

September 2008

MILITARY DISABILITY SYSTEM

Increased Supports for Servicemembers and Better Pilot Planning Could Improve the Disability Evaluation Process





Highlights of [GAO-08-1137](#), a report to congressional requesters

Why GAO Did This Study

In February 2007, a series of articles in *The Washington Post* about conditions at Walter Reed Army Medical Center highlighted problems in the military's disability evaluation system. Subsequently, the Department of the Army, Department of Defense (DOD), and Department of Veterans Affairs (VA) undertook initiatives to address concerns with the disability evaluation process. In 2007, the Army took steps to streamline its process, and DOD and VA began piloting a joint evaluation system to address systemic concerns about timeliness and the potential inefficiency of having separate disability evaluation systems. GAO was asked to examine (1) recent actions by the Army to help servicemembers navigate its disability evaluation process and (2) the status, plans, and challenges of DOD and VA's efforts to pilot and implement a joint disability evaluation system. GAO interviewed Army, DOD, and VA officials; visited Army treatment facilities; and reviewed data from these sources.

What GAO Recommends

GAO recommends that the Army explore options for improving its disability evaluation process and its servicemember satisfaction survey, and that DOD and VA (1) establish criteria for determining whether their pilot should be widely implemented and (2) take steps to sustain management attention on pilot evaluation and implementation. DOD and VA generally agreed with the recommendations.

To view the full product, including the scope and methodology, click on [GAO-08-1137](#). For more information, contact Daniel Bertoni at (202) 512-7215 or bertonid@gao.gov.

MILITARY DISABILITY SYSTEM

Increased Supports for Servicemembers and Better Pilot Planning Could Improve the Disability Evaluation Process

What GAO Found

The Army has taken a number of steps to help servicemembers navigate the disability evaluation process through additional support mechanisms and streamlining efforts, but faces challenges in meeting internal goals and demonstrating impact. Most significantly, the Army has begun hiring more staff to facilitate the process for servicemembers, such as legal personnel, and setting staffing goals for key positions, such as for board liaisons and physicians. However, the Army has not met its internal staffing goals for board liaisons and physicians, and continues to face shortages in legal personnel. The Army has also struggled to meet timeliness goals for case processing and has even experienced negative trends over the last year, despite streamlining initiatives. Furthermore, the Army faces particular challenges in meeting timeliness goals for completing reservists' evaluations, due in part to the challenge of obtaining complete personnel and medical documents from nonmilitary sources. Besides staffing initiatives, the Army has also taken steps to help servicemembers better understand and navigate the process. However, we found that these efforts varied by location, and that many servicemembers we spoke with were unaware of the availability of expert legal counsel. To increase transparency of the disability process, one location we visited afforded servicemembers the opportunity to have the written summary of their medical conditions explained to them, but not all Army locations have adopted this practice. In general, the Army faces challenges in demonstrating that its efforts to date have had an overall positive impact on servicemembers' satisfaction, because it has not implemented a survey that adequately targets and queries servicemembers who are undergoing disability evaluations.

Under direction from the agencies' joint Senior Oversight Committee, DOD and VA moved quickly to design and pilot a joint disability evaluation process, but gaps remain in their plans to evaluate the pilot and potentially implement a joint process on a larger scale. DOD and VA have established a comprehensive mechanism for measuring key aspects of the pilot. However, they have not yet decided on criteria for determining whether the joint process is worthy of widespread implementation. In addition, although DOD and VA are in the process of developing surveys to measure servicemember and stakeholder satisfaction, sufficient comparative data on servicemember satisfaction may not be available when the pilot is scheduled to end. DOD and VA are also in the process of tracking challenges that have arisen in implementing the pilot, but they have not yet resolved several challenges associated with expanding the joint process if the pilot is deemed successful. Such challenges include determining who will perform the single physical examination when a VA medical center is not nearby. Beyond these concerns, DOD and VA may ultimately need to prepare for challenges that come with implementing large-scale system changes—such as those envisioned by the pilot. These challenges include sustaining management attention to ensure that the changes are implemented well and are producing the intended results. However, the Senior Oversight Committee's planned January 2009 end raises questions about whether management attention will be maintained over the long term.

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Abbreviations

AMAP	Army Medical Action Plan
CBHCO	Community Based Health Care Organization
DOD	Department of Defense
MEB	medical evaluation board
PEB	physical evaluation board
PTSD	post-traumatic stress disorder
TBI	traumatic brain injury
TDRL	temporary disability retired list
VA	Department of Veterans Affairs

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United States Government Accountability Office
Washington, DC 20548

September 24, 2008

Congressional Requesters

Over 32,000 servicemembers have been wounded in Operations Enduring Freedom and Iraqi Freedom, as of July 2008.¹ Due to improved battlefield medicine, those who might have died in past conflicts are now surviving, many with multiple serious injuries, such as amputations, traumatic brain injury (TBI), and post-traumatic stress disorder (PTSD). Beyond adjusting to their injuries, returning servicemembers can face additional challenges within the military. In February 2007, a series of articles in *The Washington Post* about conditions at Walter Reed Army Medical Center highlighted problems in the military's disability evaluation system.

Since that time, various reviews and high-level commissions have identified substantial weaknesses in the disability evaluation system that servicemembers must navigate. For example, in March 2007, the Army Inspector General identified numerous weaknesses, including a failure to meet timeliness standards for determinations and inadequate staff training.² Similarly, reports from several commissions highlighted long delays and confusion that ill or injured servicemembers experience as they navigate the military disability evaluation system, and their distrust of a process perceived to be adversarial.³ The commissions referred to prior GAO work, including a March 2006 report in which GAO found that the services were not meeting Department of Defense (DOD) timeliness goals for processing disability cases, and that neither DOD nor the services

¹The data include Active, Reserve, and National Guard servicemembers wounded in action from October 7, 2001, to July 5, 2008. Over two-thirds of these servicemembers were in the Department of the Army. Of these Army servicemembers, 24 percent were from the Reserve or National Guard.

²Department of the Army, Office of the Inspector General, *Report on the Army Physical Disability Evaluation System* (Washington, D.C.: Mar. 6, 2007).

³Independent Review Group, *Rebuilding the Trust: Report on Rehabilitative Care and Administrative Processes at Walter Reed Army Medical Center and National Naval Medical Center* (Arlington, Va.: April 2007); Task Force on Returning Global War on Terror Heroes, *Report to the President* (April 2007); and President's Commission on Care for America's Returning Wounded Warriors, *Serve, Support, Simplify* (July 2007).

systematically evaluated the consistency of disability decisions.⁴ In addition, in October 2007, the Veterans' Disability Benefits Commission reported significant differences in disability ratings between the DOD and the Department of Veterans Affairs (VA), with VA often assigning higher disability ratings than DOD.⁵

The Department of the Army, DOD, and VA have undertaken initiatives to address concerns about delays and confusion with the disability evaluation process. For example, in March 2007, the Army initiated the development of the Army Medical Action Plan (AMAP). Broadly designed to help the Army become more patient-focused, the plan includes several tasks for improving its disability evaluation process. Apart from the Army's initiatives, DOD and VA are piloting a joint disability evaluation system to address more systemic concerns, such as the timeliness and potential inefficiency and variable outcomes of DOD's and VA's separate evaluation systems. Begun in November 2007, the pilot involves a single physical examination performed to VA standards and a rating prepared by VA for use by both DOD and VA in determining disability benefits. The pilot is ongoing at three Washington, D.C., military treatment facilities, including Walter Reed Army Medical Center, and is scheduled to last 1 year. The pilot is being conducted under the direction of a joint DOD and VA body—the Wounded, Ill, and Injured Senior Oversight Committee (Senior Oversight Committee)—that was established in May 2007 to address problems associated with the care and treatment of returning servicemembers.

At your request, we examined (1) recent actions taken by the Army to help ill and injured servicemembers navigate its disability evaluation process and (2) the status, plans, and challenges of DOD and VA's efforts to pilot and implement a joint disability evaluation system. To address the first objective, we analyzed staffing data and relevant Army documents, such as policy memorandums and the March 2007 Army Inspector General report. Out of the Army's 35 treatment facilities, we visited 4—Walter Reed Army Medical Center (Washington, D.C.), Brooke Army Medical Center (Fort Sam Houston, Texas), Carl R. Darnell Army Medical Center (Fort Hood,

⁴GAO, *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.: Mar. 31, 2006).

⁵Veterans' Disability Benefits Commission, *Honoring the Call to Duty: Veterans' Disability Benefits in the 21st Century* (October 2007).

Texas), and Madigan Army Medical Center (Fort Lewis, Washington)—that are near the 3 sites where the Army conducts disability evaluations to talk with Army officials about efforts to improve the disability evaluation system for servicemembers, and to obtain views from servicemembers about how these efforts are affecting them. To help assess legal outreach and other supports to servicemembers, we also spoke with officials from 5 treatment facilities that are not near any of the Army’s disability evaluation sites. These 5 facilities were selected on the basis of varying size (small, medium, and large) and representation from the different geographic areas of the Army’s medical organization. In addition, we spoke with officials from the Army’s Community Based Health Care Organization (CBHCO) system and visited a CBHCO location in Massachusetts to learn about issues for reservists entering the disability evaluation process from the CBHCO system.⁶

To examine DOD and VA’s efforts to pilot a joint disability evaluation system, we reviewed DOD and VA pilot planning and guidance documents. We also visited the 3 facilities—Walter Reed Army Medical Center, National Naval Medical Center, and Malcolm Grow Air Force Medical Center—where the pilot is ongoing to speak with officials about the status, plans, and challenges related to evaluating the disability evaluation pilot and potentially implementing a joint system. In addition, we spoke with officials from DOD and VA who are coordinating pilot implementation and evaluation efforts, and reviewed weekly reports that include the number of cases by phase of the process in the pilot.

We conducted this review 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. Additional information about our objectives, scope, and methodology is provided in appendix I.

Results in Brief

The Army has taken a number of steps to help servicemembers navigate the disability evaluation process through additional supports and streamlining efforts, but it faces challenges in meeting internal goals and

⁶We use the word “reservist” in this report to refer to reserve component members.

demonstrating impact. Most significantly, the Army has expanded support to servicemembers by hiring more staff, such as board liaisons to help servicemembers navigate the process and legal personnel to counsel them during the process. Furthermore, the Army established internal staff-to-servicemember goals for board liaisons as well as for board physicians who are responsible for documenting servicemembers' conditions. However, the Army has not met its internal staffing goals for board liaisons and physicians, and it continues to face shortages in legal personnel. The Army has also struggled to meet timeliness goals for case processing and has even experienced negative trends over the last year, despite streamlining initiatives such as reducing forms, increasing automation in the process, and deploying a unit of mobile medical staff to help address caseload surges at certain locations. According to Army officials and data, longer case processing times have resulted, in part, from increases in the number and complexity of disability cases, as exemplified by the growing incidence of conditions that require psychiatric evaluation. The Army faces particular challenges in meeting timeliness goals for processing reservists' cases, due in part to the challenge of obtaining complete personnel and medical documents from nonmilitary treatment facilities. Besides staffing and streamlining initiatives, the Army has also increased supports to help servicemembers understand and navigate the process—such as providing a standardized briefing about the disability process and conducting specific outreach to explain the legal process. However, we found that the briefing and outreach varied by location, and many servicemembers we spoke with were unaware of the availability of expert legal counsel. To increase transparency and improve servicemember understanding and acceptance of the disability process, one location we visited afforded servicemembers the opportunity to have the written summary of their medical conditions explained to them. However, in part due to staffing and resource constraints, not all Army locations have adopted this practice. In general, the Army faces challenges in demonstrating that its efforts to date have had an overall positive impact on servicemembers' satisfaction, because it has not yet implemented a survey that adequately targets and queries servicemembers who are undergoing disability evaluation. The Army's goal was to field such a survey by September 2007.

