and South Korea, as of February 2008. More than 70 percent of servicemembers leaving the military in fiscal year 2007 were discharged at military bases offering the BDD program.

Despite these advantages, our prior work has found that DOD and VA have had challenges sharing information, collecting data on outreach efforts, and establishing a cooperative exam process at all BDD sites. VA also has had difficulties meeting its goals for BDD program participation and goals for the timely and accurate processing of disability claims (including those filed through BDD).

At your request, we reviewed implementation of the BDD program. Specifically, we assessed (1) VA’s efforts to manage the BDD program and (2) how VA and DOD are addressing challenges servicemembers face in

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accessing BDD. To provide information for this report, we analyzed relevant documents including legislation, directives, national and local memoranda of understanding, and other related reports. We conducted in-depth site visits and interviews with VA and military officials at 9 of the 40 VA regional offices that have military bases offering the BDD program in their jurisdiction and at 14 of the 142 DOD bases offering BDD.<sup>1</sup> We selected VA regional offices and military bases based on the number of BDD and pre-discharge claims completed in 2006 and representation of the four service branches, among other factors. We interviewed officials from VA's Veterans Benefits Administration, the Army Office of the Surgeon General, and the BDD Working Group, among other national-level VA and DOD officials. We also interviewed representatives from national veterans' service organizations and other stakeholder groups. For selected fiscal years between 2003 and 2007, we obtained VA data on outreach briefings provided to servicemembers, DOD data on servicemembers' separation from military service, and VA data on the number and timeliness of BDD and other claims filed. We conducted this performance audit from July 2007 to September 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. (See app. I for more detailed information on our scope and methodology.)

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## Results in Brief

Although VA awards compensation more quickly under BDD than through its traditional process, VA's efforts to manage and monitor the BDD program provide limited accountability for achieving optimal results. For example, while VA tracks the average number of days it takes to complete work on all claims including BDD claims, VA does not track the time spent on developing a BDD claim (usually 60 days or more) prior to the servicemember's discharge. Similarly, VA includes BDD claims in its overall measures of claims accuracy, but the agency does not track the accuracy of BDD claims separately. As a result, VA lacks information on how efficiently its personnel are developing or how accurately they are rating BDD claims. In addition, VA has conducted limited reviews of

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<sup>1</sup>BDD also is present at 11 Coast Guard bases which are administered by the Department of Homeland Security, for a total of 153 BDD sites. We limited our review to the 142 DOD bases offering BDD.

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regional implementation of the BDD program. As part of its site visits to oversee the management of regional offices, VA has reviewed BDD operations in only 16 of the 40 regional offices with the program, despite having visited all 40 offices. Moreover, VA reviews of the 16 offices contain limited evidence that some key aspects of BDD program operations were reviewed, such as controls to ensure that VA personnel collected all evidence necessary to rate the claim prior to sending it to be rated. Finally, VA has not evaluated recent initiatives to improve the program. For example, VA completed a pilot to process BDD claims electronically but did not evaluate it before expanding the initiative.

VA and DOD have made efforts to improve servicemembers' access to the BDD program. VA and DOD currently offer the BDD program at 142 bases, such that more than 70 percent of servicemembers leaving military service potentially had access to the BDD program. Moreover, VA recently issued policy guidance that allowed servicemembers being discharged from any military base to file BDD claims at other locations where VA personnel were located, such as at all of its 57 regional offices. However, National Guard or Reserves members, while technically eligible for the BDD program, typically do not remain on their bases long enough after demobilizing to initiate a claim or exams within the required time frame (60 to 180 days before discharge). For servicemembers who have no or limited access to the BDD program, VA established an alternative pre-discharge program. Under VA's pre-discharge program, servicemembers may still initiate a disability application—but may or may not complete the required medical exam depending on how long they remain at their base—prior to discharge. However, VA officials do not track sufficiently detailed data on either pre-discharge or BDD claims to determine the extent to which this program is actually helping those who have no or limited access to the BDD program. VA and DOD also have coordinated to raise awareness about the BDD program through VA benefits briefings to servicemembers, but these efforts may not reach all those eligible. Attendance at these briefings is mandatory for only one service branch—the Marines; for the other services, VA and DOD officials told us military duties or lack of support from commanders or supervisors may hinder servicemembers from attending. DOD recently set a goal that 85 percent of servicemembers attend these briefings, but has not established a plan for reaching this goal or a reliable method for measuring participation. Finally, although a national agreement between VA and DOD affords local officials flexibility in establishing a cooperative process to prevent redundancy and inconvenience in conducting servicemembers' exams, some bases have faced difficulties maintaining local memoranda of understanding due to lack of communication between agencies or

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resource constraints. As a result, some servicemembers may be burdened by multiple exams, which may in turn delay their claims, or otherwise discourage them from participating in the program. Despite these challenges, VA and DOD have not recently evaluated or disseminated information about promising practices at some BDD locations—such as VA personnel briefing incoming military leadership in order to better facilitate program continuity—that might address these challenges.

We are making several recommendations to strengthen accountability and provide DOD and VA more information on the benefits of, and any challenges involved with, the BDD program. We are recommending that VA develop or explore options for improving timeliness and accuracy measures for BDD and pre-discharge claims; collect and analyze data on BDD and pre-discharge claims filed by component (for example, National Guard or Reserves); conduct an evaluation of the paperless claims processing initiative; and consistently conduct oversight reviews of regional office implementation of the BDD program and report the results of such reviews. We are recommending that DOD take steps to ensure more accurate measurement of servicemembers participation in transition briefings and establish a specific plan to meet its goal of 85 percent participation. Finally, we are recommending that VA and DOD work together to identify and disseminate information on promising practices in implementing the cooperative exam process.

We provided a draft of this report to VA and DOD for review and comment. Both agencies provided written comments, shown in appendixes II and III respectively, and VA provided technical comments which we have incorporated into the report as appropriate. The agencies generally agreed with most of our recommendations. However, VA did not agree with our recommendation that it include the timing of claims development in its calculation of BDD and pre-discharge claims timeliness, stating that doing so would be inaccurate. We acknowledge VA's efforts to measure timeliness of claims processing after a servicemember becomes a veteran. However, we maintain that VA should also track and account for the timeliness of BDD and pre-discharge claims processing prior to servicemember discharge to help identify and determine the extent of challenges intake personnel may be facing as they develop these claims. Moreover, we continue to believe that by accounting for the period that VA personnel are actively developing BDD or pre-discharge claims, the agency would have a more accurate measure of claims processing time. VA agreed in part with our recommendation that it evaluate its paperless claims processing initiative, indicating that expansion of the initiative will continue but will be monitored and evaluated as it progresses. While we



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support VA's efforts to reduce its use of paper files and move to a system of developing and rating claims electronically, we maintain that it is important to conduct an evaluation of the paperless initiative at the earliest possible time in order to minimize potential implementation challenges.

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## Background

Through its disability compensation program, VA pays monthly benefits to veterans with service-connected disabilities. The amount of disability compensation depends largely on the severity of the disability, which VA measures in 10 percent increments on a scale of 0 percent to 100 percent. Beginning in December 2007, for veterans with no dependents, basic monthly payments range from \$117 for 10 percent disability to \$2,527 for 100 percent disability. Any member of the armed forces who has seen active duty—including those in the National Guard or Reserves—is eligible to apply for VA disability benefits prior to leaving military service through VA's BDD program or an alternative predischarge program.<sup>2</sup> BDD started as a pilot program in 1995 at three Army bases and three VA regional offices and has since expanded to many locations which serve thousands of servicemembers in the United States, Germany, and South Korea.

To participate in the BDD program, servicemembers generally must meet six requirements: (1) be in the process of being honorably discharged from military service,<sup>3</sup> (2) initiate their application for VA disability benefits between 60 and 180 days prior to their discharge date, (3) sign a Veterans Claims Assistance Act (VCAA) form,<sup>4</sup> (4) obtain and provide copies of their

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<sup>2</sup>Servicemembers who are either ineligible or unable to apply through the BDD program may be able to use VA's other predischarge program whereby local VA personnel develop claims as much as possible before the member is discharged and then send the claim to the VA regional office where the member will reside while personnel in that office finish work on the claim.

<sup>3</sup>Prior to July 2008, the BDD program was offered at 153 military bases, most of which had memoranda of understanding (MOU) related to their cooperative exam processes. These 153 bases are located within the jurisdiction of 40 VA regional offices. (In total, VA has 57 regional offices, generally 1 per state or territory.) Of the 153 bases, 142 are within DOD, and 11 are within the Department of Homeland Security. In July 2008, VA issued policy guidance allowing servicemembers from other bases to file BDD claims at all of its 57 regional offices, as well as other facilities where VA personnel are located, such as VA healthcare facilities.

<sup>4</sup>The Veterans Claims Assistance Act of 2000 (VCAA) (Pub. L. No. 106-475) assigns VA the duty to assist veterans in obtaining any records relevant to their claims, provided the veterans adequately identify such records so that VA is able to request them.

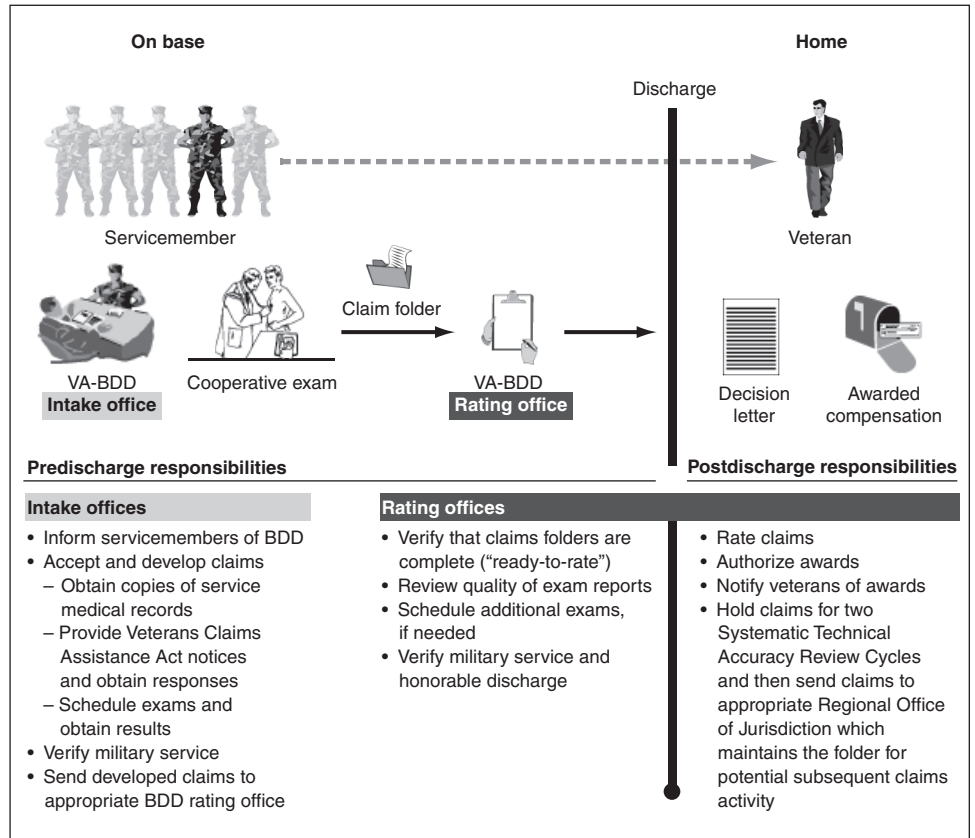
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service medical records to local VA personnel, (5) complete a VA medical exam, and (6) remain near the base until the exam process is done. The 60- to 180-day time frame is intended to provide sufficient time prior to discharge for local VA personnel at BDD intake sites located on or near the base to assist members with their disability applications, including scheduling their exam(s). VA personnel at intake offices assemble claims-related information and send the claims to one of two regional offices, known as Rating Activity Sites, to be rated.<sup>5</sup> Figure 1 shows the BDD process and responsibilities of local VA intake and rating personnel.