While DOD and VA moved quickly under direction from the agencies' joint Senior Oversight Committee to design and pilot a joint disability evaluation process, gaps remain in their plans to evaluate the pilot and to potentially implement a joint process on a larger scale. DOD and VA have established a comprehensive mechanism for measuring the pilot's performance and have established methods for measuring a number of key

aspects of the pilot, such as appeal rates and the timeliness of decisions. However, they have not yet decided on the criteria they will use for determining whether the pilot has demonstrated enough improvement to be deemed a success, and worthy of potential implementation on a large scale. Meanwhile, DOD and VA plan to survey pilot and nonpilot participants, pilot participant family members, and military and VA staff involved in the disability evaluation process to measure their satisfaction with the pilot relative to the current process, but only one survey—of servicemembers participating in the pilot—has been developed and administered, and it is unclear when the agencies will finalize and administer the other planned surveys. Furthermore, sufficient servicemember satisfaction results, and comparative results for servicemembers not participating in the pilot, may not be available in time to inform a near-term determination of the worthiness of the pilot concept. DOD and VA are tracking challenges that have arisen in implementing the pilot, but they have not yet resolved several challenges to implementing a joint process on a large scale if the pilot is deemed successful. Such challenges include estimating the additional resources needed, such as board liaisons and VA nonclinical case management staff, and determining how to deal with logistical arrangements, such as who will perform the single physical examination. The latter challenge is particularly important because the current pilot locations have access to a VA medical center where the physical examinations are performed; however, not all military medical facilities have comparable access to VA physicians, so alternative arrangements may be necessary under an expanded system. Beyond these concerns, DOD and VA may ultimately need to prepare for a number of challenges that come with implementing large-scale system changes, such as those envisioned by the pilot. These challenges include sustaining management attention to ensure that the changes are well-implemented and are producing the intended results. However, the Senior Oversight Committee's planned January 2009 expiration date raises questions regarding whether management attention will be maintained during critical junctures leading to and including phased in, large-scale implementation.

We are making several recommendations in this report for executive action. To help address shortcomings in the timeliness of case processing, we recommend that the Army consider developing additional mobile units of medical board staff and explore approaches to improving reservists' case development. To help reduce servicemembers' confusion about the process, we recommend that the Army explore more widespread implementation of promising practices for further improving servicemembers' understanding of the written summary of medical

conditions that underlies the disability decision, and for ensuring that servicemembers understand their rights to and are aware of the availability of legal counsel during the evaluation process. In addition, to help the Army assess the effectiveness of its support to servicemembers undergoing disability evaluations, the Army should survey a representative sample of servicemembers undergoing disability evaluation, with questions to better assess legal outreach and support throughout the process. Finally, to ensure that the evaluation of the joint DOD-VA pilot is sound and its potential large-scale implementation is well-managed, we recommend that DOD and VA (1) identify criteria and develop plans to evaluate the pilot and guide potential implementation decisions and (2) sustain collaborative executive focus on the pilot by, for example, continuing the agencies' joint Senior Oversight Committee. We provided DOD and VA with a draft of this report, and they generally agreed with these recommendations.

Background

The military's disability evaluation process begins with the identification of a medical condition that could render the servicemember unfit for duty. On the basis of medical examinations, a medical evaluation board (MEB) documents any conditions that may limit a servicemember's ability to serve in the military. The servicemember's case is then evaluated by a physical evaluation board (PEB) to make a determination of fitness or unfitness for duty.⁷ If the servicemember is found to be unfit due to medical conditions incurred in the line of duty, the PEB assigns the servicemember a combined percentage rating for those unfit conditions using VA's rating system as a guideline, and the servicemember is discharged from duty. This disability rating, along with years of service and other factors, determines subsequent disability and health care benefits from DOD.⁸ Appendix II provides additional background information about the MEB and PEB processes.

As servicemembers in the Army navigate DOD's disability evaluation process, they interface with staff who play a key role in supporting them

⁷There are five PEB sites across the military. The Army has three PEBs located at Fort Sam Houston, Texas; Walter Reed Army Medical Center, Washington, D.C.; and Fort Lewis, Washington. The Navy has one PEB located at the Washington Navy Yard in Washington, D.C. The Air Force has one PEB located in San Antonio, Texas.

⁸Servicemembers who separate from the military with a DOD disability rating of 30 percent or higher receive health care benefits for life, regardless of their years of service.

through the process. MEB physicians play a fundamental role because they are responsible for documenting the medical conditions of servicemembers for the disability evaluation case file. In addition, board physicians may require that servicemembers obtain additional medical evidence from specialty physicians, such as a psychiatrist. Throughout the MEB and PEB processes, a board liaison serves a key role by explaining the process to servicemembers, and ensuring that the servicemembers' case files are complete before they are forwarded for evaluation by the PEB. The board liaison informs servicemembers of board results and of deadlines at key decision points in the process. The military also provides legal counsel to servicemembers in the disability evaluation process. The Army, for example, has a policy to provide legal counsel anytime upon request and to assign legal representation at formal PEB hearings, although servicemembers may retain their own representative at their own expense.

In addition to receiving benefits from DOD, veterans with service-connected disabilities may receive compensation from VA for lost earnings capacity.⁹ Although a servicemember may file a VA claim while still in the military, he or she can only obtain disability compensation from VA as a veteran. VA will evaluate all claimed conditions, whether or not they were evaluated previously by the military service's evaluation process. If VA finds that a veteran has one or more service-connected disabilities with a combined rating of at least 10 percent,¹⁰ the agency will pay monthly compensation. The veteran can claim additional benefits over time, for example, if a service-connected disability worsens or surfaces at a later point in time.

In response to the deficiencies reported by the media, GAO, and the Army Inspector General about the care its injured and ill servicemembers received, the Army took several actions, including, most notably, initiating the development of the AMAP in March 2007. The plan, designed to help the Army become more patient-focused, includes tasks for automating portions of the disability evaluation process and maximizing coordination of efforts with VA. As part of the AMAP, the Army also developed a new organizational structure—Warrior Transition Units—to provide a more

⁹Concurrent receipt of military retired pay and VA disability compensation is permitted under certain circumstances.

¹⁰VA determines the degree to which veterans are disabled in 10 percent increments on a scale of 0 to 100 percent.

focused continuum of care and services to both active-duty and reservist servicemembers.¹¹ Within each unit, the servicemember is assigned a primary care manager, a nurse case manager, and a squad leader to manage the servicemember's medical treatment and help ensure that the needs of the servicemember and his or her family are met.¹²

In May 2007, DOD established the Senior Oversight Committee to bring high-level attention to addressing the systemic problems associated with the care and treatment of returning servicemembers. The committee is cochaired by the Deputy Secretaries of Defense and Veterans Affairs and also includes the military service secretaries and other high-ranking officials within DOD and VA. To conduct its work, the committee established workgroups to address specific issues, including the disability evaluation system.¹³ Originally intended to expire in May 2008, the committee was extended to January 2009.

Under the direction of the Senior Oversight Committee, DOD and VA are piloting a joint disability evaluation system to improve the timeliness and resource use of DOD's and VA's separate disability evaluation systems. Begun in November 2007, the pilot involves cases at three Washington, D.C.-area military treatment facilities, including Walter Reed Army Medical Center.¹⁴ Key features of the pilot include (see fig. 1):

¹¹Previously, the Army had separate structures to care for active-duty and reservist servicemembers whose injury or illness prevented them from working in their assigned unit during recovery. Ill or injured active-duty servicemembers were placed in "Medical Hold" status, and ill or injured reservists were placed in "Medical Holdover" status.



¹²As of June 2008, 57 percent of servicemembers undergoing disability evaluation were in a Warrior Transition Unit. Some servicemembers in Warrior Transition Units are not undergoing disability evaluation because their conditions have not yet healed or stabilized.

¹³Additional workgroups are examining case management, TBI and PTSD matters, and data sharing between DOD and VA, among other issues.

¹⁴The three pilot locations are Walter Reed Army Medical Center, Washington, D.C.; National Naval Medical Center, Bethesda, Maryland; and Malcolm Grow Air Force Medical Center, Andrews Air Force Base, Maryland.

- a single physical examination conducted to VA standards as part of the MEB;¹⁵
- disability ratings prepared by VA, for use by both DOD and VA in determining disability benefits; and
- additional outreach and nonclinical case management provided by VA staff at the DOD pilot locations to explain VA results and processes to servicemembers.

Figure 1: Major Differences between Current and Pilot Military Disability Evaluation Processes

	Current process	Pilot process
 Servicemember	<p>Board liaison provides support</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px auto;">Medical Evaluation Board (MEB)</div> <p style="text-align: center;">↓</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px auto;">Physical Evaluation Board (PEB)</div> <ul style="list-style-type: none"> • Physical performed by military department • Military department determines disability rating used for computing DOD disability benefits 	<p>Board liaison and VA staff provide support</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px auto;">Medical Evaluation Board (MEB)</div> <p style="text-align: center;">↓</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px auto;">Physical Evaluation Board (PEB)</div> <ul style="list-style-type: none"> • Comprehensive physical performed to VA standards • VA determines disability rating used for computing DOD disability benefits
<p><i>Separation</i></p>  Veteran	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="width: 45%;"> <ul style="list-style-type: none"> • Receives DOD disability benefits if eligible </div> <div style="width: 10%; text-align: center;">AND</div> <div style="width: 45%;"> <ul style="list-style-type: none"> • Develops claim for VA disability benefits <ul style="list-style-type: none"> – Comprehensive physical performed to VA standards – VA determines disability rating </div> </div>	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="width: 45%;"> <ul style="list-style-type: none"> • Receives DOD disability benefits if eligible </div> <div style="width: 10%; text-align: center;">AND</div> <div style="width: 45%;"> <ul style="list-style-type: none"> • Receives VA disability benefits shortly after leaving military if eligible </div> </div>

Sources: GAO analysis of DOD documents; Art Explosion (clip art).

¹⁵For the current pilot locations, examinations are conducted at the Washington, D.C., VA Medical Center.

Army Has Taken Steps to Help Servicemembers Undergoing Disability Evaluation, but Faces Challenges

The Army has taken a number of steps to help servicemembers navigate the disability evaluation process through additional supports and streamlining efforts, such as expanding support to servicemembers by hiring more board liaisons and legal personnel. In addition, the Army has established a staffing ratio for board physicians who document servicemembers' medical conditions. Nevertheless, the Army continues to struggle with meeting internal goals for the staffing and timeliness of processing disability evaluation cases. In addition, the Army's increased staffing, outreach efforts, and other supports may be insufficient to ensure that servicemembers understand the process and are aware of their legal rights. The Army faces challenges in demonstrating an impact on servicemember satisfaction, in part because the Army has not yet implemented a satisfaction survey that adequately targets and queries servicemembers who are undergoing disability evaluation.

Army Has Increased Staffing for Servicemembers Undergoing Disability Evaluation, but Struggles to Meet Its Internal Goals

As part of the AMAP, the Army established staffing goals for staff who are key to helping servicemembers navigate the disability evaluation process. Specifically, the Army established caseload targets for board liaisons and board physicians, and articulated the need to provide servicemembers with access to legal counsel at the beginning of the process. For board liaisons—who explain the disability process to servicemembers and are responsible for ensuring that their disability case files are complete—the Army established for the first time a caseload target of 30 servicemembers per liaison in June 2007.¹⁶ At the same time, for board physicians—who evaluate and document servicemembers' medical conditions for the disability evaluation case file—the Army established a caseload target of 200 servicemembers per physician. Although a caseload target was not set for legal counsel, the Army proposed dedicating 57 additional legal staff at 19 of its 35 treatment facilities to help servicemembers gain access to legal counsel prior to the formal board hearings when counsel is normally assigned.

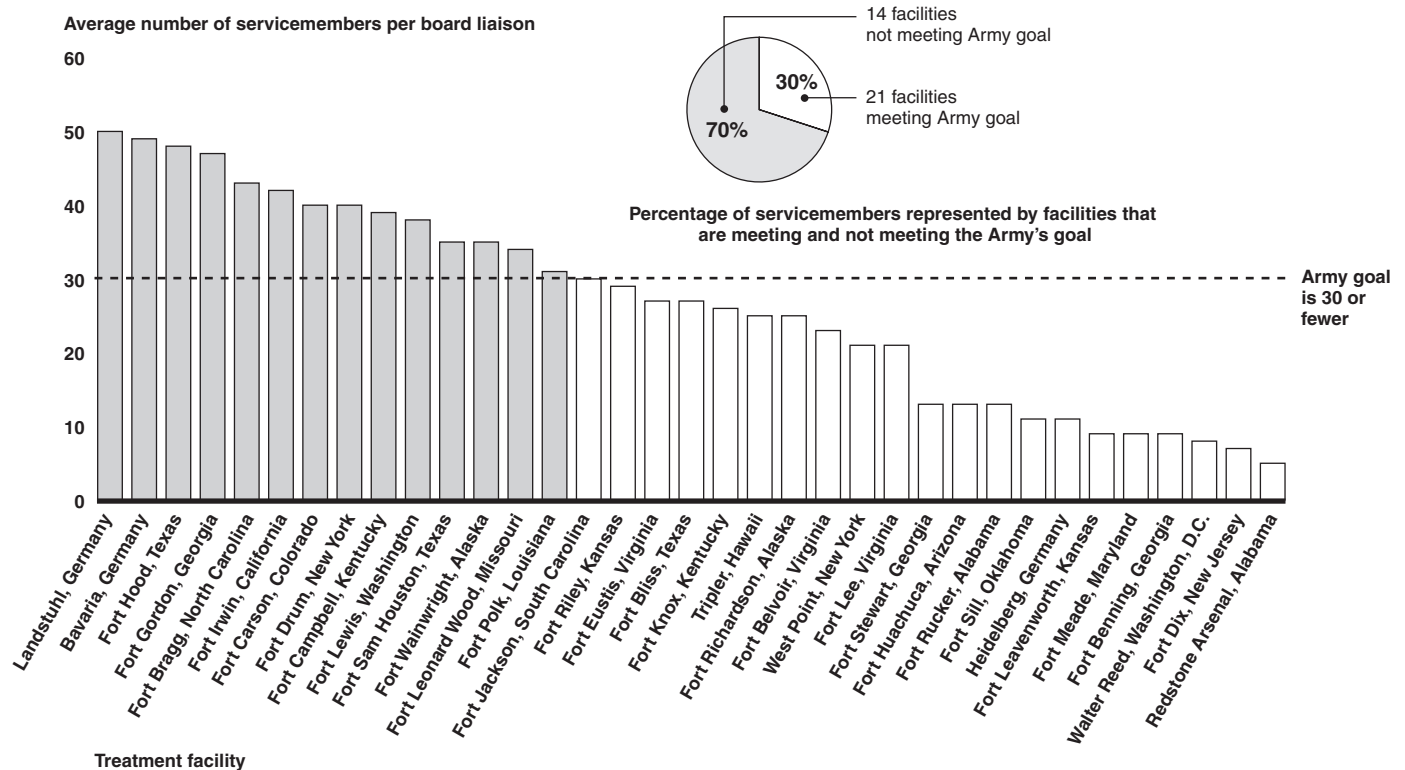
The Army has expanded hiring efforts for board liaisons, but it faces challenges in keeping up with the increased demand for the liaisons' services. From August 2007 to June 2008, the number of board liaisons grew from 160 to 221—a 38 percent increase Army-wide—and the average caseload per liaison declined from 46 to 29 servicemembers. However, as

¹⁶DOD established a caseload target of 20 servicemembers per board liaison in May 2007, but the Army believes its caseload target of 30 servicemembers per liaison is sufficient.

of June 2008, the Army had not met its internal staffing goal of 30 servicemembers per liaison at 14 of its 35 treatment facilities, and about 70 percent of servicemembers in the disability evaluation process were located at facilities with shortages¹⁷ (see fig. 2). Liaisons we spoke with at one of the locations with the highest average caseloads had difficulty in making appointments with servicemembers, which challenged their ability to provide timely and comprehensive support. While the Army plans to hire additional board liaisons, it has encountered difficulty in attracting qualified liaisons at some locations due in part to their remote location. The Army's ability to meet internal staffing goals is also affected by increases in demand. According to Army data, the total number of servicemembers completing the MEB increased about 19 percent from year-end 2006 to year-end 2007.

¹⁷Also as of June 2008, 24 of the Army's 35 treatment facilities—with about 90 percent of servicemembers in the Army disability evaluation process—do not satisfy DOD's caseload target of 20 servicemembers per board liaison.

Figure 2: Average Number of Servicemembers per Board Liaison at Army Treatment Facilities, as of June 2008



Source: GAO analysis of Army data.

Regarding MEB physicians, the Army has mostly met its goal for the average number of servicemembers at each treatment facility, but challenges with physician staffing remain. As of June 2008, the Army met its goal of 200 servicemembers per board physician at 28 of 35 treatment facilities. However, 47 percent of servicemembers undergoing disability evaluation are located at the 7 facilities that did not meet the goal. In addition, according to Army officials, physicians are having difficulty in managing their caseloads, even at locations where they have met or are close to the Army's goal of 200 servicemembers per physician. Several physicians and Army officials told us that the Army could provide better service to servicemembers if more physicians were available to conduct medical evaluations. To help improve case processing, in July 2008 the Army changed the target staffing ratio for board physicians from 200 servicemembers to 120 servicemembers per physician. Some Army physicians told us that the ratio of servicemembers per physician allows little buffer when there is a surge in caseloads at a treatment facility, and

that delays in case processing result from these imbalances. A mobile unit—comprising a board physician, a board liaison, and other staff—has been deployed since 2004 in the Army’s southeast region. According to an Army official who works with the mobile unit, its deployment has helped reduce backlogs where it has been deployed, but such units are not used throughout the Army.

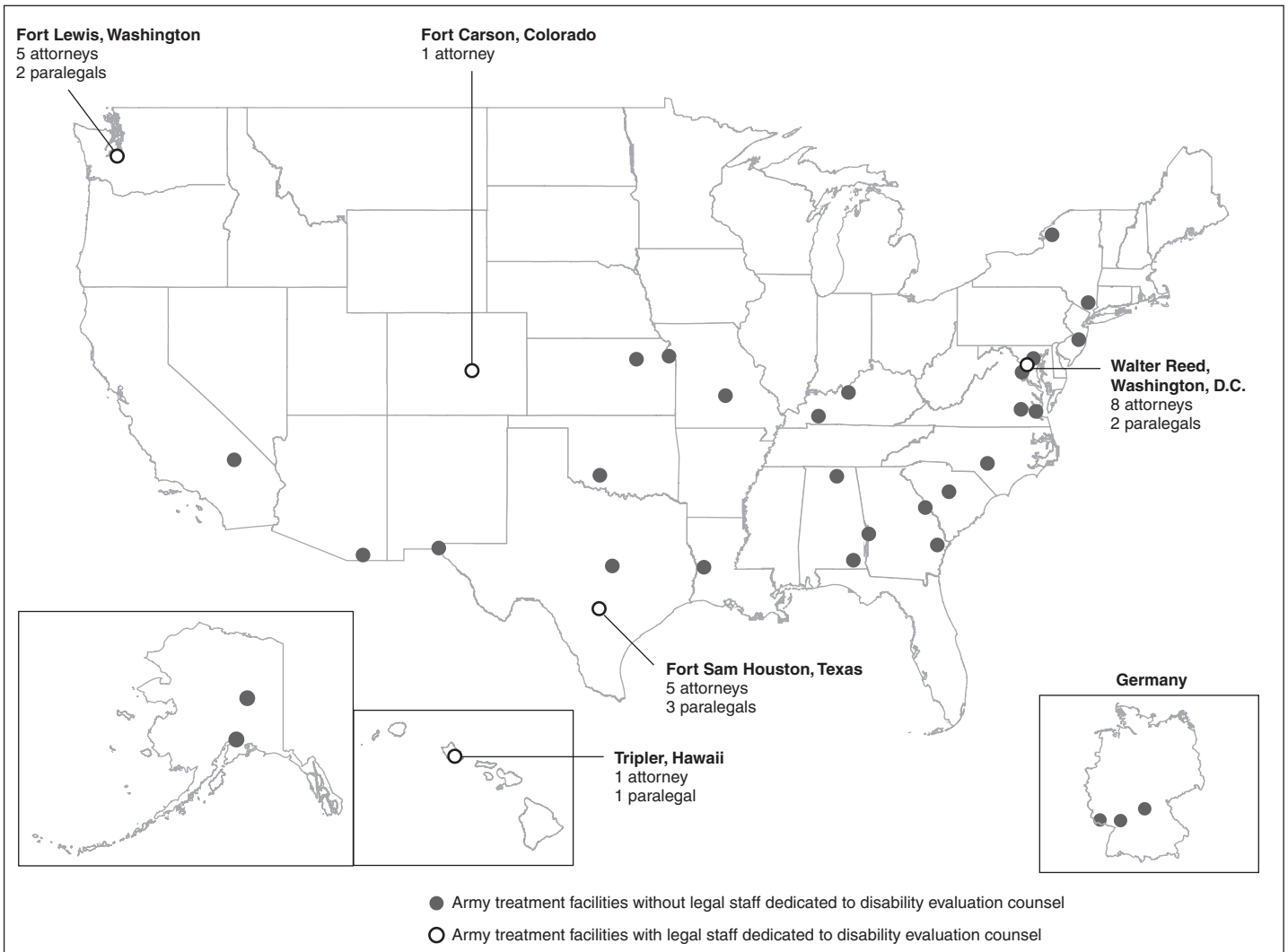
In addition to gaps in board liaisons and board physicians, staffing of legal personnel who provide counsel to injured and ill servicemembers throughout the disability evaluation process is currently insufficient. According to the Army, servicemembers should receive legal assistance upon request during both the MEB and PEB processes. While servicemembers may seek legal assistance at any time, the Army’s policy is to assign legal staff to servicemembers when their case goes before a formal PEB. As of June 2008, there were 28 total staff—20 attorneys and 8 paralegals, located at 5 of 35 Army treatment facilities—dedicated to providing assistance to servicemembers undergoing disability evaluation¹⁸ (see fig. 3). In April 2008, the Army recognized that the current staffing was insufficient and approved the hiring of 36 permanent legal personnel—1 attorney and 1 paralegal at each of 18 locations. Although these additional staff—which the Army is in the process of hiring—will help, their number falls short of the originally proposed 57 staff. According to an Army official involved in legal staffing, the 36 additional staff will still be insufficient to achieve the Army’s goal of providing comprehensive legal support early in the evaluation process. Moreover, some of the legal personnel already in place serve on a temporary basis. Therefore, their replacements will need to learn about military disability evaluation regulations and processes, which involves a substantial learning curve and could pose a challenge to service delivery and quality of legal counsel.¹⁹

¹⁸These staff are located at the 3 facilities with Army PEBs as well as Tripler, Hawaii, and Fort Carson, Colorado. According to Army officials, there are approximately 350 other attorneys assigned to provide various forms of legal assistance to servicemembers. However, these attorneys are not dedicated exclusively to the disability evaluation process, and, according to Army officials, many of these attorneys do not have experience with the process, which limits their ability to counsel servicemembers.