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<sup>5</sup>In order to increase the consistency of BDD claims, in 2006 VA completed its consolidation of BDD rating activity into two regional offices—one in Salt Lake City, Utah and one in Winston-Salem, North Carolina.

**Figure 1: BDD Claims Process and Responsibilities of BDD Intake and Rating Offices**



Sources: GAO analysis of Veterans Benefits Administration's Compensation and Pension Adjudication Procedure Manual (M21-1MR), Chapter 2, Section B; Art Explosion (images).

Filing a VA disability claim through the BDD program can be faster than filing a claim as a veteran under the traditional claim process, because medical records are more readily accessible and key forms needed to process the claim can be signed immediately. Moreover, establishing that the claim is related to the member's military service may be easier, since the member is still on active duty status. Table 1 summarizes the advantages of filing a claim through the BDD program compared to using VA's traditional process.

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**Table 1: Filing a Claim through the BDD Program versus VA's Traditional Process**

	<b>BDD claim</b>	<b>Traditional claim</b>
Medical records	Medical records usually are at the military base where the servicemember files the BDD claim.	Medical records often must be obtained from federal records centers and the veteran may have records with other medical providers.
Service-connectedness	Conditions claimed are generally presumed to be connected to military service.	The more time that has passed since discharge, the harder it is to establish the connection between the conditions claimed and military service.
Veterans Claim Assistance Act (VCAA) form	The servicemember can sign the VCAA form immediately, enabling VA to make decisions about the claim without waiting 30 days, as is typically required.	The VCAA form typically is mailed to the veteran who has 30 days to sign and mail it back to VA.

Source: GAO analysis of VA information.

Note: VCAA requires VA to assist the individual with obtaining medical records and exams to help verify the disabilities he or she is claiming.

VA has a performance goal specific to the BDD program as well as goals for disability claims generally. For the BDD program, VA has a goal to increase the percentage of first-time disability claims filed through the BDD program. To accomplish this, it is important for eligible servicemembers to know about the program and to start their application as soon as possible. Servicemembers generally learn of the BDD program through VA-sponsored benefits briefings conducted at military bases as part of Transition Assistance Program (TAP) sessions. Led primarily by the Department of Labor, TAP consists of about 3 to 4 days of briefings on a variety of topics related to benefits and services available to servicemembers as they are discharged and begin life as veterans. Generally, servicemembers are required to attend a short introductory briefing, while all other sessions—including the VA benefits segment in which members learn about BDD—are optional.

In addition to its goal for the BDD program, VA has general goals for the timeliness and accuracy of all disability claims, as shown in table 2.<sup>6</sup>

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<sup>6</sup>VA has several other measures for claims overall, including measures of satisfaction and how well VA keeps veterans informed of benefits, among others.

**Table 2: VA’s Timeliness and Accuracy Performance Measures for Claims Overall**

Key performance measure used for claims overall	Definition	Performance results in fiscal year 2007 <sup>a</sup>	Strategic goal
Timeliness: average days pending	For claims that have yet to receive a final decision, the average time that a claim has been waiting for a final decision to be made	132 days	100 days
Timeliness: average days to process	For claims that have received a final decision, the average time it took to complete all work on the claim	183 days	125 days
Accuracy	For a sample of claims that have received a final decision, the percentage in which VA staff made no errors in processing the claim	88 percent	98 percent

Source: VA Congressional Budget Submission, Fiscal Year 2008; Veterans Benefits Administration Compensation and Pension Adjudication Manual (M21-1MR); Interview with VA Officials.

<sup>a</sup>Performance results in fiscal year 2007 were reported to GAO by VA officials in May 2008.

VA’s Veterans Benefits Administration is responsible for administering and monitoring the BDD program along with other claims for VA benefits. It also is responsible for the paperless BDD claims process, an initiative intended to improve efficiency by converting claims-related information stored in paper folders into electronic format and part of VA’s effort to have all claims VA-wide processed electronically by the end of 2012.

For all servicemembers leaving the military, the military services generally provide health assessments that consist of a questionnaire about the member’s general health and medical history, among other topics. In some cases, members who are separating from the military may receive a physical exam to obtain evidence on a particular medical problem or problems that might exist. The exam obtains information on the individual’s medical history and includes diagnostic and clinical tests, the scope of which depends on what disabilities are being claimed. In general, VA’s exam is more comprehensive and detailed than the military services’ separation exams, as military service exams are intended to document continued fitness for duty, whereas the purpose of the VA exam is to document disability or loss of function.<sup>7</sup>

DOD and VA have coordinated their efforts to assist servicemembers who are being discharged. In 1994, the Army and VA piloted three different

<sup>7</sup>See GAO, *VA and DOD Health Care: Efforts to Coordinate a Single Physical Exam Process for Servicemembers Leaving the Military*, GAO-05-64 (Washington, D.C.: Nov. 12, 2004).

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models for conducting single separation exams whereby servicemembers could obtain one exam that satisfies requirements of both the Army and VA.<sup>8</sup> Subsequently, however, due to variation in the availability of local resources, such as physicians trained to use VA's exam protocols, DOD and VA agreed that local military bases should have flexibility in implementing the exams, such as allowing either VA or military physicians to conduct the exam. The agencies signed a memorandum of agreement in 2004, delineating the roles and responsibilities for each agency in establishing a cooperative separation exam process. The national agreement delegates authority to VA regional offices and individual military bases to create local memoranda of understanding (MOU) that detail how the process will be implemented at the local level.<sup>9</sup> In addition to establishing the cooperative exam process, in 2002, the agencies created a Joint Executive Council to oversee joint efforts to eliminate barriers servicemembers face as they leave the military, among other purposes.<sup>10</sup> The Joint Executive Council is composed of the Health Executive and Benefits Executive Councils, the latter of which is focused on improving information sharing between the agencies and improving the transition process for servicemembers.

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<sup>8</sup>A 1997 report on the pilot programs concluded that all of the approaches for exams were successful and that, overall, they eliminated redundant exams and medical procedures, decreased resource expenditures, increased the timeliness of VA's disability rating decisions, and improved servicemembers' satisfaction. The report also recommended that single separation exam programs be expanded to include all military services.

<sup>9</sup>Servicemembers who have been severely wounded and who are therefore referred to DOD's disability evaluation system to be assessed for continued fitness of duty are explicitly excluded from BDD. However, these servicemembers may still initiate a claim for VA disability benefits prior to discharge under VA's pre-discharge program. In addition, DOD and VA initiated a pilot in November 2007 wherein servicemembers who are found unfit for duty under DOD's disability evaluation system will receive VA disability ratings that can be used to determine both DOD and VA disability benefits. As part of the pilot, VA obtains pre-discharge claims from servicemembers.

<sup>10</sup>National Defense Authorization Act for Fiscal Year 2004, Pub. L. No. 108-136 § 583, 117 Stat. 1392, 1490-92, required VA and DOD to establish a joint executive committee. VA and DOD use their Joint Executive Council structure to fulfill this legislative requirement. See GAO, *VA and DOD Health Care: Opportunities to Maximize Resource Sharing Remain*. [GAO-06-315](#) (Washington, D.C.: Mar. 20, 2006).

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## VA's Efforts to Manage the BDD Program Provide Limited Accountability for Results

VA's efforts to manage the BDD program provide limited accountability for results in several respects. For example, VA has only one performance measure specific to the BDD program, and lacks specific and sufficient measures for timely and accurate processing of BDD claims. Further, VA's site visits to oversee the management of regional offices often did not include reviews of BDD operations and, when reviews of BDD claims were conducted, did not address key aspects of program operations. Finally, VA has implemented two key initiatives—consolidation of rating activity and the paperless BDD claims processing pilot—to improve program operations and performance, but has not yet evaluated them.

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## VA Lacks Sufficient Performance Measures for the BDD Program

VA has established one performance measure for the BDD program; however, the measure only tracks participation in the program and currently is being revised to address a key limitation. Since the 2005 fiscal year, VA has tracked the percentage of all disability claims filed within 1 year of discharge that are filed through the BDD program. VA's current strategic goal is for 65 percent of all claims filed within a year of discharge to be filed through the BDD program. However, in fiscal year 2007, only 43 percent of first-year claims were filed through BDD, significantly short of VA's goal.<sup>11</sup> This measure includes first-year claims from servicemembers who were discharged from non-BDD locations, as well as members of the National Guard and Reserves who generally are demobilized so rapidly that they cannot meet BDD requirements. As of April 2008, the BDD Working Group (part of the Benefits Executive Council and comprised of officials from VA and DOD) was revising the measure to account for only those members who are discharged from bases with the BDD program and plans to submit this revision to the Joint Executive Council for final approval, once the Group determines the extent to which data from DOD are available. As of August 2008, the Group had not determined how the revised measure would be affected by VA's revised policy increasing the number of locations where BDD claims would be accepted.

Despite having a measure for program participation, VA does not adequately measure key aspects of BDD claims processing—timeliness and accuracy—separately from claims that go through the traditional

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<sup>11</sup>Results were higher in prior years—55 percent and 46 percent for fiscal years 2005 and 2006 respectively—although, in contrast to 2007, these results included non-BDD pre-discharge claims. According to VA officials, 53 percent participated in either BDD or pre-discharge in fiscal year 2007.