¹⁹In June 2008, the Army replaced 18 reservist legal personnel who were staffed a year prior—to help meet increasing demand for legal support during the disability evaluation process—with 18 new reservists. According to Army officials and a Disabled American Veterans representative with extensive experience in counseling servicemembers during the evaluation process, frequent rotations and turnover of Army attorneys working on disability cases limit their initial effectiveness in representing servicemembers, due to the complexity of disability evaluation regulations.

Army officials also told us that an evaluation is being conducted to determine if additional attorneys should be hired, and that they expect the evaluation to be completed by year-end 2008.

Figure 3: Location of Army Treatment Facilities with and without Legal Staff Dedicated to Disability Evaluation Counsel, as of June 2008



Sources: GAO analysis of Army data; Map Resources (map).

Although the Army generally meets DOD's timeliness goal for the PEBs to process cases, it has had less success in meeting timeliness goals for the MEBs. In 2007, the Army satisfied the DOD-standard that 80 percent of

PEB cases should be processed within 40 days. On average in 2007, PEB cases were processed in 28 days. In terms of the MEBs, the Army has a goal of completing 80 percent of cases within 90 days, and meeting a DOD standard that the final administrative and counseling part of the MEB process be completed within 30 days for at least 80 percent of cases. From January to March 2008, 24 of 35 medical facilities did not meet the Army's 90-day goal for the timely processing of MEB cases. In addition, the percentage of cases Army-wide that have met the goal in a recent 12-month period has trended downward; from April through June 2007, 68 percent of cases met the goal, compared with 55 percent from January through March 2008. Similarly, from January to March 2008, 29 of 35 medical facilities did not meet DOD's 30-day goal for transferring cases to the PEB.²⁰

According to Army officials, several factors have challenged the Army's ability to complete medical board cases in a timely way. In addition to the increase in the number of cases and the shortage of medical board physicians, timely case processing is also challenged by the increasing complexity of cases being evaluated and the shortages of specialist physicians who help perform medical evaluations. For example, the incidence of complex conditions, such as PTSD, that the Army must evaluate has more than doubled, from 4.3 percent in 2005 to 9.5 percent in 2007.²¹ According to Army officials, shortages of specialist physicians, such as psychiatrists who can perform required evaluations, have contributed to delays in case processing. According to an Army official in charge of mental health staff planning, the Army has plans to hire additional psychiatrists—which is consistent with recommendations made by a DOD task force on mental health—but it faces challenges in reaching its goals quickly, in part, due to the difficulty of attracting psychiatrists to work for the Army.

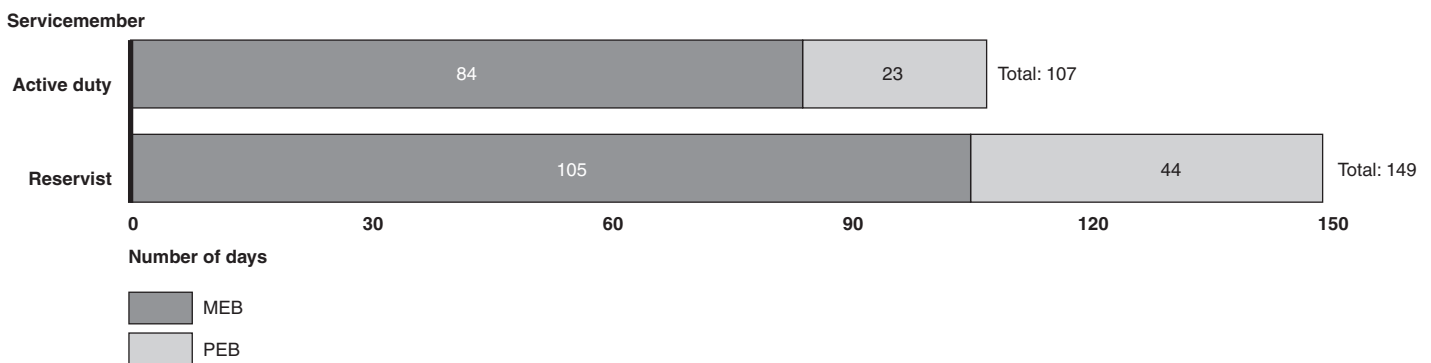
The Army faces particular challenges in meeting timeliness goals for completing reservists' MEBs and PEBs. In 2007, reservists comprised about 20 percent of servicemembers undergoing disability evaluation in

²⁰We have previously reported that the Army has few internal controls to ensure that case processing data were complete and accurate. According to Army officials, data quality has improved due to modifications to the computer system and greater care being taken during the data input process, but we did not substantiate these assertions.

²¹Diagnosing PTSD is time-consuming because it involves psychiatric evaluation over time. Furthermore, PTSD symptoms may arise months after the disability evaluation process has begun.

the Army. The average time to complete the MEB and PEB processes in 2007 was 149 days for reservists, compared with 107 days for active-duty servicemembers (see fig. 4). According to Army officials, disability case processing for reservists is treated the same as that for active component servicemembers, but reservist cases may take longer due, in part, to the challenge of obtaining complete personnel and medical documents. For example, reservists may have more difficulty in obtaining a required commander letter—a key document that describes the servicemember’s duties and how his or her medical conditions affect performance of those duties—than active-duty servicemembers because reservists’ command structure is more dynamic and the appropriate commander may be difficult to track down. In addition, many reservists receive care from non-Army physicians as opposed to receiving care at a military treatment facility. According to Army officials, medical documentation provided by non-Army physicians is more likely to contain insufficient information, resulting in delayed case processing. One indicator of the inadequacy of documentation prepared by non-Army physicians is the number of cases received by the PEB that get returned to the MEB for additional information. In 2007, about 30 percent of reservist cases were returned because of incomplete information compared with about 15 percent for active-duty servicemember cases. As of June 2008, the Army had not taken steps to identify potential actions that might mitigate this disparity.

Figure 4: Average Time to Complete the Army MEB and PEB Processes for Active-Duty and Reservist Servicemembers in 2007



Source: GAO analysis of Army data.

Note: The average times noted in this figure exclude any days when the case is returned by the PEB to the treatment facility for additional case development and servicemember transitions after the PEB decision. Also, GAO previously reported deficiencies in internal controls for MEB and PEB case processing data. According to Army officials, data quality has improved due to computer system and process changes, but we did not substantiate these assertions.

The Army has taken steps to streamline processes to help servicemembers better navigate the disability evaluation system. For example, in March 2008, the Army reduced the number of documents that could be used to complete the PEB from 38 to 19. Also, the template for the commander's letter became more detailed, which obviated the need for submitting some forms, including servicemembers' recent physical fitness examination results. In addition, the Army is developing a computer system to automate the MEB process by replacing paper case files with electronic files, thereby reducing case processing time and improving case tracking. The computer system is being piloted at one facility,²² and if the pilot is successful, the intent is to replicate it throughout the Army by January 2009. According to the AMAP, this automation project was to be completed by January 2008, but the project was delayed and just began in April 2008. According to Army officials, the late start was due, in part, to delays in finding a cost-effective technology solution, receiving the necessary Army approvals, and satisfying contracting procedures.

Army Has Increased Outreach and Other Supports for Servicemembers, but Faces Challenges in Reducing Servicemember Confusion and Demonstrating Improved Servicemember Satisfaction

While the Army has taken steps to address the shortages of legal personnel dedicated to the disability evaluation process, the Army's outreach efforts may be insufficient to ensure that servicemembers are aware of their rights and the availability of legal counsel earlier in the process. Army policy is to advise servicemembers of the availability of legal counsel at the initial briefing when a servicemember begins the disability evaluation process, and to assign servicemembers to attorneys once their case goes before a formal PEB. However, the Army does not have a policy that legal staff attend the initial briefing because, in part, 30 of 35 locations currently do not have on-site legal staff dedicated to the disability process. To address this gap, Army legal personnel who work specifically on disability evaluation cases have begun conducting additional outreach to servicemembers earlier in the process, including traveling in some cases to facilities that lack such personnel. However, due to limited resources, many facilities do not receive this outreach, while others receive it infrequently. Since the Army hired additional staff in June 2007, 10 of the 30 facilities that do not have on-site legal staff dedicated to disability evaluation counsel, have received outreach during the MEB process as of June 2008. Even at the 3 sites we visited that had dedicated legal staff, many servicemembers undergoing disability evaluation with whom we spoke were not aware of the availability of the legal staff or the need for

²²The facility is the Brooke Army Medical Center, Fort Sam Houston, Texas.

legal counseling. According to an Army official involved in legal staffing, if attorneys counseled servicemembers early in the medical board process, servicemembers could have a better understanding of what steps to take to protect their rights. In addition, according to this same official, early outreach could help to make the disability evaluation process proceed faster if servicemembers receive counsel on how to prepare in advance for the many steps in the process.

In addition to the staffing and outreach initiatives to bolster legal support to servicemembers, the Army has made other supports available to help educate servicemembers about the overall process, but these supports are not without limitations. For example, although the Army standardized the initial briefing that we previously mentioned, several locations do not use the standardized version when briefing servicemembers. Of the 9 facilities we visited or contacted by telephone, staff at 3 of these locations used a different version when briefing servicemembers and did not note the availability of legal counsel for servicemembers during the briefing. In addition, the Army created a Web site for each servicemember to track his or her progress through the MEB and PEB processes, and created a link to information about legal support. However, according to Army officials and some servicemembers we spoke with, many servicemembers do not access the Web site. Of the servicemembers we spoke with who had accessed the Web site, many found it limited in answering their questions and at times out of date. Finally, the Army developed and issued a handbook on the disability evaluation process to help educate servicemembers about the process. Although the handbook can be a helpful tool in describing a complex process, many servicemembers we spoke with did not recall receiving or reading the handbook, possibly due to the nature of their conditions and medications, while some found the disability process confusing despite having reviewed the handbook.