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process.<sup>12</sup> Specifically, VA tracks timeliness of traditional claims beginning from the date a veteran files a claim, while it tracks timeliness of BDD claims from the date a servicemember is discharged.<sup>13</sup> This approach highlights a key advantage of the BDD program—that it takes less time for the veteran to receive benefits after discharge. However, the time VA spends developing a claim before a servicemember’s discharge—at least 60 days—is not included in its measures of timeliness for processing BDD claims, even though claims development is included in VA’s timeliness measures for traditional disability claims. Even with VA’s approach for tracking timeliness of BDD claims, VA data show that it is not processing claims (including BDD claims) as quickly as expected. Specifically, by the end of fiscal year 2007, the agency was taking an average of 76 days to complete BDD claims, even though VA has an informal goal of completing work on BDD claims no later than 60 days after discharge. In contrast, VA was taking an average of 183 days to complete all claims, compared to a goal of 125 days.<sup>14</sup> (See fig. 2 for a comparison of how VA measures timeliness of traditional claims and BDD claims.)

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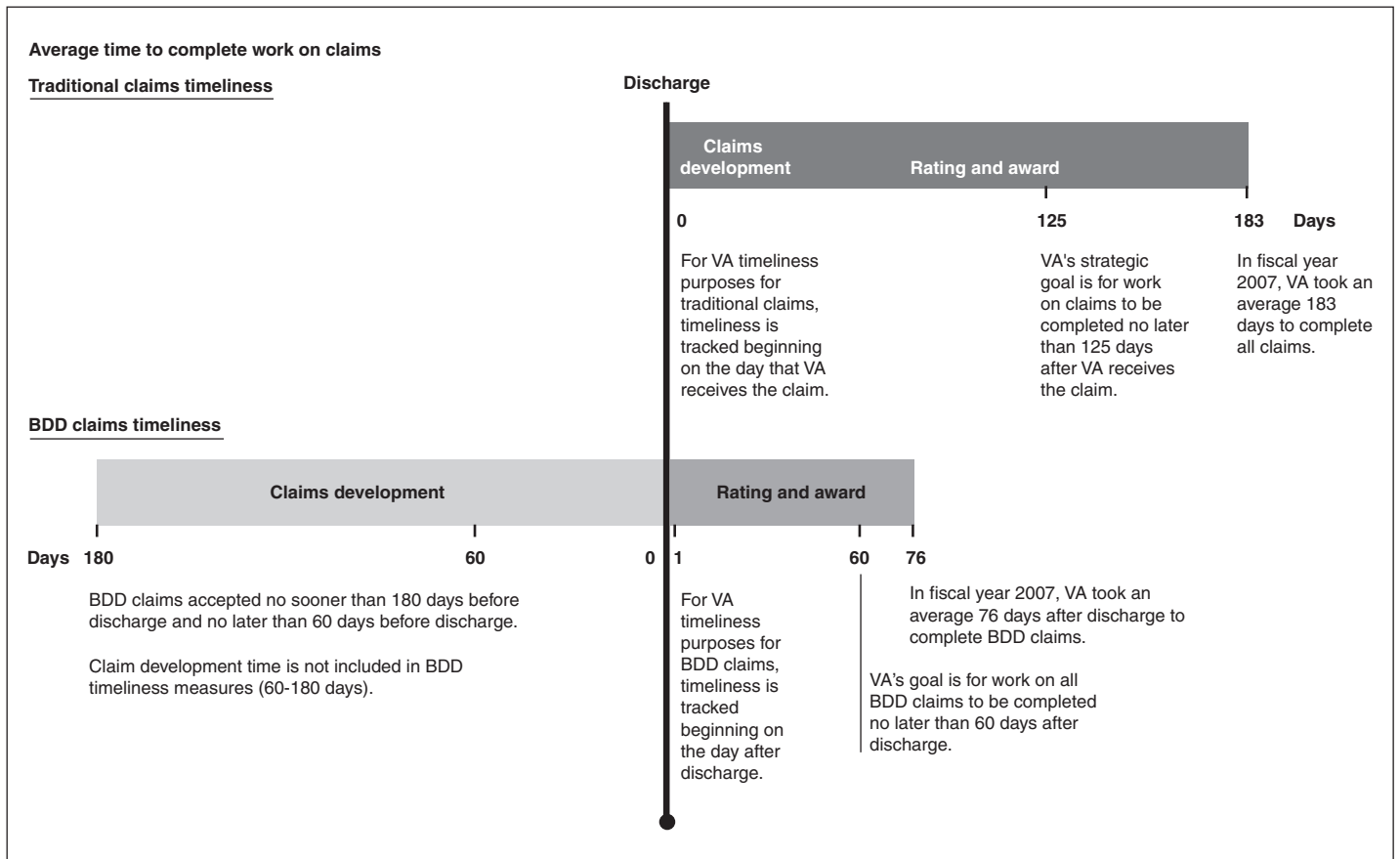
<sup>12</sup>Multiple performance measures can help agencies account for and balance the effects of competing demands, such as service quality and stakeholder concerns, on program operations. See GAO, *Agencies’ Annual Performance Plans Under the Results Act: An Assessment Guide to Facilitate Congressional Decisionmaking*, [GAO/GGD/AIMD-10.1.18](#) (Washington, D.C.: February 1998).

<sup>13</sup>While VA lacks a separate performance measure on BDD timeliness, VA officials reported the agency does track the average days BDD claims are pending a decision and the average days it takes VA to complete work on BDD claims separately from traditional claims. However, VA includes only the time after servicemember discharge when tracking BDD timeliness.

<sup>14</sup>Since compensation from BDD claims is typically awarded in 76 days instead of 183 days for traditional claims, veterans who used BDD received their compensation on average about 3 months sooner than veterans who did not use BDD.



**Figure 2: Processing Timeliness for BDD Claims and Claims Overall**



Source: GAO analysis of VA information.

Note: The figure portrays traditional claims as being filed on the day the veteran is discharged only for the purpose of comparing the timeliness of traditional claims with the timeliness of BDD claims. Traditional claims average of 183 days to complete includes BDD and pre-discharge claims. However, the number of BDD and pre-discharge claims is relatively small and when disaggregated had only a small effect on overall timeliness.

VA officials told us the agency does not measure the timeliness of BDD claims development for three reasons. First, there is no legal authority to provide compensation because the member has not yet been discharged and is therefore not yet a veteran. However, the fact that the servicemember is not yet a veteran does not relinquish VA from being accountable for the time spent developing BDD claims. In cases where a member may decide to remain on active duty, VA should be able to withdraw the application and not include the claim in its measurement of BDD timeliness. Second, VA officials perceive most development activities, such as obtaining the separation exam and medical records, to

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be outside of their control. However, similar to BDD claims, VA lacks complete control over claim development for traditional disability claims, because VA relies on veterans to submit their applications and relies on other agencies or medical providers for records associated with the claim. Third, they said that a primary objective of the program was to shorten the time from which the member was entitled to benefits—by definition, after discharge—to the time he or she actually received them. While timeliness of receipt of benefits after discharge is useful information, excluding the time VA personnel spend on developing BDD claims results in limited information on challenges in this stage of the process and may inhibit VA from taking action to address them. Personnel in 12 of the 14 BDD intake bases we reviewed indicated significant challenges with various claims development activities. For example, personnel on several bases told us they had a hard time scheduling exams, because servicemembers were leaving the area so they could complete their service at home, among other reasons. Also, servicemembers at several bases may have to obtain more than one exam and therefore take more time to complete their BDD claim. Challenges such as these may delay the development of servicemembers' claims, putting them at risk of having to drop out of the BDD program. Unless VA tracks performance related to claims development prior to discharge, it cannot easily identify problems and compare performance across BDD locations.<sup>15</sup>

Similar to its approach to measuring timeliness, VA has a key performance measure for the accuracy of claims overall, but lacks an approach for measuring the accuracy of BDD claims specifically. VA measures the accuracy of claims by reviewing a sample of completed claims from each of its 57 regional offices on a monthly basis and determining the extent to which VA personnel correctly performed duties, such as gathering sufficient evidence to rate the claim.<sup>16</sup> VA calculates a national accuracy rate, based on the percentage of claims that were processed without any errors. However, VA's accuracy reviews to date have focused on claims overall, and have not targeted specific types of claims, such as BDD

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<sup>15</sup> According to VA officials, VA has recently updated its primary claims management database to identify the base at which BDD and other pre-discharge claims are initiated, thus facilitating its ability to determine which bases may encounter challenges in developing such claims.

<sup>16</sup> Our prior work has recommended improvements in VA's approach to measuring and using accuracy results. See GAO, *Veterans' Benefits: Improvements Needed in the Reporting and Use of Data on the Accuracy of Disability Claims Decisions*, GAO-03-1045 (Washington, D.C.: Sept. 30, 2003).

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claims.<sup>17</sup> VA officials stated that the current sample approach and size are sufficient for estimating a national accuracy rate, but are not sufficient for obtaining precise results for specific types of claims.<sup>18</sup> Consequently, VA is unaware of the extent to which BDD claims are more or less accurately processed relative to other claims and has incomplete information to help identify problems or challenges that BDD locations may face related to accurately developing claims.

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### VA Has Not Consistently Reviewed BDD Operations in Regional Offices

As part of its site visits to monitor operations in all 57 VA regional offices, VA visited all 40 VA regional offices with the BDD program between September 2002 and May 2008, but conducted reviews of BDD operations in only 16 of these 40 offices (see table 3). VA had plans to review BDD operations in eight VA regional offices in fiscal year 2008, consistent with VA's policy established in fiscal year 2004.

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<sup>17</sup>Similarly, VA does not collect data on the extent to which decisions involving BDD claims are appealed or the extent to which appealed BDD decisions are remanded by the Board. Remanded appeals are those for which the Board determines there is insufficient evidence to make a decision or finds an error in how the claim was processed. VA's data system for managing appeals does not distinguish BDD claims from other claims.

<sup>18</sup>Accuracy results for the Salt Lake City and Winston-Salem regional offices should not be used to make inferences about the BDD program, since BDD claims comprise only a portion of claims served by these offices.

**Table 3: Operational Reviews of the BDD Program at VA Regional Offices**

VA regional offices in which BDD operations were reviewed (16)		VA regional offices in which BDD operations were not reviewed (22)	
<b>Rating activity sites</b>		Albuquerque, N.M.	Louisville, Ky.
Salt Lake City, Utah	Winston-Salem, N.C.	Anchorage, Alaska	Manchester, N.H.
		Boise, Id.	Montgomery, Ala.
<b>Other regional offices</b>		Chicago, Ill.	New Orleans, La.
Atlanta, Ga.	Nashville, Tenn.	Cleveland, Ohio	New York, N.Y.
Baltimore, Md.	Phoenix, Ariz.	Denver, Colo.	Newark, N.J.
Buffalo, N.Y.	Roanoke, Va.	Fort Harrison, Mont.	Oakland, Calif.
Columbia, S.C.	San Diego, Calif.	Hartford, Conn.	Philadelphia, Penn.
Houston, Tex.	St. Louis, Mo.	Honolulu, Hawaii	Pittsburgh, Penn.
Los Angeles, Calif.	Seattle, Wash.	Jackson, Miss.	St. Petersburg, Fla.
Muskogee, Okla.	Waco, Tex.	Little Rock, Ark.	Togus, Maine

Source: GAO review of VA's Compensation and Pension Site Visit Reports (September 2002 to May 2008).

Note: VA officials reported that they conducted site visits to all 40 regional offices with the BDD program and provided copies of reports for all 40 offices, except for Lincoln, Neb., and Wichita, Kan.

For the 16 VA offices where reviews of the BDD program were conducted, VA generally found the BDD program was being well run, with a few exceptions. In conducting BDD reviews, VA uses a protocol that prompts reviews of areas such as claim development, information dissemination, and management of the exam process. For example, at one site, VA reviewers noted that local personnel were processing claims according to VA policy and personnel were doing a good job presenting information about the program in VA benefits briefings. VA's reviews also identified several areas in which regional officials needed to make improvements. For example, at one site, several local agreements for the exam process were not yet signed, and the local VA office's outreach efforts were found to be poor—there was no information about the program displayed on base and servicemembers were unable to contact key BDD personnel. In most of these reviews, VA reviewers directed regional officials to make changes to bring BDD operations into compliance with VA policy or otherwise make improvements in their implementation of the program.

However, compared to reviews of BDD operations at the two offices dedicated to rating BDD claims, reviews at 14 other regional offices that accept and develop BDD claims were lacking in two key respects. First, VA policy is that regional office personnel fully develop BDD claims before sending them to their rating office, even though the BDD review protocol does not specifically prompt reviewers to determine the extent to which

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regional offices are following this policy.<sup>19</sup> Both rating office reviews addressed the extent to which claims received from regional offices were fully developed, but only 4 of 14 regional office reviews provided any information on this topic. One rating office review indicated that personnel were spending a significant amount of time doing work to develop claims, work that should have been done in the regional offices before sending the claim to be rated. Further, several local VA personnel told us that it was not unusual for claims to be sent with less than sufficient evidence for rating personnel to make final decisions.

Second, both rating office reviews addressed the lack of agreements between the rating office and several regional offices for processing claims, while none of the 14 regional office reviews did. VA policy directs the rating offices to have agreements with all of the regional offices in their jurisdiction to define roles and responsibilities for processing BDD claims. When reviewing rating operations, VA reviewers found that both rating offices had only a few of these agreements and recommended that additional agreements be established. However, none of the reviews of regional offices that lack agreements reported this problem, even though VA's BDD operations review protocol specifically prompts reviewers to check for the agreements.

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**VA Implemented Initiatives to Improve the BDD Program, but Has Yet to Evaluate Their Effectiveness**

VA implemented two significant initiatives to improve the BDD program but has yet to evaluate their effectiveness. In 2006, VA completed its effort to consolidate rating activities for BDD claims in two regional offices—Salt Lake City, Utah, and Winston-Salem, North Carolina—in order to improve the consistency and timeliness of BDD ratings. Through the consolidation, VA assigned the Salt Lake City office responsibility for rating BDD claims originating from intake sites within the 21 regional offices in VA's central and western regions and South Korea, and assigned the Winston-Salem office responsibility for rating BDD claims from 19 regional offices in VA's southern and eastern regions and Germany. In fiscal year 2007, each rating office completed about 11,000 BDD claims. VA officials said that they monitor claims workloads between the rating offices and in one case sent claims from one office to the other so claims could be processed more quickly. However, VA has not conducted an

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<sup>19</sup>The protocol does prompt reviewers to inquire about the extent to which inadequate examination reports result in claims being identified as less than fully developed.

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evaluation to determine whether consistency has improved compared to prior practices.

VA also has yet to evaluate a second BDD initiative, known as the paperless claims processing initiative. The primary goals of this initiative were to increase the timeliness of claims processing and to increase the security of BDD claims information. VA completed its pilot of this initiative using claims from four military bases<sup>20</sup> in June 2007, in which it converted more than 2,000 paper BDD claims into electronic format. Without conducting an evaluation of the pilot, VA awarded a contract to a company to assist the agency in scanning claims in September 2007 as part of implementing the paperless initiative. In implementing the initiative, the agency experienced some delays, because there were not enough personnel able to convert the files into electronic format. However, in June 2008, VA reported that it had met its interim deadlines for expanding the initiative to more bases and was on schedule for BDD claims to be processed electronically by its final deadline of October 1, 2008.

Well-developed evaluations have a number of benefits perhaps, most importantly, yielding sound results to support effective program and policy decisions.<sup>21</sup> VA's lack of evaluations of these initiatives may have resulted in changes to BDD processes that provided less than optimal service to servicemembers who apply to the BDD program. Although the paperless initiative may soon be fully implemented, the agency has yet to evaluate the extent to which the initiative is reaching stated goals, and make any adjustments needed to improve its effectiveness.

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<sup>20</sup>The bases are Bremerton Naval Hospital, Camp Lejeune, Fort Carson, and Fort Bragg.

<sup>21</sup>Evaluations of pilot programs might assess program activities' conformance to statutory and regulatory requirements, program design, and professional standards or customer expectations. See GAO, *Performance Measurement and Evaluation: Definitions and Relationships*, [GAO-05-739SP](#) (Washington, D.C: May 2, 2005).

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## VA and DOD Have Taken Steps to Increase Access to the BDD Program, but Some Servicemembers Continue to Face Barriers to Participation

VA and DOD have taken a number of steps to increase access to the BDD program, but program participation continues to be a challenge for some servicemembers. VA and DOD have implemented the BDD program at bases from which most servicemembers are discharged and have implemented an alternative program for servicemembers who cannot meet some of the logistical requirements necessary to participate in the BDD program. However, the extent to which this alternative program expedites benefits for some servicemembers is unclear because data are limited. VA and DOD have also coordinated to provide servicemembers with information on the BDD program; however military duties and changes in local military leadership may hinder some members' attendance. Finally, although VA and DOD implemented local MOUs to provide a cooperative exam process at most bases offering BDD, some bases have experienced challenges in maintaining MOUs.

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## Servicemembers Who Cannot Meet BDD Program Requirements May Participate in a New Predischarge Program, but Data Are Limited

Although VA and DOD have designed the BDD program in such a way as to provide most servicemembers with access, some members may not be able to participate. Specifically, although VA and DOD offered the program at 142 bases, as of September 2007, close to 29 percent of servicemembers were not able to file a BDD claim, because they were discharged at bases not offering the program.<sup>22</sup> In July 2008, VA issued policy guidance that allowed servicemembers being discharged from any military base to file BDD claims at other locations where VA personnel were located, such as at all of its 57 regional offices. However, according to a VA official, the revised policy did not increase the number of military bases that served as intake sites for BDD claims.

Nevertheless, some servicemembers discharged from bases offering the BDD program still may not be able to file a claim through the BDD program, because they do not meet some of the eligibility requirements, such as initiating a claim 60 to 180 days prior to discharge or remaining within the vicinity of the base in order to complete their exams. According to VA officials, this is particularly a challenge for demobilizing servicemembers of the National Guard and Reserve, because they typically remain at a base for no more than 2 to 5 days before returning home. According to VA officials, in this short time frame, National Guard and

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<sup>22</sup>In fiscal year 2007, more than 70 percent of active duty servicemembers who were being discharged had access to the program. This percentage does not include members of the National Guard or Reserve forces.

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Reserve members are generally unable to complete the VA exam needed to participate in the BDD program. VA officials also told us that it can be challenging in this short period of time for National Guard and Reserve members to obtain required copies of their service medical records. Similarly, according to VA officials we spoke with, other servicemembers, such as those in the Navy, also may be unable to participate in the program because they may be located on ships or other remote locations up until a few days prior to discharge. Finally, servicemembers going through the DOD Medical Board process are ineligible for the BDD program because, according to one VA official these servicemembers typically do not have an assigned discharge date until after the 60- to 180-day window. Having a firm discharge date is required for program participation to avoid servicemembers returning to active duty service after completing the claims process, according to VA officials.<sup>23</sup>

In April 2007, VA established a new predischarge program to provide members who cannot participate in the BDD program, such as National Guard and Reserve members or members going through the Medical Board process, an opportunity to initiate disability claims before they are discharged, however data are limited. Typically, under this program, local VA personnel develop servicemembers' claims as much as possible prior to discharge and then send the claim to the VA regional office closest to where the servicemember will reside. However, the extent to which servicemembers are filing VA disability claims through the new predischarge program is unclear. VA officials told us that when they first began accepting predischarge claims in April 2007, they were concerned with data accuracy, because the distinction between predischarge and BDD claims was relatively new.<sup>24</sup> Concern with data quality prevented us from analyzing claims filed under predischarge. However, VA does collect data on claims filed by military service and has recently updated its claims management program to include the ability to track claims by base of origin. In the future—with respect to claims filed under BDD, predischarge, and traditional claims processes—VA should be able to draw comparisons among the military branches. However, the agency

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<sup>23</sup>However, as noted previously, DOD and VA are piloting a program whereby the assessment used to determine a wounded soldier's fitness for duty can be used to determine VA disability benefits for those ultimately deemed unfit.

<sup>24</sup>According to VA, 19,151 predischarge claims were filed between April 2007 and April 2008. This number includes claims currently pending, those in development, and those that have been completed.



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does not collect data that allow it to distinguish between National Guard or Reserves and full-time active duty servicemembers who file such claims. Consequently, VA officials are unable to determine the extent to which either program is meeting the needs of the servicemembers they are intended to serve.

Meeting the needs of servicemembers would include providing timely and accurate decisions for pre-discharge claims; however much like BDD claims, accuracy is not measured separately for pre-discharge claims and timeliness measures for these claims do not include claims development prior to discharge. According to VA officials, the timeliness of pre-discharge claims may vary substantially from both BDD and traditional claims. For example, servicemembers who are on base only a few days prior to discharge, such as members of the National Guard and Reserves, may have enough time only to fill out the application before returning home and may need to schedule the VA exam necessary to fully develop their claim after discharge. Overall, this will most likely result in less timely receipt of VA disability compensation than through the BDD program, but more timely than traditional claims. On the other hand, servicemembers with more time before discharge may be able to complete more or all of the claim development process, including the VA exam, during this time frame. Moreover, because pre-discharge claims are generally developed in two locations—at a base before discharge and at the VA regional office closest to where the servicemember will reside after discharge—there may be more opportunities for error in the development process. Because VA does not separately or adequately track accuracy and timeliness of pre-discharge claims, it may be unable to identify trends and potential challenges associated with developing and processing these claims.