Two Army locations we visited provided an additional support that may be successful at reducing servicemembers' confusion with the process, but this support was not offered at other locations we visited. Servicemembers we spoke with at each facility we visited said they found the medical language in the written summary of their medical conditions confusing. At the two locations we previously mentioned, servicemembers were afforded the opportunity to have the written summary explained to them by the physician in order to increase transparency and improve servicemember understanding and acceptance of the disability process. According to Army officials at these facilities, the servicemembers who receive the explanation find the medical board assessment less confusing. Officials at one of these facilities also noted that servicemembers who do

not understand the written summary of their medical conditions are more likely to become dissatisfied with the disability evaluation process, and that the process can be delayed by late identification of additional medical conditions. Despite its potential benefits, in part due to staffing and resource constraints, the Army has not adopted this practice at all locations.

While anecdotal evidence of servicemember confusion with the process is not evidence of widespread or worsening problems, the Army has struggled to assess servicemembers' satisfaction with the disability evaluation process to help demonstrate the impact of its efforts over time. To gauge servicemembers' satisfaction with the process, in June 2007, the Army added questions to a survey that targets servicemembers at various stages in the Army's Warrior Transition Units. In part because of the survey's timing and target respondents, the Army experienced low response rates for the added questions and, therefore, was unable to evaluate the impact of changes to the disability evaluation process. As part of the AMAP, in April 2007, the Army set a goal to improve the survey by September 2007, but delays in developing survey questions postponed deployment until July 2008. The new survey has two sections relevant to the disability evaluation process—one for the MEB and another for the PEB parts of the disability evaluation process. However, the surveys will continue to target servicemembers in Warrior Transition Units. Because many servicemembers undergoing disability evaluation are not in such units, survey responses will not necessarily represent the population undergoing disability evaluation. In addition, the Army may be challenged to identify weaknesses in some supports due to the limited nature of some survey questions. For example, according to an Army official involved in legal staffing, the new surveys do not ask servicemembers questions regarding the effectiveness of legal outreach and support during the MEB phase of the process. Without a feedback mechanism, such as a valid survey, the Army will be challenged to evaluate the effectiveness of planned increases in legal support and current outreach to servicemembers.

DOD and VA Lack Complete Plans for Evaluating and Expanding the Joint Disability Evaluation Pilot Process

DOD and VA have made progress in developing and piloting a streamlined disability evaluation process, but they have much work to do in key areas. Gaps include a lack of clearly identified criteria for determining whether the pilot has been successful and should be implemented on a large scale. Also, although DOD and VA have begun surveying servicemembers in the pilot, they have not yet completed development of surveys to collect customer satisfaction data from nonpilot servicemembers for comparison, or from DOD and VA staff conducting the pilot. Furthermore, DOD and VA have yet to resolve several challenges to expanding the joint process on a large scale if the pilot is deemed successful. These challenges include ensuring that DOD and VA have addressed staffing needs, determining logistical arrangements associated with operating the pilot at additional facilities, and sustaining top agency management focus on the pilot.

DOD and VA Are Collecting Information on Pilot Performance, but They Lack a Complete Plan for Evaluating the Pilot's Success

Since the pilot has been under way since November 2007, DOD and VA have been focused on collecting detailed data on pilot performance. As we noted in our February 2008 testimony, DOD and VA moved quickly and collaboratively to design and implement the pilot, and have been working toward a Senior Oversight Committee review of the pilot's progress. DOD and VA officials expect this review to lead to a decision of whether to expand the pilot to a few facilities beyond the current 3 facilities. According to DOD and VA officials, adding a small number of facilities to the pilot would allow for collection of additional information on pilot performance and to test pilot procedures in different locations with varying servicemember populations and disability evaluation resources. To this end, DOD and VA are in the process of collecting data to compare potential sites for an initial pilot expansion on the basis of several factors. After this initial expansion, the agencies anticipate a decision regarding the worthiness of the pilot process and whether it should become their standard disability evaluation process. DOD is required to provide the Congress with a final assessment of the pilot 3 months after its scheduled November 2008 end.²³

²³Pursuant to the National Defense Authorization Act for Fiscal Year 2008, enacted January 28, 2008, the Secretary of Defense is required to submit a pilot status report not later than 180 days after an initial report, which was submitted on April 30, 2008. The Secretary's final pilot report, due not later than 90 days after the pilot ends, is to represent a final pilot evaluation and assessment, including any recommendations for legislative or administrative action. Pub. L. No. 110-181, § 1644(g).

DOD and VA have established methods for measuring certain key aspects of the pilot, such as timeliness of decisions and appeal rates, and have developed a comprehensive mechanism to track these and other measures.²⁴ The mechanism enables pilot planners to assess their work relative to numerous goals that fall under the following six initiatives: (1) improve disability evaluation policy and procedures, (2) improve servicemember and stakeholder satisfaction with the process, (3) establish an awareness and training program for evaluation system stakeholders, (4) expand the pilot process, (5) meet pilot and nonpilot milestones, and (6) ensure funding to support development of an integrated system. For example, under the first initiative, pilot planners intend to compare various case processing timeliness measures against standards. These metrics include the percentage of MEB cases completed within 80 days, and the percentage of VA benefits letters issued within 30 days of separating from the military. By applying agreed-upon weights to these and other measures, pilot planners will assess whether they have met, partially met, or not met each objective, and signal the overall status of the workgroup's efforts.

While DOD and VA have developed this mechanism to help measure pilot performance, they have yet to finalize criteria for applying those metrics to determine whether the pilot is worthy of eventual full-scale implementation. Pilot planners have indicated that the timeliness of decisions will be a factor in evaluating the effectiveness of the pilot, but there are several potential measures of timeliness. Furthermore, while they are collecting timeliness data from each service to draw comparisons to the pilot process, it is unknown whether comparisons will be made in aggregate; by service; or by subgroups, such as Army reservists. Finally, DOD and VA have not yet decided how much improvement must be demonstrated by the pilot as indicated by any such comparisons.

One set of metrics to be used for evaluating the pilot is servicemember and stakeholder satisfaction, and DOD and VA are in the process of developing and administering several surveys to measure their satisfaction; however, much work remains. Pilot planners intend to survey the following four groups of people: (1) all pilot participants; (2) a sample of servicemembers in the disability evaluation process outside of the pilot; (3) a family member of each pilot participant; and (4) select stakeholders involved in

²⁴The Senior Oversight Committee requested that each of its workgroups develop such a mechanism to help report its work status and progress.

the pilot process, such as board liaisons and VA nonclinical case managers. Surveying of the first group—pilot participants—will be administered after three phases in the process: the MEB; the PEB; and transition, including discharge from the service. For example, the MEB phase survey asks pilot participants about their satisfaction with the assistance provided by DOD and VA liaisons, the thoroughness of their physical examination, and the fairness of the board's decision.

Although pilot planners have begun to survey pilot participants, it is unclear when they will be able to incorporate survey results of this group and other groups into their decision making. Survey data from the pilot's first year is expected to be available for analysis in December 2008. However, surveys of pilot participants only began in May 2008 and, according to pilot planners, it is unlikely that DOD and VA will have sufficient responses in December, particularly from servicemembers who have gone through the later pilot phases, to assess satisfaction with the pilot process. Pilot planners estimate that about 100 servicemembers will have completed the PEB under the pilot by November 2008, but they are unsure if this number will be sufficient for evaluation purposes. Relatedly, pilot planners intend to compare the survey results for pilot participants against survey results for an appropriate group of servicemembers who have undergone military disability evaluation outside of the pilot. Such survey data would help DOD and VA assess whether the pilot is improving servicemembers' satisfaction with their experiences with disability evaluations. However, this survey has not yet been deployed, and it is unclear when DOD and VA will have sufficient responses from servicemembers outside of the pilot to help measure any improvements in servicemember satisfaction under the pilot process.

Pilot planners face further challenges associated with analyzing the survey results. According to DOD officials, servicemembers outside of the pilot who are to be surveyed will be selected to reflect a proportional representation across certain characteristics, such as branch of military service. However, as of the time of our review, these officials had not yet decided how they will select a comparison group with similar demographic and disability profiles as pilot participants.²⁵ Furthermore,

²⁵Having a comparison group with similar demographic and disability profiles would be important to do to the extent that pilot cases have characteristics that are different from nonpilot cases. Walter Reed—the Army pilot location—has facilities for the care and rehabilitation of amputees, and other severely wounded servicemembers, whereas other Army facilities may serve different populations.

pilot planners intend to survey a family member of each pilot participant, but they do not have a clear plan for assessing the results. For example, they do not plan to survey a similar group of nonpilot family members, so the usefulness of family member survey results may be limited.

Regarding these surveys, at the time of our review, pilot planners had not sufficiently coordinated their design or development with other surveys of wounded, ill, and injured servicemembers and their families. Although DOD officials noted that they took steps to coordinate with other survey efforts under the Senior Oversight Committee, coordination has not occurred with service-specific survey efforts. For example, Army officials told us that coordination has not occurred with their initiative to survey servicemembers in the Army's disability evaluation process. Without adequate coordination, these separate efforts could lead to inefficiencies in collecting data from servicemembers and could cause survey fatigue and potentially jeopardize response rates if people are asked to participate in several surveys.

Finally, DOD and VA will be challenged to ensure the quality and consistency of DOD fitness decisions and VA rating decisions prior to determining the worthiness of the pilot concept. VA plans to review all of its decisions on pilot cases as part of its Systematic Technical Accuracy Review.²⁶ Such reviews have not yet begun because, according to VA, it has received few cases requiring disability ratings. VA expects to begin conducting such reviews in October 2008 when it anticipates having a sufficient number of cases for statistical analysis. Under the pilot design, the task of performing quality reviews of PEB fitness decisions was given to DOD's Disability Advisory Council.²⁷ As of July 2008, the process of sampling decisions for review, the criteria for assessing decisions, and the mechanism for providing feedback to the PEBs have not been determined. In terms of consistency, the agencies did not have plans yet to ensure consistency of fitness decisions within each service or, ultimately, of VA rating decisions across VA benefits offices.

²⁶Under this program, samples of VA disability compensation and pension decisions are assessed for case processing and decision accuracy.

²⁷The DOD Disability Advisory Council was established in 1999 to review DOD disability evaluation policies and procedures, among other purposes. The council includes representatives of DOD-wide and military service health and personnel organizations who are stakeholders of the military disability evaluation system.

DOD and VA Are Identifying, but Have Yet to Resolve, Key Challenges Associated with Expanding the Joint Process

As the pilot progresses, DOD and VA are collecting information that could be used to identify resource needs and implementation challenges if they decide to implement the pilot process on a large scale. For example, DOD and VA are tracking pilot operational issues, for use in refining pilot procedures and addressing operational problems, as well as identifying challenges associated with implementation at additional facilities. DOD and VA have conducted pilot review sessions with stakeholders to discuss implementation challenges. In addition, VA has been keeping a log of pilot implementation issues and the status of their resolution. For example, VA staff at pilot sites reported difficulties in ensuring that servicemembers report to scheduled physical examinations. An update was issued to the pilot's guidance requiring that servicemembers be present at their assigned pilot medical facility for a long enough period to ensure their presence for examinations and MEB processing. Also, VA staff have identified problems with obtaining complete service medical records in some cases, leading to another update to the pilot guidance.