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**VA and DOD Have Coordinated to Provide Briefings with Information about BDD, but Military Duties and Other Factors May Hinder Some Servicemembers from Attending**

VA and DOD have coordinated to provide servicemembers with information about the BDD program through VA benefits briefings and other initiatives, but attending these briefings is optional for most servicemembers. According to DOD and VA personnel, servicemembers most commonly learn about the program through VA benefits briefings conducted as part of the Transition Assistance Program (TAP) sessions, although at some bases they may also learn about BDD through base television spots, papers, and word of mouth. The Marine Corps is the only service branch to require servicemembers to attend VA benefits briefings. For the other service branches, participation requirements may vary by base and command. In addition, DOD policy mandates servicemembers' participation in pre-separation counseling, which includes a checklist

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where servicemembers may indicate any subsequent services they would like to receive, such as participation in VA benefits briefings. However, some members may not recognize they are entitled to receive VA benefits prior to attending a VA benefits briefing.

Whether commanders and supervisors encourage servicemembers to attend briefings varies by base. In our current and prior work, we found that commanders' and supervisors' support for transition services, such as VA-sponsored benefits briefings, play a role in determining whether servicemembers have access to these services.<sup>25</sup> Even though DOD policy requires commanders to allow servicemembers to attend TAP sessions upon the member's request made during preseparation counseling, VA personnel at one base told us that they have received calls from servicemembers who have not been released from their duties to attend the briefings. In these cases, VA personnel told us that they called supervisors—and, in some cases, had to go higher up the chain of command—to obtain permission for these members to attend briefings. Similarly, based on a site visit report VA officials characterized the outreach at two bases as cumbersome due to conflicting missions between VA and DOD and because some base commanders did not fully support the BDD program. VA officials also noted that briefings were not mandatory at these bases and that in many cases, servicemembers were called back from the briefings due to conflicting military requirements.

To address these concerns, some military officials have recommended that servicemembers be required to attend TAP sessions. Some DOD officials told us that servicemembers may not recognize the importance of the VA benefits briefings if participation is not required, because members have a host of discharge requirements and limited time to complete them. TAP representatives at DOD have proposed making attendance at VA briefings mandatory for all service branches,<sup>26</sup> and VA reports that it has pursued an agreement with DOD to make such attendance mandatory. Similarly, following issuance of the report of the Task Force on Returning Global

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<sup>25</sup>GAO, *Military and Veterans' Benefits: Enhanced Services Could Improve Transition Assistance for Reserves and National Guard*, [GAO-05-544](#) (Washington, D.C.: May 20, 2005).

<sup>26</sup>[GAO-05-544](#).

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War on Terror Heroes<sup>27</sup> in April 2007, DOD officials considered mandating servicemember participation in TAP, including the VA benefits briefings, to ensure the transition needs of servicemembers discharging from military service are fully addressed, according to one DOD official.<sup>28</sup>

Rather than mandate attendance, in August 2007 DOD decided to implement a recommendation of the Task Force that DOD establish a goal that 85 percent of separating servicemembers and demobilizing National Guard and Reserve members participate in TAP sessions, including VA benefits briefings. However, DOD has yet to develop specific plans for reaching this goal, and has delegated this responsibility to the recently formed TAP Executive Steering Committee. According to DOD, as of May 2008, membership of the Committee is still being finalized and the Committee has not yet convened. In the course of our review, we learned that TAP participation data may be inaccurate or overstated. For example, VA and DOD officials told us that attendance is tracked by documenting the number of servicemembers, rather than using unique identifiers for each servicemember. As a result of this practice, servicemembers who attend more than one briefing may be counted more than once, thus overstating the number of members actually attending them.

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### Most BDD Sites Have Local Memoranda of Understanding to Provide a Cooperative Exam Process, but Maintaining Them Has Been a Challenge for Some Bases

Most BDD sites, as defined prior to July 2008, had local MOUs to provide a cooperative exam process, but implementation varied significantly. Through a national agreement and memoranda, DOD and VA have provided a framework for local VA and DOD officials to create their own MOUs. According to VA, as of May 2008, 130 of the 142 DOD bases that offered the BDD program in fiscal year 2007 had a local MOU in place; the remaining 12 were newer and had yet to establish local MOUs.<sup>29</sup>

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<sup>27</sup>Task Force on Returning Global War on Terror Heroes, *Report to the President* (April 2007). The Task Force was created by the President on Mar. 6, 2007, to improve the delivery of federal services and benefits to Global War on Terror servicemembers and veterans.

<sup>28</sup>The Veterans' Disability Benefits Commission also has recommended that Congress mandate TAP briefings and attendance throughout DOD.

<sup>29</sup>VA noted that its policy guidance (Fast Letter 08-20), signed July 2, 2008, eliminated the requirement for a local MOU to be in place in order for VA to accept a BDD claim. In this guidance, VA expanded the definition of a BDD claim, removing the criterion that BDD claims may be accepted only at military bases where local MOUs are in place.

As noted previously, the national agreement recognizes that not all bases may be able to provide a single separation exam for servicemembers, and therefore affords local officials the flexibility to develop a process to support servicemembers in completing a VA exam prior to being discharged. Information provided by VA demonstrated a range of implementation practices. For example, implementation of the cooperative exam process varied by who conducts the exams: VA physicians or contractors, DOD physicians, or a combination. According to data provided by VA, more than 60 percent of bases offering the BDD program in 2007 had local MOUs that call for the exclusive use of VA physicians, while almost 30 percent used VA contractors to conduct exams (see table 4). Only about 7 percent of bases offering BDD conducted VA exams through a sequential process utilizing resources and exams from both VA and DOD. For example, at two bases, DOD officials started the exam process by conducting diagnostic testing, such as hearing and vision tests; a VA physician or contractor conducted the remainder of the exam in order to meet both VA and DOD separation requirements. At bases offering the BDD program overseas, VA exams were conducted by physicians under contract with DOD, because VA does not have VA physicians located at these bases.

**Table 4: Use of Various Exam Providers to Conduct VA Exams at Bases Offering the BDD Program**

<b>Providers</b>	<b>Number of bases<sup>a</sup></b>	<b>Percentage</b>
VA physician	79	61
VA contractor	37	28
DOD contractor	5	4
VA and DOD physicians	8	6
VA contractor and DOD physicians	1	1
<b>Total</b>	<b>130</b>	<b>100</b>

Source: GAO analysis of VA information.

<sup>a</sup>The number of bases does not include the 12 bases VA recently added, because they do not have signed local MOUs outlining the administration of the cooperative exam process.

Neither DOD nor VA had a process in place to comprehensively track the implementation of local MOUs, and we found in our site visits that some

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bases were not conducting exams as stipulated in the local MOUs.<sup>30</sup> For example, even when a local MOU called for exclusive use of a VA physician or contractor to provide one cooperative exam, we found that some servicemembers participating in the BDD program were required to go through two exams—a DOD separation exam and a VA exam. Specifically, at some bases, DOD physicians and VA contractors conducted exams independent of each other and did not share any of the exam results or lab work. In contrast, at another base offering BDD, VA contractors conducted VA exams and provided copies to DOD physicians who used the exam to satisfy servicemembers' service branch discharge requirements. Some servicemembers at bases where multiple exams are conducted may find this burdensome and consequently choose not to participate in the program or find it takes longer for their claims to be developed.

In general, our site visits and interviews revealed two primary challenges associated with maintaining a cooperative exam process that may cause delays for servicemembers participating in the BDD program or discourage their participation. As shown in table 5, officials in 8 of the 14 bases we visited and interviewed identified challenges in administering a cooperative exam process.

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<sup>30</sup>Although DOD and VA lack a comprehensive tracking system, VA's exam contract organization—which conducts exams for 37 bases offering BDD—tracks and reports to VA the number of exams it provided to servicemembers and whether they are single separation exams.

**Table 5: Challenges Local VA or DOD Personnel Reported to GAO in Implementing Cooperative Exam Processes at Selected Bases Offering the BDD Program**

Service branch (Number of bases)	Reported challenges
Air Force (2 bases)	<p>One base reported communication and resource challenges. Specifically, DOD personnel were unaware that a signed local MOU on a cooperative exam process existed. Personnel also reported that finding space to conduct VA exams is difficult.</p> <p>One base reported no challenges.</p>
Army (8 bases)	<p>Two bases reported communication challenges.</p> <ul style="list-style-type: none"> <li>• One base reported that the cooperative exam process was not being conducted as outlined in the local MOU due to changes in command leadership and some DOD officials were unfamiliar with the program. Officials reported a new local MOU was needed.</li> <li>• At another base DOD personnel reported that they could not implement the cooperative exam process as outlined in their local MOU because of challenges in coordinating VA and Army separation requirements and base commanders placing less emphasis on providing a single separation exam.</li> </ul> <p>Three bases reported communication and resources challenges.</p> <ul style="list-style-type: none"> <li>• At one base, the cooperative exam process was not being conducted as outlined in the local MOU because local officials were unable to find physicians qualified to conduct exams that met both VA and Army protocols. Personnel also reported that some military personnel do not have a good working relationship with VA and some personnel have difficulties adapting to new processes.</li> <li>• At another base, physicians often performed exams that did not meet VA protocols and the limited number of physicians contracted to conduct VA exams caused backlogs.</li> <li>• One base reported a lack of coordination between VA and DOD and acknowledged that the cooperative exam process was not currently in practice, because DOD personnel believed the practice resulted in lost productivity even though it was convenient to the servicemember.</li> </ul> <p>Three bases reported no challenges.</p>
Marine Corps (2 bases)	<p>One base reported resource challenges. Specifically, the cooperative exam process worked well in the past, but was not consistently being used because of the operational sensitivity and timeframes associated with recent conflicts.</p> <p>One base reported no challenges and was considered by VA to be a model site.</p>
Navy (2 bases)	<p>One base reported communication challenges. Specifically, local officials indicated that they had not coordinated to provide a cooperative exam process and that servicemembers received both a military separation exam and a VA exam.</p> <p>One base reported no challenges, and the current MOU was being updated to more accurately reflect the cooperative exam process.</p>

Source: GAO analysis of VA information.

One challenge identified at five bases involved resource constraints, which can delay servicemembers' exams or otherwise make it difficult to meet time frames required by the BDD program. For example, at one base there was no designated VA exam provider for more than 7 months and, as a result, there was a significant backlog of exams. At another base that had difficulties hiring physicians, VA officials told us that DOD physicians performed exams that only met DOD requirements because meeting VA requirements was more time intensive. One VA staff member told us that

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DOD physicians often view providing VA exams as a strain on already limited resources and give it lower priority than their other duties. In another example, VA officials told us that VA staff at one base were displaced due to construction and were not guaranteed new space once work was completed. Such a lack of adequate space to conduct exams could limit servicemembers' access to VA personnel or require them to travel off-base to one or more physicians' offices for their exams. In contrast, at the one base VA officials identified as a model for conducting a cooperative exam process, VA contract physicians conduct exams on-site and VA personnel also were located on-site.

Another challenge identified at seven bases related to lack of communication about or awareness of the local cooperative exam MOU, which could affect servicemembers' access to timely and efficient exams. In one case, communication between base commanders and VA was conducted on what they referred to as a need-only basis, if at all. On the other end of the spectrum, local VA and DOD personnel at some bases told us they held regular meetings to ensure the cooperative exam process was being implemented in line with the local MOU. Staffing uncertainties, caused by deployment of a key DOD local official or changes in command leadership, created additional communications challenges on some bases and made it difficult to administer local MOUs. For example, after a leadership change at one base, the military personnel we spoke with were not familiar with the BDD program or the cooperative exam process established by their signed local MOU. As a result, contrary to their local MOU, servicemembers at this base were required to get both a DOD separation physical and a VA exam. Such a requirement could delay claims processing or discourage some servicemembers from participating in the BDD program. Similarly, veterans' service organization officials told us that one of their staff members who was discharged from a base with limited communication between VA and DOD was referred back and forth between VA and DOD in order to complete both departments' discharge requirements. Ultimately, according to veterans' service organization officials, this member did not complete the exam process within BDD's required time frames and had to file the claim after discharge. In contrast, to facilitate a smooth transition, personnel at one base held briefings to help incoming leadership understand the BDD program and the administration of the ongoing local MOU.

DOD and VA have provided some guidance to date on implementing and maintaining local MOUs. However, personnel in some of the sites we visited were unfamiliar with how other bases were implementing the cooperative exam processes and expressed interest in learning about

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promising practices at other bases. Further, neither VA nor DOD has recently evaluated or disseminated best practices associated with successful implementation that might help local officials address challenges they face in administering this process.

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## Conclusions

The BDD program has been regarded by many as a success story—an effective means for thousands of separating servicemembers to receive their disability benefits faster than if they had filed a claim under VA’s traditional process. This program does have inherent advantages; however, VA has not yet taken enough steps to ensure accountability in its implementation of the program. For example, without adequate measures for BDD timeliness and accuracy, VA is unable to sufficiently monitor development of BDD claims. Second, given that VA has conducted reviews of BDD operations in only 16 of the 40 regional offices, its monitoring approach has, to date, been insufficient to identify and resolve variations from VA policy, such as sending claims forward to be rated without sufficient evidence. Further, without evaluating its recent initiatives to improve the program, such as paperless claims processing, VA may not be taking full advantage of opportunities to improve implementation of the program.

Additionally, DOD and VA have taken several important steps to extend BDD access to servicemembers at military bases other than the 142 intake sites, inform servicemembers about BDD and facilitate their BDD applications. Nevertheless, servicemembers continue to face a variety of challenges gaining prompt access to benefits provided by this important program. First, servicemembers unable to attend VA benefits briefings may not become aware of the BDD program, or even the benefits to which they are entitled. Although VA and DOD have set a goal for servicemembers’ participation, without a plan or a way to accurately measure progress toward meeting that goal, the agencies have little information on the extent to which VA benefits briefings are reaching all transitioning servicemembers who may benefit from the BDD program. Second, absent collection and review of data on claims filed by component, VA cannot know the extent to which servicemembers have comparable access to and receive timely benefits under these two programs. Finally, not all servicemembers are afforded the convenience of a cooperative exam, because VA has not taken steps to ensure that local officials are maintaining their MOUs or capitalizing on best practices. To the extent that VA and DOD do not address gaps in accountability and challenges to participation in the BDD program, these agencies are



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missing opportunities to further this program's success and assist all servicemembers in their transition from military duty to civilian life.

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## Recommendations for Executive Action

To improve accountability for performance in the BDD program and alternative predischarge program, we recommend that the Secretary of Veterans Affairs direct the Under Secretary of Veterans Benefits to:

1. track and account for the time needed for claims development activities that occur prior to discharge in the agency's timeliness calculation for BDD and pre-discharge claims;
2. consider the cost of options for separately estimating the accuracy of BDD and predischarge claims;
3. collect data for all claims filed by component (for example, National Guard or Reserves) and analyze the extent to which different components are filing claims and receiving timely benefits under BDD, predischarge and traditional claims processes;
4. conduct an evaluation of the paperless claims processing initiative to determine which adjustments, if any, are needed to improve its effectiveness; and
5. include program reviews of BDD operations as part of oversight visits to regional offices with BDD operations and take steps to further ensure such reviews are conducted and reported on more consistently.

To ensure that potentially eligible participants are aware of the BDD program, we recommend that the Secretary of Defense direct the Under Secretary of Defense for Personnel and Readiness to establish:

1. an accurate measure of servicemembers' participation in TAP including VA benefit briefings; and
2. a plan with specific time frames for meeting its goal of 85 percent participation rate in TAP.

To ensure that servicemembers have full access to a cooperative exam process that is convenient, efficient, and consistent for servicemembers, the Chairs of the Joint Executive Council should direct the Benefits Executive Council to identify and disseminate information on promising practices that address challenges local officials commonly face.

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## Agency Comments and Our Evaluation

We provided a draft of this report to VA and DOD for review and comment. Both agencies provided written comments, shown in appendixes II and III respectively, and VA provided technical comments which we have incorporated into the report as appropriate.

VA agreed with most of our recommendations. Specifically, VA agreed to conduct a cost-benefit analysis to separately evaluate the accuracy of BDD and pre-discharge claims. VA also agreed to evaluate its capacity to collect data for analyzing the extent to which different components are filing claims and receiving timely benefits under BDD, pre-discharge, and traditional claims processing. VA also agreed to conduct oversight reviews of BDD operations regularly and consistently. VA concurred in part with our recommendation to evaluate its paperless processing initiative prior to additional expansion, noting that it plans to move forward with the initiative but will simultaneously monitor and evaluate its progress. While we support VA's efforts to reduce its use of paper files and move to a system of developing and rating claims electronically, we maintain that it is important to conduct an evaluation of the paperless initiative at the earliest possible time to minimize potential implementation challenges, and modified our recommendation accordingly.

VA did not concur with our recommendation that it include the time its personnel spend on developing BDD and pre-discharge claims in its corresponding timeliness measures for three reasons. Specifically, VA stated that (1) it has no legal authority to pay benefits until the member has been discharged and becomes a veteran; (2) a servicemember may not be discharged as planned in that the member's time may be extended or the member may decide to remain on active duty; and (3) the development time prior to discharge would not be an accurate measure of VA timeliness, because it is possible that a claim could be fully developed well in advance of the member's discharge date, in which case the claim could await rating and payment decisions for months. We did modify the recommendation and acknowledge VA's efforts to measure timeliness of claims processing after a servicemember becomes a veteran and that VA lacks legal authority to pay benefits before discharge. However, VA personnel are spending resources to develop claims prior to discharge, and the lack of authority to pay benefits does not preclude VA from tracking and accounting for those activities. Moreover, if VA accounted for time that its personnel are actively developing BDD or pre-discharge claims—as opposed to including the time that claims have already been developed and are only waiting for the servicemember to be discharged—then the agency would more accurately measure claims timeliness. Consistent with our recommendation, VA could collaborate with DOD to

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develop and implement these measures, because local military officials also play a role in facilitating a member's BDD application in that they must release servicemembers from their duties for claims-related activities, such as getting their medical exams and records.<sup>31</sup> This would also be consistent with past practices, whereby VA and DOD collaborated in defining measures of participation in BDD under the auspices of their Joint Executive Council.<sup>32</sup>

DOD concurred with all of our recommendations. For example, DOD agreed to develop a more accurate measure of servicemember participation in TAP as well as a plan to help it reach its goal of 85 percent participation. DOD expressed some concern that, because most of TAP is voluntary and is provided by other agencies, it will face challenges in developing its participation measure and plan. We agree that the voluntary nature of the program represents a challenge, but maintain that effective outreach to servicemembers and coordination with other agencies should help DOD implement these recommendations.

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As agreed with your offices, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after its issue date. At that time, we will send copies of this report to the Secretary of Veterans Affairs, Secretary of Defense, appropriate congressional committees, and other interested parties. We will also make copies available to others upon request. In addition, the report will be available at no charge on GAO's Web site <http://www.gao.gov>.

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<sup>31</sup>For more information on effective collaboration, see GAO, *Results-Oriented Government: Practices That Can Help Enhance and Sustain Collaboration among Federal Agencies*, GAO-06-15 (Washington, D.C.: Oct. 21, 2005).

<sup>32</sup>VA/DOD Joint Executive Council Strategic Plan Fiscal Years 2008-2010 (November 2007).

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If you or your staffs have any questions about this report, please contact me at (202) 512-7215 or at [bertonid@gao.gov](mailto:bertonid@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix IV.