Other key implementation challenges identified by DOD and VA officials would be to adjust logistical arrangements to accommodate facility differences and to potentially include other servicemembers in the pilot process. For example, different facilities may require different procedures for performing the single physical examination. While the 3 original pilot locations have physical examinations performed at a nearby VA medical center, some military medical facilities are not near a VA medical center and, therefore, lack comparable access. At such facilities, examinations may need to be conducted by VA contract physicians, DOD physicians, or private physicians under DOD's health insurance program.²⁸ DOD's pilot guidance allows for such arrangements, provided that examinations are conducted according to VA criteria. According to DOD and VA officials, one reason for an initial pilot expansion beyond the original 3 facilities is to test alternative arrangements where VA examiners are not as readily available. In addition, the pilot process does not currently include servicemembers who are being reexamined after being placed on temporary disability retirement by a PEB.²⁹ According to pilot planners,

²⁸Through the TRICARE program, DOD provides medical care to servicemembers and other eligible beneficiaries, including their dependents and military retirees. Beneficiaries may receive care at military treatment facilities or from civilian health care professionals.

²⁹A PEB places servicemembers on a temporary disability retired list when they are deemed unfit for duty, but their conditions are deemed unstable for rating purposes. Servicemembers on temporary disability retirement receive a medical reevaluation at least once every 18 months up to 5 years until a final determination is made.

inclusion of this group of servicemembers in the pilot would require adjustments to pilot guidance and procedures.

Another significant implementation issue that has yet to be resolved is estimating the additional resources, particularly DOD and VA case management staff, required to ensure that the process flows smoothly at additional facilities. VA officials stated that they are tracking VA resource needs at the pilot facilities, particularly VA nonclinical case managers, and have estimated VA resource needs for potential large-scale pilot expansion. In addition to seeking additional VA nonclinical case managers, VA is considering assigning VA service representatives to pilot sites.³⁰ According to VA officials, this assignment is because VA nonclinical case managers have some claims processing functions in the pilot, such as creating claim folders and scheduling physical examinations, which are normally the responsibilities of VA service representatives. Also, according to pilot planners, they have formed a working group to estimate financial resources needed for large-scale implementation of a joint disability evaluation process, including administrative costs and any increases in DOD and VA disability benefit payments. According to VA officials, they are in the process of developing these estimates to help prepare VA's 2010 budget.

In addition to anticipating challenges and resource requirements, successful implementation of the pilot process on a larger scale would require sustained management focus to help ensure that needed resources are identified, implementation challenges are overcome, and focus on achieving intended results is maintained. Currently, that focus is provided by the Senior Oversight Committee, which was scheduled to last 1 year through May 2008, but was extended to January 2009.³¹ Anticipating the committee's dissolution, DOD and VA have been planning to move its functions, including operation of the disability evaluation pilot, to the

³⁰At VA regional benefits offices, VA service representatives, also known as veterans service representatives, perform numerous functions, including establishing claims files; developing evidence to support claim decisions, including obtaining medical examinations and VA and DOD medical records; processing benefits; and handling public contacts with veterans.

³¹Pending legislation, if enacted, would extend the Senior Oversight Committee's operations through fiscal year 2011. National Defense Authorization Act for Fiscal Year 2009, S. 3001, § 1067.

DOD-VA Joint Executive Council.³² According to DOD and VA officials, they are working to incorporate the pilot into the Joint Executive Council's strategic plan—which is currently silent on the pilot and on how the functions of the Senior Oversight Committee would be transferred to the council. According to DOD and VA officials, the next strategic plan, scheduled for approval in October 2008, is expected to include the disability evaluation pilot. In the meantime, concerns have been raised about whether the Joint Executive Council will be able to provide as much management attention as it currently provides. According to DOD and VA officials, the Senior Oversight Committee differs from the Joint Executive Council because the former has full-time staff detailed from DOD and VA. Furthermore, decisions have not been made regarding whether staff currently working under the Senior Oversight Committee will continue their roles and responsibilities of overseeing the pilot under the Joint Executive Council, and for how long. Without knowledgeable staff and continued management focus, especially during the critical junctures leading to and potentially including phased in, large-scale implementation, the pilot may lack sufficient oversight and cross-agency coordination, which raises risks to the sound evaluation of the pilot, and successful implementation of potential widespread changes to the disability evaluation process.

Conclusions

For those servicemembers whose military service was cut short due to illness or injury, DOD's disability evaluation is an important issue because it affects their employment and, in many cases, whether they will receive DOD benefits such as retirement pay and health care coverage. Despite several initiatives, many servicemembers remain confused by the military's process for making these important determinations and are unaware of the potential benefit of consulting with an attorney during the process. Once they become veterans, VA's disability evaluation also affects cash compensation and other disability benefits that they may receive. Going through two complex disability evaluation processes can be difficult and frustrating for servicemembers and veterans. Delayed decisions and confusing policies have eroded the credibility of the system. The Army is struggling to develop effective strategies to address growing and shifting demand for disability evaluations and to meet timeliness goals—overall,

³²The Joint Executive Council was authorized by the Congress to coordinate DOD and VA cooperative efforts in a number of medical care, benefits administration, and information technology areas. The Joint Executive Council's Benefits Executive Council is responsible for coordinating efforts in the disability benefits area.

but especially for reservists. Even if the Army is able to match the supply of medical board staff to the changing demand for its services, without a strategy to address the particular challenges of documenting reservists' cases, the Army will not be able to evaluate their conditions in a timely way. In addition, without a concerted approach to ensuring transparency throughout the process, especially regarding the medical basis of the disability decision and the availability of legal support, servicemembers will remain confused by and dissatisfied with the process. Surveying servicemembers who have gone through the Army's disability evaluation process will help the Army track whether its hiring efforts and other initiatives are benefiting servicemembers and addressing their confusion. However, even if the Army is able to overcome challenges and demonstrate improvements in the evaluation process, its efforts will not address the systemic problem of having two consecutive evaluation processes that can lead to different outcomes.

To address identified systemic problems, DOD and VA are collaborating on a disability evaluation pilot that has potential for reducing the time it takes to receive a decision from both agencies, improving the consistency of evaluations for individual conditions, and simplifying the overall process for servicemembers and veterans. Expanding the pilot to a few more locations may be prudent as a way of testing the process under different conditions, such as at locations lacking easy access to a VA medical facility for physical examinations. However, a much larger expansion would entail some risks; planners should be transparent about, and prepared for, such risks. Without finalizing criteria and related analysis plans well before assessing whether the pilot is successful and merits larger expansion, DOD and VA may ultimately make significant implementation decisions without sufficient data on whether the pilot is producing the desired results. Criteria could include comparative metrics that help the agencies measure the pilot's performance against the current process, including whether decision timeliness and servicemember and veteran satisfaction has improved. Even if the pilot is proven successful, DOD and VA's ability to implement significant changes on a large scale is unknown. Adjusting pilot resource needs and logistical arrangements could prove challenging as a revised process is rolled out to more DOD and VA facilities. Without sufficient planning for and focused management attention on widespread implementation of a joint process that would dramatically change business processes across many locations at both agencies, DOD and VA could jeopardize the systems' successful transformation, and potentially exacerbate confusion and frustration among servicemembers in the process.

Recommendations for Executive Action

We recommend that the Secretary of Defense direct the Secretary of the Army to take the following actions:

- To help reduce delays in MEB case processing due to shortages of board physicians and caseload surges at particular treatment facilities, the Army should consider developing more mobile units of medical board staff, including physicians who could be flexibly deployed to treatment facilities where servicemembers are experiencing case processing delays.
- To address the disparity in timeliness of MEB and PEB case processing for reservists compared with active-duty servicemembers, the Army should explore approaches to improving reservists' case development, such as ensuring adequate documentation of their military duties and medical conditions.
- To further reduce servicemember confusion about and distrust of the disability evaluation process, the Army should explore more widespread implementation of promising practices for:
 - ensuring that servicemembers understand their rights to and are aware of the availability of legal counsel during the disability evaluation process, such as having legal counsel present at in-briefings where feasible; and
 - improving each servicemember's understanding and acceptance of the written summary of medical conditions that underlies his or her disability evaluation, such as affording servicemembers an opportunity to review the summary with the physician who prepared it before the summary is finalized.
- To help the Army assess the effectiveness of its outreach and supports available to servicemembers undergoing disability evaluations, it should administer existing surveys to a representative sample of servicemembers undergoing the MEB and PEB processes, and consider developing additional questions to better assess outreach and support provided by Army legal staff throughout the process.

We also recommend that the Secretary of Defense and the Secretary of Veterans Affairs take the following actions:

- To ensure that the evaluation of the DOD-VA pilot process is sound, and that any decisions on large-scale implementation of it are well-founded, DOD and VA should develop complete plans to evaluate the pilot's success and guide potential large-scale expansion decisions. Such plans should

include criteria for determining how much improvement should be achieved under the pilot on various performance measures—such as decision timeliness and servicemember satisfaction—to merit implementing the joint process throughout DOD and VA.

- To ensure that pilot evaluation and any large-scale implementation of the joint disability process is done successfully, DOD and VA should sustain collaborative executive focus on the pilot and retain knowledgeable staff by, for example, continuing the agencies' joint Senior Oversight Committee or transferring the responsibilities to an equally staffed structure with the same level of executive commitment.

Agency Comments and Our Evaluation

We provided a draft of this report to DOD and VA for review and comments. The agencies provided written comments, which are reproduced in appendixes III and IV. DOD and VA generally agreed with our recommendations.

With respect to the Army's disability evaluation process, DOD agreed with all of the recommendations, but partially agreed with one of them. DOD also commented on relevant steps that the Army is taking on each recommendation, as follows:

- In response to our recommendation that the Army consider developing more mobile units of medical board staff that could be flexibly deployed where servicemembers are experiencing case processing delays, DOD agreed and stated that it planned to conduct a study on the effectiveness of a mobile MEB team by January 1, 2009.
- In response to our recommendation that the Army explore approaches to improving reservists' case development to address the disparity in the timeliness of MEB and PEB case processing for reservist servicemembers versus active-duty servicemembers, DOD agreed and stated that the Army is attempting to automate the MEB process for all of its servicemembers, but indicated that reservists typically have unique challenges in obtaining necessary information. As we noted in our report, DOD may need a broad strategy to address these challenges for reservists and, therefore, should explore approaches to improving reservists' case development.
- In response to our recommendation that the Army explore more widespread implementation of promising practices to ensure that servicemembers understand their rights to and are aware of the availability of legal counsel during the disability evaluation process, DOD

partially agreed. The agency noted that having legal counsel present at in-briefings could diminish their capacity to provide actual counsel to other servicemembers who are further along in the process, and that the in-briefing forum does not lend itself to a confidential exchange of information between servicemembers and legal counsel. DOD noted alternative methods for raising servicemembers' awareness of their legal rights and available services, including screening a relevant video that the Army is in the process of developing. Alternative methods could successfully address our recommendation if they are widely implemented.

- In response to our recommendation that the Army explore more widespread implementation of promising practices to improve servicemembers' understanding and acceptance of the written summary of their medical conditions, DOD agreed. The agency mentioned multiple emerging best practices—such as having the servicemember present when the physician dictates the summary to enable timely discussion—that, if widely implemented, could help ensure that all servicemembers benefit from them.
- In response to our recommendation that the Army administer existing satisfaction surveys to a representative sample of servicemembers undergoing MEBs and PEBs and consider developing additional questions to better assess legal support, DOD agreed and indicated that the Army was in the process of launching a modified survey. However, DOD's comments indicated that the new survey will not be representative of servicemembers undergoing disability evaluation by the Army because the survey will exclude servicemembers who are undergoing disability evaluation, but are not assigned to a Warrior Transition Unit. Because many servicemembers—particularly reservists—are not assigned to a Warrior Transition Unit, excluding them from the survey will generate information that is not representative of all servicemembers undergoing disability evaluation by the Army and, therefore, may yield skewed data.

With respect to DOD and VA's efforts to pilot a joint disability evaluation system, the agencies agreed with our recommendations and provided additional comments, as follows:

- In response to our recommendation that DOD and VA develop criteria to inform decision making on potential expansion of the pilot process, DOD and VA agreed. They stated that their balanced scorecard—the mechanism that they are using to track pilot performance—will help them accomplish this objective. Although a mechanism like the balanced scorecard is useful for tracking certain key measures, at the time of our review, the balanced

scorecard did not identify minimum levels of performance improvement that should be achieved for certain metrics before the pilot is considered successful and merits widespread implementation.

- In response to our recommendation that DOD and VA sustain collaborative executive focus on the pilot and retain knowledgeable staff, DOD and VA agreed. VA officials have reported that, with DOD, they have developed a legislative proposal for a new coordinating organization, the Senior Executive Oversight Committee, that would replace both the Senior Oversight Committee and Joint Executive Council. To the extent that oversight of the pilot transitions to a new organization, DOD and VA will need to guard against the potential loss of continuity in pilot monitoring activities, such as planning, resource allocation, and evaluation. As part of their sustained executive focus, DOD and VA leadership should, to the extent possible, retain staff who are knowledgeable about the history and management of the pilot to provide continuity to pilot management and oversight. Without such continuity and sustained focus, sound implementation and assessment of the pilot may be jeopardized.

We are sending copies of this report to relevant congressional committees, the Secretary of Veterans Affairs, the Secretary of Defense, 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 at <http://www.gao.gov>.

Please contact me at (202) 512-7215 or bertonid@gao.gov if you or your staffs have any questions about this report. 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 V.



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

List of Requesters

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

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

The Honorable Harry 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

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
House of Representatives

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 Hank Johnson
House of Representatives

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

The Honorable Ron Klein
House of Representatives

The Honorable Nick Lampson
House of Representatives

The Honorable David Loebsack
House of Representatives

The Honorable Tim Mahoney
House of Representatives

The Honorable Jerry McNerney
House of Representatives

The Honorable Chris Murphy
House of Representatives

The Honorable Patrick Murphy
House of Representatives

The Honorable Ed Perlmutter
House of Representatives

The Honorable Ciro Rodriguez
House of Representatives

The Honorable John Sarbanes
House of Representatives

The Honorable Joe Sestak
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

The Honorable Zack 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

Appendix I: Objectives, Scope, and Methodology

The objectives of our review were to examine (1) recent actions taken by the Department of the Army to help ill and injured servicemembers navigate its disability evaluation process and (2) the status, plans, and challenges of the Department of Defense (DOD) and the Department of Veterans Affairs' (VA) efforts to pilot and implement a joint disability evaluation system.

To address the first objective, we analyzed relevant documents, including Army forms, Army policy memorandums, relevant DOD directives, and a related Army Inspector General report.¹ We reviewed staffing and case processing data related to disability evaluation initiatives established in the Army Medical Action Plan (AMAP). We did not verify the accuracy of these data. However, we interviewed agency officials knowledgeable about the data, and we determined that they were sufficiently reliable for the purposes of this report. Out of the Army's 35 treatment facilities, we visited 4—Walter Reed Army Medical Center (Washington, D.C.), Brooke Army Medical Center (Fort Sam Houston, Texas), Carl R. Darnell Army Medical Center (Fort Hood, Texas), and Madigan Army Medical Center (Fort Lewis, Washington)—that are near the 3 sites where the Army conducts physical evaluation boards (PEB) to talk with Army officials about efforts to improve the disability evaluation process for servicemembers, and to obtain views from servicemembers about how these efforts are affecting them. To help assess legal outreach and other supports to servicemembers, we also spoke with officials from 5 treatment facilities that are not located near any of the Army's PEB sites. These 5 facilities were selected on the basis of varying size (small, medium, and large) and representation from the different geographic areas of the Army's medical organization. These facilities were Bassett Army Community Hospital (Fort Wainwright, Alaska), Dwight D. Eisenhower Army Medical Center (Fort Gordon, Georgia), Keller Army Community Hospital (West Point, New York), Munson Army Health Center (Fort Leavenworth, Kansas), and Tripler Army Medical Center (Honolulu, Hawaii). In addition, we spoke with officials from the Army's Community Based Health Care Organization (CBHCO) system and visited a CBHCO location in Massachusetts to learn about issues that concern reservists entering the disability evaluation process from the CBHCO system.

¹Department of the Army, Office of the Inspector General, *Report on the Army Physical Disability Evaluation System* (Washington, D.C.: Mar. 6, 2007).

To address DOD and VA efforts to pilot a joint disability evaluation system, we reviewed these agencies' pilot guidance documents, and visited the 3 original pilot facilities—Walter Reed Army Medical Center (Washington, D.C.), National Naval Medical Center (Bethesda, Maryland), and Malcolm Grow Air Force Medical Center at Andrews Air Force Base, Maryland. We spoke with DOD and VA officials to learn about the status, plans, and challenges related to evaluating the disability evaluation pilot and to potentially implementing a joint system. Our interviews with DOD officials included officials of the Office of the Under Secretary of Defense (Personnel and Readiness) and its pilot contractor, Booz Allen Hamilton; officials of the services' Surgeon General offices and officials responsible for their disability evaluation processes; and officials of the original pilot facilities, including medical evaluation board (MEB) and PEB members, and board liaisons. We also discussed pilot surveys with officials of the Defense Manpower Data Center, which is developing and administering the surveys to help evaluate the pilot. In VA, we spoke with officials of the Compensation and Pension Service, Veterans Benefits Administration, which is responsible for VA's pilot activities. To analyze pilot implementation issues, we reviewed records from DOD and VA pilot stakeholder meetings—including pilot review, expansion planning, and stakeholder training sessions—and reviewed the Wounded, Ill, and Injured Senior Oversight Committee records related to the pilot. Furthermore, we reviewed weekly reports that included the number of cases by phase of the process in the pilot.

We conducted this review 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.

Appendix II: Additional Background Information about the Military Disability Evaluation Process

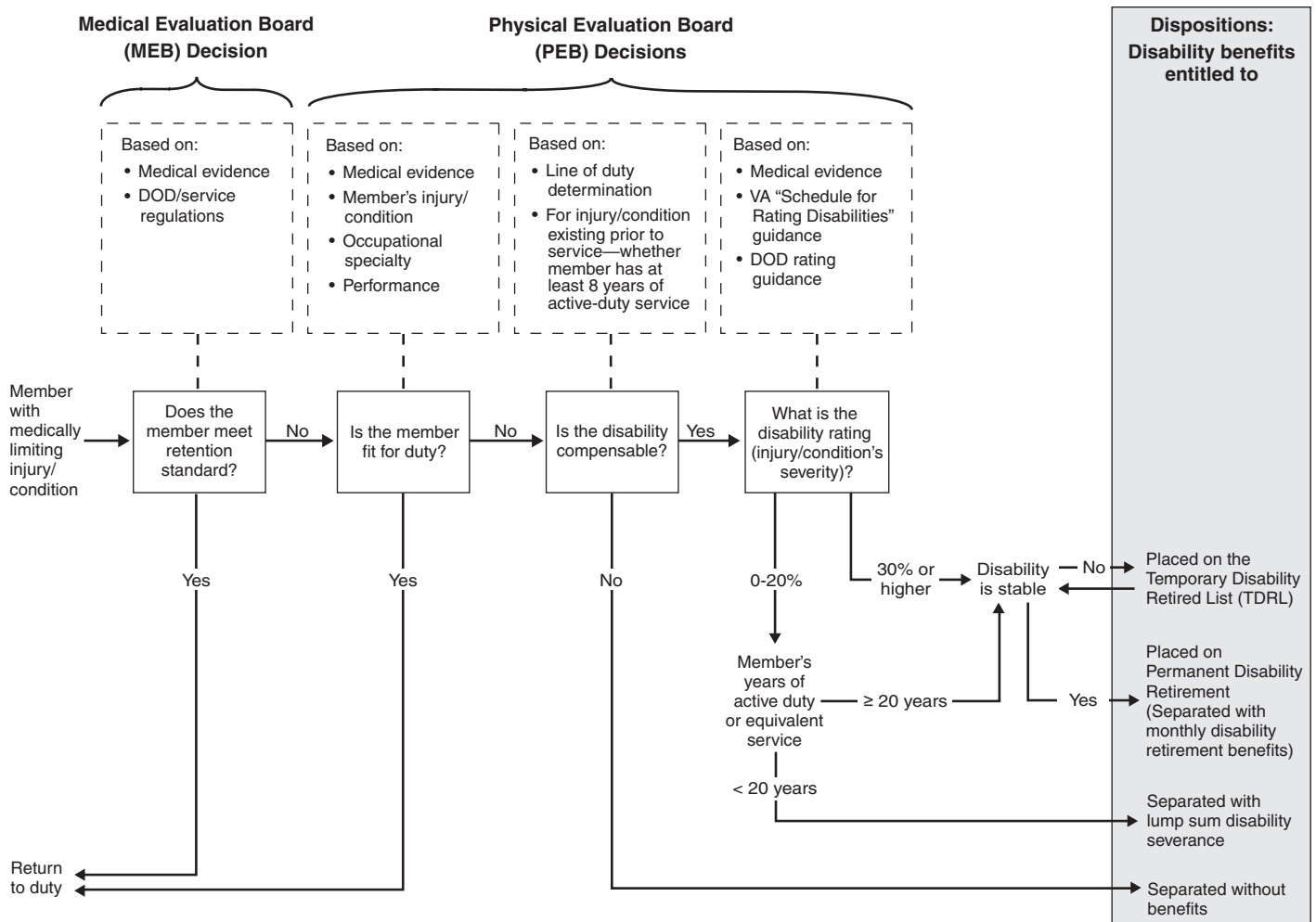
The military disability evaluation process involves two phases: the MEB and the PEB. There are a number of steps in the process and several factors that play a role in the decisions that are made at each step¹ (see fig. 5 and the text that follows the figure). There are four possible outcomes in the disability evaluation process. A servicemember can be

- found fit for duty,
- separated from the service without benefits—servicemembers whose disabilities were incurred while not on duty or as a result of intentional misconduct are discharged from the service without disability benefits,
- separated from the service with lump sum disability severance pay, or
- retired from the service with permanent monthly disability benefits or placed on the temporary disability retired list (TDRL).

¹GAO described this process in its report, *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.: Mar. 31, 2006).

**Appendix II: Additional Background
Information about the Military Disability
Evaluation Process**

Figure 5: Decisions Made during the Military Disability Evaluation Process



Source: DOD documents.