Daniel Bertoni  
Director, Education, Workforce,  
and Income Security Issues

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*List of Requesters*

The Honorable Steve Buyer  
Ranking Member, Committee on Veterans' Affairs  
House of Representatives

The Honorable John J. Hall  
Chairman, Subcommittee on Disability Assistance  
and Memorial Affairs  
Committee on Veterans' Affairs  
House of Representatives

The Honorable Harry E. Mitchell  
Chairman, Subcommittee on Oversight and Investigations  
Committee on Veterans' Affairs  
House of Representatives

The Honorable John F. Tierney  
Chairman, Subcommittee on National Security and Foreign Affairs  
Committee on Oversight and Government Reform  
House of Representatives

The Honorable Jason Altmire  
House of Representatives

The Honorable Michael Arcuri  
House of Representatives

The Honorable Nancy Boyda  
House of Representatives

The Honorable Bruce Braley  
House of Representatives

The Honorable Christopher Carney  
House of Representatives

The Honorable Kathy Castor  
House of Representatives

The Honorable Yvette Clarke  
House of Representatives

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The Honorable Steve Cohen  
House of Representatives

The Honorable Joe Courtney  
House of Representatives

The Honorable David Davis  
House of Representatives

The Honorable Joe Donnelly  
House of Representatives

The Honorable Keith Ellison  
House of Representatives

The Honorable Brad Ellsworth  
House of Representatives

The Honorable Gabrielle Giffords  
House of Representatives

The Honorable Kirsten Gillibrand  
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The Honorable Phil Hare  
House of Representatives

The Honorable Baron Hill  
House of Representatives

The Honorable Mazie Hirono  
House of Representatives

The Honorable Paul Hodes  
House of Representatives

The Honorable Henry "Hank" Johnson, Jr.  
House of Representatives

The Honorable Steve Kagen, M.D.  
House of Representatives

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The Honorable Ron Klein  
House of Representatives

The Honorable Nick Lampson  
House of Representatives

The Honorable David Loebsack  
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The Honorable Tim Mahoney  
House of Representatives

The Honorable Jerry McNerney  
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House of Representatives

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House of Representatives

The Honorable Carol Shea-Porter  
House of Representatives

The Honorable Heath Shuler  
House of Representatives

The Honorable Albio Sires  
House of Representatives

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The Honorable Zachary Space  
House of Representatives

The Honorable Betty Sutton  
House of Representatives

The Honorable Timothy Walz  
House of Representatives

The Honorable Peter Welch  
House of Representatives

The Honorable Charles Wilson  
House of Representatives

The Honorable John Yarmuth  
House of Representatives



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# Appendix I: Scope and Methodology

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Our overall research objectives were to examine the Department of Veterans Affairs' (VA) efforts to manage and improve the Benefits Delivery at Discharge (BDD) program and determine how VA and the Department of Defense (DOD) are addressing challenges servicemembers face in accessing the program. To address these objectives, we reviewed several key documents, such as policy guidance, program manuals, and service regulations (see section on Review of Key Documents) and conducted interviews with national DOD and VA officials (see sections on Interviews with National DOD and VA Officials and Veterans' Service Organizations). We also visited five VA regional offices, including the two regional offices with rating activity sites, and conducted phone interviews with officials in another four regional offices (see section on Site Visits and Interviews at VA Regional Offices and Military Bases). We also conducted site visits and interviews with VA and DOD personnel at 14 bases offering the BDD program within the jurisdiction of these VA regional offices. In addition, VA provided us with information on the number and location of bases offering the BDD program, the number of claims filed, exam providers used, and program timeliness reports. DOD provided us with data on the number of servicemembers who were discharged (see section on VA and DOD data). We assessed the reliability of these data and determined they were suitable for the purposes of this report. These data were current as of February 2008. Finally, we reviewed prior GAO reports and other relevant documentation. We conducted this performance audit from July 2007 to September 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Review of Key Documents

We obtained and reviewed a variety of documentation from VA, such as the VA Compensation and Pension Adjudication Procedure Manual Rewrite, policy guidance, copies of local memoranda of understanding (MOU) on the cooperative exam process, and Compensation and Pension site visit reports. We also obtained and reviewed a variety of documentation from DOD, including service regulations, memoranda and directives, and task force reports. We also reviewed reports from both agencies' inspectors general on their evaluations of assistance provided to transitioning servicemembers.

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## Interviews with National DOD and VA Officials

We interviewed national DOD and VA officials to understand the administration and monitoring of the BDD program, including officials with the Army Office of the Surgeon General, VA/DOD Coordination Office, VA's Director of Benefits Delivery at Discharge, VA's Office of Quality Assurance, and VA's Office of Field Operations. Our interviews with VA officials and personnel covered the following topics: roles and responsibilities for processing BDD claims, BDD performance measurement and data systems, oversight of regional implementation of BDD, and VA's initiatives to improve BDD. Our interviews with DOD officials and personnel covered efforts and challenges to providing outreach for the BDD program, including the implementation of a new participation goal. We also met with VA and DOD representatives on the Benefits Executive Council's BDD Working Group to discuss the status of various initiatives related to BDD, including the development of a new participation measure.

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## Interviews with Veterans' Service Organizations

To gain additional perspectives on the management and improvement of the BDD program and servicemembers' access to the program, we interviewed officials from a number of veterans' service organizations, including Disabled American Veterans, Paralyzed American Veterans, Military Officers Alumni Association, and Veterans of Foreign Wars, among others. These interviews included organization personnel who helped develop BDD claims at select military bases.

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## Site Visits and Interviews at VA Regional Offices and Military Bases

We conducted site visits to bases offering the BDD program under the jurisdiction of five VA regional offices—Chicago, Illinois; Roanoke, Virginia.; Salt Lake City, Utah; Seattle, Washington; and Winston-Salem, North Carolina. We also conducted phone interviews with bases offering the BDD program under the jurisdiction of an additional four VA regional offices —Buffalo, New York; San Diego, California; Pittsburgh, Pennsylvania; and Waco, Texas. In total, we conducted site visits and phone interviews with nine VA regional offices and 14 bases offering the BDD program.

We selected a mix of regional offices and bases using the following criteria: (1) the presence of a base offering the BDD program, (2) dispersion across the four Veterans Benefits Administration geographic areas (eastern, southern, central, and western), (3) the number of BDD and predischage claims filed in 2006, and (4) representation of the military service branches. We also considered whether the regional office included one of the two BDD rating offices. In making our selections, we

also factored in the regional office’s and bases’ reputation for the administration of the BDD program, which we determined based on input from national DOD and VA officials and other sources. Table 6 lists our selected site visit locations and summarizes the selection criteria for each regional office.

**Table 6: Key Selection Criteria for Site Visit Locations and Interviews**

VA regional office <sup>a</sup>	Base	Veterans Benefits Administration geographic area	Average number of BDD claims in development per week, 2006 <sup>b</sup>	Service branch
<b>Site Visits</b>				
Chicago	Naval Station Great Lakes	Central	2	Navy
Roanoke	Fort Lee Walter Reed Army Medical Center	Southern	20	Army Army
Salt Lake City	Hill Air Force Base	Western	930	Air Force
Seattle	Fort Lewis Whidbey Island Naval Air Station	Western	16	Army Navy
Winston-Salem	Camp Lejeune Fort Bragg	Southern	2,639	Marine Corps Army
<b>Interviews</b>				
Buffalo	Fort Drum	Eastern	11	Army
Pittsburgh	Landstuhl Medical Center Yongsan Garrison	Eastern	12	Army Army
San Diego	Camp Pendleton	Western	395	Marine Corps
Waco	Dyess Air Force Base Fort Bliss	Central	102	Air Force Army

Source: GAO analysis of DOD and VA information.

<sup>a</sup>Salt Lake City and Winston-Salem are BDD rating offices.

<sup>b</sup>These data show the average number of BDD claims that was in development each week in selected regional offices in calendar year 2006.

**VA Regional Office Site Visits and Interviews**

During our VA regional office site visits and most of our phone interviews, we spoke with regional office management responsible for the administration of the BDD program, including the regional office

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managers and service center managers.<sup>1</sup> In addition, at the rating offices, we spoke with BDD coaches responsible for the supervision of the processing and rating of BDD claims.

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## Base Site Visits and Interviews

During our base site visits or phone interviews, we also spoke with VA and military personnel responsible for the administration of the BDD program and the cooperative exam process. In addition, during our site visits we toured the bases, including exam facilities. At one base we attended the VA benefits portion of a Transition Assistance Program, as well as a claims workshop. We also followed-up on some of our site visits by phone or e-mail to collect additional information.

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## VA and DOD Data

To examine VA's timeliness and accuracy for processing BDD claims, VA provided us with the following information for fiscal year 2007: (1) average number of days pending for BDD claims specifically and all claims (including BDD); (2) average number of days to complete work on claims for BDD claims specifically and all claims (including BDD); and (3) percentage of all claims that were accurately rated by VA rating personnel.

To examine servicemembers' access to the BDD program, VA provided us with (1) the total number of claims filed through the BDD program for fiscal years 2003 through 2007; (2) the number filed in each of the two rating offices in fiscal year 2007; and (3) the percentage of first-year claims filed through the BDD program in fiscal years 2005 through 2007. VA also provided us with the number of claims filed through the predischARGE program, an alternative to the BDD program between April 2007 and April 2008.

To examine servicemembers' access to bases offering the BDD program, VA provided us with a list of bases offering the BDD program and the status of their implementation of local MOUs for administering a cooperative exam process, as well as copies of these MOUs. From this list, we calculated the total number of bases offering the BDD program and the

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<sup>1</sup>During our phone interviews we spoke with VA regional office management responsible for the administration of the BDD program at all but one of the selected VA regional offices. We did not interview regional office management in the Pittsburgh, Pa. VA regional office because the BDD program was almost entirely administered overseas at the two sites under its jurisdiction, Landstuhl Medical Center (Germany) and Yongsan Garrison (South Korea).

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number of bases with MOUs in place. To examine challenges to providing a cooperative exam process, VA provided us with a list of VA exam providers for bases offering the BDD program. From this list, we calculated the use of exam providers across bases offering the BDD program.

To examine servicemembers' access to bases offering the BDD program, DOD provided us with data on the number of servicemembers discharged from bases internationally in fiscal year 2007. From these data, we analyzed the total number and percentage of servicemembers who were discharged from bases offering the BDD program.

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# Appendix II: Comments from the Department of Veterans Affairs

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THE DEPUTY SECRETARY OF VETERANS AFFAIRS  
WASHINGTON

August 4, 2008

Mr. Dan Bertoni  
Director  
Education, Workforce and Income Security  
U. S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Mr. Bertoni:

The Department of Veterans Affairs has reviewed your draft report, **VETERANS' DISABILITY BENEFITS: Better Accountability and Access Would Improve the Benefits Delivery at Discharge Program**, (GAO-08-901) and concurs with the majority of your recommendations.

The enclosures address the Government Accountability Office's recommendations and provide additional discussion and technical comments to the draft report. VA appreciates the opportunity to comment on your draft report.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Gordon H. Mansfield".

Gordon H. Mansfield

Enclosures

Enclosure

Department of Veterans Affairs (VA) Comments to  
Government Accountability Office (GAO) Draft Report  
**VETERANS' DISABILITY BENEFITS: Better Accountability and Access Would  
Improve the Benefits Delivery at Discharge Program**  
(GAO-08-901)

**Recommendation 1:** Include time needed for claims development activities that occur prior to discharge in the agency's timeliness calculation for BDD and pre-discharge claims and measure timeliness of BDD and pre-discharge claims separately from timeliness for traditional claims.

**Non Concur** – The Benefits Delivery at Discharge (BDD) program helps service members complete the disability compensation application process and required medical examinations prior to their separation from service, so that payment of compensation can begin as soon as possible after separation. VA assists service members in filing a BDD claim up to 180 days prior to their projected date of separation. VA does not consider in its timeliness calculation the period between receipt of the BDD claim and the service member's separation from service because:

- VA has no legal authority to pay benefits until the claimant is separated from military service. Fully developed claims therefore must be held until the service member is separated.
- The active duty service time may be extended, or the service member may decide to remain on active duty.
- Inclusion of development time prior to a service member's separation from service would not be an accurate measure of VA's timeliness.

For example, when a service member files a claim on the 180th day prior to discharge, a diary is established with a date of claim 6 months in the future. After the examination report and service treatment records are scanned and forwarded to the rating activity site (RAS), the claim still cannot be promulgated until the day following the service member's release from active duty. By the time a service member is released from service, the claim might have been at the RAS in a ready for decision status for several months.

Since the time that elapses between the receipt of a pre-discharge claim and the award of benefits is not directly related to the development of the claim, it should not be included in the measurement of VA's timeliness. In BDD claims, the date of separation drives the timeliness of actions prior to discharge. By contrast, in traditional claims processing, it is the date of receipt of the claim that drives timeliness.

Enclosure

Department of Veterans Affairs (VA) Comments to  
Government Accountability Office (GAO) Draft Report  
***VETERANS' DISABILITY BENEFITS: Better Accountability and Access Would  
Improve the Benefits Delivery at Discharge Program***

(GAO-08-901)  
(Continued)

**Recommendation 2:** Consider the cost of options for separately estimating the accuracy of BDD and pre-discharge claims.

**Concur** – The Veterans Benefit Administration (VBA) will conduct a cost-benefit analysis to separately evaluate the accuracy of BDD and quick start pre-discharge claims processing.

**Recommendation 3:** Collect data for all claims filed by component (for example, National Guard or Reserves) and analyze the extent to which different components are filing claims and receiving timely benefits under BDD, pre-discharge and traditional claims processes.

**Concur** – VBA will evaluate its capacity to collect this data.

**Recommendation 4:** Prior to additional expansion, conduct an evaluation of the paperless claims processing initiative to determine which aspects of the initiatives have been effective, which have not, and what challenges remain for future expansion.

**Concur in part** – VA believes it must continue to move forward with the paperless claims processing initiative. However, VBA will continue to monitor all aspects of this initiative and evaluate its progress to ensure we proceed effectively and efficiently, and that changes do not negatively impact delivery of benefits to veterans.

**Recommendation 5:** Include program reviews of BDD operations as part of oversight visits to regional offices with BDD operations and take steps to further ensure such reviews are conducted and reported on more consistently.

**Concur** – C&P Service has been conducting oversight visits to BDD intake sites since 2005. Members from the C&P Service Procedures and Program Development Staff perform reviews of BDD operations at field stations and RAS.



# Appendix III: Comments from the Department of Defense



PERSONNEL AND  
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE  
4000 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-4000



AUG - 5 2008

Mr. Daniel Bertoni  
Director, Education, Workforce, and Income Security Issues  
U.S. Government Accountability Office  
441 G. Street NW  
Washington, D.C. 20548

Dear Mr. Bertoni:

This is the Department of Defense (DoD) response to the GAO draft report GAO-08-901, 'VETERAN'S DISABILITY BENEFITS: Better Accountability and Access Would Improve the Benefits Delivery at Discharge Program,' dated July 8, 2008 (GAO Code 130790).

We have reviewed the draft report and provide the enclosed written comments.

My point of contact is Mr. Michael Lincecum, who can be reached at 703-696-8710 or via email at [michael.lincecum@osd.pentagon.mil](mailto:michael.lincecum@osd.pentagon.mil).

Sincerely,

Jeanne B. Fites  
Deputy Under Secretary of Defense  
Program Integration

Enclosure:  
As stated



GAO DRAFT REPORT - DATED JULY 8, 2008  
GAO CODE 130790/GAO-08-901

“VETERANS’ DISABILITY BENEFITS: Better Accountability and Access Would Improve  
the Benefits Delivery at Discharge Program”

DEPARTMENT OF DEFENSE COMMENTS  
TO THE RECOMMENDATIONS

**RECOMMENDATION 1:** The GAO recommends that the Secretary of Defense direct the Under Secretary of Defense for Personnel and Readiness to establish an accurate measure of Service Members’ participation in the Transition Assistance Program (TAP), including VA benefit briefings.

**DOD RESPONSE:** Concur. There are four parts of TAP: 1) Pre-Separation Counseling (which is the only part DoD controls and is mandatory by law); 2) the 2.5-day Employment Workshop (which the Department of Labor (DoL) provides - not mandatory); 3) the 4-hour VA Benefits Briefing (which the Veterans Affairs provides - not mandatory); and 4) the 2-hour Disabled Transition Assistance Program (DTAP) briefing (which VA also provides only if applicable to the individual Service member - also not mandatory). Participation numbers for each part of TAP (with the exception of pre-separation counseling) may vary widely because 3 of the 4 parts are not mandatory and, in some Services, the DoL Workshop and VA Benefits briefings are not given in conjunction with one another.

**RECOMMENDATION 2:** The GAO recommends that the Secretary of Defense direct the Under Secretary of Defense for Personnel and Readiness to establish a plan with specific timeframes for meeting its goal of 85 percent participation rate in the Transition Assistance Program.

**DOD RESPONSE:** Concur. However, there are four parts of TAP, only one of which is mandatory (pre-separation counseling). Even if DoD/DoL/VA had perfect communications mechanisms whereby every separating Service member at the appropriate time in their transition process was informed of the DoL and VA parts of TAP, they could still choose to NOT attend them.

**RECOMMENDATION 3:** The GAO recommends that the Chairs of the Joint Executive Council direct the Benefits Executive Council to identify and disseminate information on promising practices that address challenges local officials commonly face.

**DOD RESPONSE:** Concur.

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# Appendix IV: GAO Contact and Staff Acknowledgments

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## GAO Contact

Daniel Bertoni, (202) 512-7215 or [bertonid@gao.gov](mailto:bertonid@gao.gov)

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## Staff Acknowledgments

Michele Grgich (Assistant Director), Jason Palmer (Analyst-in-Charge), John Larsen, and Amber Yancey-Carroll made significant contributions to this report. Walter Vance provided assistance with research methodology and data analysis. Rebecca Beale, Elizabeth Curda, Martin Scire, and Greg Whitney provided subject matter expertise. Roger Thomas provided legal counsel. Rachael Valliere provided assistance with writing, and Mimi Nguyen provided assistance with graphics.

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# Related GAO Products

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*Veterans' Benefits: Increased Focus on Evaluation and Accountability Would Enhance Training and Performance Management for Claims Processors.* [GAO-08-561](#). Washington, D.C.: May 27, 2008.

*Federal Disability Programs: More Strategic Coordination Could Help Overcome Challenges to Needed Transformation.* [GAO-08-635](#). Washington, D.C.: May 20, 2008.

*VA and DOD Health Care: Progress Made on Implementation of 2003 President's Task Force Recommendations on Collaboration and Coordination, but More Remains to Be Done.* [GAO-08-495R](#). Washington, D.C.: April 30, 2008.

*VA Health Care: Additional Efforts to Better Assess Joint Ventures Needed.* [GAO-08-399](#). Washington, D.C.: March 28, 2008.

*DOD and VA: Preliminary Observations on Efforts to Improve Care Management and Disability Evaluations for Servicemembers.* [GAO-08-514T](#). Washington, D.C.: February 27, 2008.

*Information Technology: VA and DOD Continue to Expand Sharing of Medical Information, but Still Lack Comprehensive Electronic Medical Records.* [GAO-08-207T](#). Washington, D.C.: October 24, 2007.

*DOD and VA: Preliminary Observations on Efforts to Improve Health Care and Disability Evaluations for Returning Servicemembers.* [GAO-07-1256T](#). Washington, D.C.: September 26, 2007.

*GAO Findings and Recommendations Regarding DOD and VA Disability Systems.* [GAO-07-906R](#). Washington, D.C.: May 25, 2007.

*Information Technology: VA and DOD Are Making Progress in Sharing Medical Information, but Are Far from Comprehensive Electronic Medical Records.* [GAO-07-852T](#). Washington, D.C.: May 8, 2007.

*Veterans' Disability Benefits: Processing of Claims Continues to Present Challenges.* [GAO-07-562T](#). Washington, D.C.: March 13, 2007.

*Veterans' Disability Benefits: Long-Standing Claims Processing Challenges Persist.* [GAO-07-512T](#). Washington, D.C.: March 7, 2007.

*High Risk Series: An Update.* [GAO-07-310](#). Washington, D.C.: January 31, 2007.

*Veterans' Disability Benefits: VA Can Improve Its Procedures for Obtaining Military Service Records.* [GAO-07-98](#). Washington, D.C.: December 12, 2006.

*Military Disability Evaluation: Ensuring Consistent and Timely Outcomes for Reserve and Active Duty Service Members.* [GAO-06-561T](#). Washington, D.C.: April 6, 2006.

*Military Disability System: Improved Oversight Needed to Ensure Consistent and Timely Outcomes for Reserve and Active Duty Service Members.* [GAO-06-362](#). Washington, D.C.: March 31, 2006.

*VA and DOD Health Care: Opportunities to Maximize Resource Sharing Remain.* [GAO-06-315](#). Washington, D.C.: March 20, 2006.

*Veterans' Benefits: Further Changes in VBA's Field Office Structure Could Help Improve Disability Claims Processing.* [GAO-06-149](#). Washington, D.C.: December 9, 2005.

*Veterans' Disability Benefits: Claims Processing Challenges and Opportunities for Improvements.* [GAO-06-283T](#). Washington, D.C.: December 7, 2005.

*Veterans' Disability Benefits: Claims Processing Problems Persist and Major Performance Improvements May Be Difficult.* [GAO-05-749T](#). Washington, D.C.: May 26, 2005.

*Military and Veterans' Benefits: Enhanced Services Could Improve Transition Assistance for Reserves and National Guard.* [GAO-05-544](#). Washington, D.C.: May 20, 2005.

*VA and DOD Health Care: Efforts to Coordinate a Single Physical Exam Process for Servicemembers Leaving the Military.* [GAO-05-64](#). Washington, D.C.: November 12, 2004.

*Veterans' Benefits: Improvements Needed in the Reporting and Use of Data on the Accuracy of Disability Claims Decisions.* [GAO-03-1045](#). Washington, D.C.: September 30, 2003.

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