Medical Evaluation Board

The disability evaluation process begins at a military treatment location, when a physician identifies a condition that may interfere with a servicemember's ability to perform his or her duties.² On the basis of a

²A physician is required to identify a condition that may cause the member to fall below retention standards after the member has received the maximum benefit of medical care. In addition, there are specific conditions listed in DOD regulations that require a servicemember to be referred to the disability evaluation system.

physical examination, and specialty consultations if necessary, the physician prepares a narrative summary detailing the servicemember's injury or conditions. This evaluation is used to determine if the servicemember meets the military's retention standards, according to each service's regulations.³ This process is referred to as "the MEB." Servicemembers who meet retention standards are returned to duty, and those who do not are referred to the PEB.

Physical Evaluation Board

The PEB is responsible for determining whether servicemembers have lost the ability to perform their assigned military duties due to injury or illness, which is referred to as being "unfit for duty." If the member is found unfit, the PEB must then determine whether the condition was incurred or permanently aggravated as a result of military service. While the composition of the PEB varies by service, it typically comprises one or more physicians and one or more line officers. Each of the services conducts this process for its servicemembers. The Army has three PEBs located at Fort Sam Houston, Texas; Walter Reed Army Medical Center in Washington, D.C.; and Fort Lewis, Washington. The Navy has one PEB located at the Washington Navy Yard in Washington, D.C. The Air Force has one PEB located in San Antonio, Texas.

The first step in the PEB process is the informal PEB—an administrative review of the case file without the presence of the servicemember. The PEB makes the following findings and recommendations regarding possible entitlement for disability benefits:

- *Fitness for duty:* The PEB determines whether the servicemember "is unable to reasonably perform the duties of his or her office, grade, rank, or rating," taking into consideration the requirements of a member's current specialty. Fitness determinations are made on each medical condition presented. Only those medical conditions that result in the finding of "unfit for continued military service" will potentially be compensated by DOD. Servicemembers found fit must return to duty.
- *Compensability:* The PEB determines if the servicemember's injuries or conditions are compensable, considering whether they existed prior to service (referred to as "having a preexisting condition") and whether they

³According to DOD Instruction 1332.38, retention standards are the physical standards or guidelines that establish those medical conditions or physical defects that may render a member unfit for further military service and, therefore, are cause for referral of the member into the disability evaluation process.

were incurred or permanently aggravated in the line of duty.⁴ Servicemembers found unfit with noncompensable conditions are separated without disability benefits.

- *Disability rating:* When the PEB finds a servicemember unfit and his or her disabilities are compensable, it applies the medical criteria defined in the Veterans Administration Schedule for Rating Disabilities to assign a disability rating to each compensable condition. The PEB then determines (or calculates) the servicemember's overall degree of service-connected disability. Disability ratings range from 0 (least severe) to 100 percent (most severe) in increments of 10 percent.⁵ Depending on the overall disability rating and number of years of active-duty or equivalent service, the servicemember found unfit with compensable conditions is entitled to either monthly disability retirement benefits or lump sum disability severance pay.

In disability retirement cases, the PEB considers the stability of the servicemember's condition. Unstable conditions are those for which the severity might change, resulting in higher or lower disability ratings. Servicemembers with unstable conditions are placed on TDRL for periodic PEB reevaluation at least every 18 months. While on TDRL, members receive monthly retirement benefits. When members on TDRL are determined fit for duty, they may choose to return to duty or leave the military at that time. Members who continue to be determined unfit for duty after 5 years on TDRL are separated from the military with monthly retirement benefits, discharged with severance pay, or discharged without benefits, depending on their condition and years of service.

Servicemembers have the opportunity to review the informal PEB's findings and may request a formal hearing with the PEB; however, only those found unfit for duty are guaranteed a formal hearing. The formal PEB conducts a de novo review of referred cases and renders its own decisions based on the evidence. At the formal PEB hearing, servicemembers can appear before the board, put forth evidence, introduce and question witnesses, and have legal counsel help prepare their cases and represent them. If servicemembers disagree with the

⁴For more information on the eligibility criteria for DOD disability benefits, see 10 U.S.C. § 1201(b).

⁵For more information on the VA rating schedule, see DOD Instruction 1332.39 (Nov. 14, 1996).

**Appendix II: Additional Background
Information about the Military Disability
Evaluation Process**

formal PEB's findings and recommendations, they can, under certain conditions, appeal to the reviewing authority of the PEB. Once the servicemember either agrees with the PEB's findings and recommendations or exhausts all available appeals, the reviewing authority issues a final disability determination concerning fitness for duty, disability rating, and entitlement to benefits.

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 27 2008

Mr. Daniel Bertoni
Director, Education, Workforce, and Income Security Issues
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

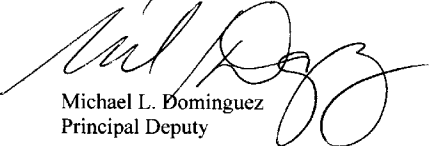
Dear Mr. Bertoni

This is the Department of Defense (DoD) response to the GAO draft report, GAO-08-876, "MILITARY DISABILITY SYSTEM: Increased Supports for Service Members and Better Pilot Planning Could Improve the Disability Evaluation Process," dated July 24, 2008 (GAO Code 130663).

The DoD concurs with one, concurs with comment to four, and partially concurs with one of the six draft report recommendations. The rationales for our positions are included in the enclosure.

We appreciate the opportunity to comment on the draft report. My point of contact for this effort is Major William H. Torrico, (703) 602-7033, ext 108, william.torrico@wso.whs.mil.

Sincerely,



Michael L. Dominguez
Principal Deputy

Enclosure:
As stated

Now GAO-08-1137.

Now GAO-08-1137.

GAO DRAFT REPORT - DATED JULY 24, 2008
GAO CODE 130663/GAO-08-876

**“MILITARY DISABILITY SYSTEM: Increased Supports for Service Members and
Better Pilot Planning Could Improve the Disability Evaluation Process”**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE RECOMMENDATIONS**

RECOMMENDATION 1: The GAO recommends that the Army consider developing more mobile units of medical board staff including physicians who could be flexibly deployed to treatment facilities where Service members are experiencing case processing delays.

DOD RESPONSE: Concur with comment. Though the concept of mobile medical board units has merit, further evaluation is required to determine optimal composition and deployment strategy. The Southeast Regional Medical Command (SERMC) piloted a response team composed of 1 Medical Evaluation Board (MEB) Physician, 1 Nurse Case Manager, 1 transcriptionist, and 5 Physical Evaluation Board Liaison Officers (PEBLOs). This team was effective in decreasing identified backlogs; however, their impact on MEB timeliness across the SERMC was minimal. An effective team should be flexibly configured to respond to a medical treatment facility's (MTF's) unique processing issues. If delays are caused by a lack of experienced PEBLOs or MEB Physicians, a team composed of such individuals would be effective in alleviating processing delays. The team must include specialty providers if delays are encountered in completing the clinical phase or dictating specialty narrative summaries (NARSUMs) -- as is the case with Psychiatry or Orthopedics. The MTFs or installations may also experience processing delays caused by lack of legal counsel, delays in completing the physical examination, or transcription delays. Due to the complexity of responding to such diverse needs, the Army Medical Department believes their first priority should be to continue building core MEB capabilities at each installation. We will conduct a study of the effectiveness of the mobile MEB team by 1 January 2009 to determine if this model should be further developed/expanded.

RECOMMENDATION 2: The GAO recommends that the Army explore approaches to improving reservists' case development, such as ensuring adequate documentation of their military duties and medical conditions.

DOD RESPONSE: Concur with comment. The Army is attempting to automate the entire MEB process with the goal of more efficiently processing all cases, both active and reserve. A key aspect of this process is the integration/interface with other source data collection systems. Typically, reserve component cases are delayed due to the complexity of obtaining required performance data and unique reserve component items such as Retirement Points Statement, orders, approved Line of Duty Investigations, etc.

RECOMMENDATION 3: The GAO recommends that the Army explore more widespread implementation of promising practices for:

- ensuring that the Service members understand their rights to and are aware of the availability of legal counsel during the disability evaluation process, such as having legal counsel present at in-briefings where feasible; and
- improving each Service member's understanding and acceptance of the written summary of medical conditions that underlies his or her disability evaluation, such as affording Service members an opportunity to review the summary with the physician who prepared it before it is finalized.

DOD RESPONSE: (First Bullet): Partially concur with comment. The Army agrees that Service members should be advised of their rights to legal counsel upon entering the disability evaluation system. As the report notes, the Army has engaged the Physical Evaluation Board Liaison Officers (PEBLOs) and created standardized briefing materials advising of the availability of counsel, which provide notice at the outset of the process. In addition, the Army has increased its outreach efforts through mobilizing and hiring additional legal counsel, adding 26 legal personnel in the past 18 months. The ongoing hiring actions for 38 additional legal professionals to be fielded throughout the Army will provide significantly enhanced outreach capabilities. The Army continues to expand its legal outreach efforts beyond the standardized in-brief. In addition to outreach visits and video-teleconferences, Army counsel created an informative Medical Evaluation Board (MEB)/PEB legal website which is linked to Army Knowledge Online to inform Service members of the availability of counsel. An informative video is being developed to provide information that can be used in a variety of electronic mediums. The Army disagrees that an attorney needs to be present at in-briefings as this would decrease counsel's efficiency and availability for legal advice to Service members already in the disability process. Moreover, the in-brief format does not lend itself to the confidential exchange of information and legal advice critical to an attorney-client relationship. Accordingly, the Army believes that ensuring PEBLOs make legal counsel contact information available achieves the intent of the recommendation ("ensuring that Service members understand their rights to and are aware of the availability of the legal counsel") without the necessity of attorneys sitting through the in-briefings.

(Second Bullet): Concur with comment. Several best practices for increasing NARSUM understanding have been identified. One such practice has the Soldier present in the room as the MEB physician types the NARSUM or dictates it using word recognition software. This practice allows for real-time discussion, correction of errors, and an opportunity to immediately address the Soldier's concerns. While not all of the Soldier's concerns may be satisfied, they can at least be explained. This process is utilized at several MTFs and is well received by the MEB participants. Also, NARSUM review is occurring within some Warrior Transition Units (WTUs) where Primary Care Managers (PCMs) have assumed the task of explaining the NARSUM to their assigned WTU Soldier. The PCM provides an unbiased second opinion, serves as a sounding board, and advocates for the Soldier when appropriate.

RECOMMENDATION 4: The GAO recommends that the Army administer existing surveys to a representative sample of Service members undergoing medical evaluation boards and

physical evaluation boards, and consider developing additional questions to better assess outreach and support provided by Army legal staff throughout the process.

DOD RESPONSE: Concur with comment. The contract for the Army's WTU Survey has been modified to accomplish separate surveys for Soldiers assigned to the WTU who are going through the MEB or PEB process. Legal questions will be added to the surveys. The modified surveys should be implemented by 20 August 2008. Service members undergoing MEBs and PEBs but not assigned to a WTU will not be surveyed. In addition, OTJAG under statutory responsibilities of Article 6, Uniform Code of Military Justice, inspects legal offices across the Army. Feedback from commanders during these inspections provides OTJAG an accurate assessment of how Army legal offices are supporting their missions. Survey feedback could be an additional tool to ensure continued quality legal support in the disability evaluation process.

RECOMMENDATION 5: The GAO recommends that the DoD and VA develop complete plans to evaluate pilot success and guide potential large-scale expansion decisions. Such plans should include criteria for determining the worthiness of the pilot process and how much improvement should be achieved under the pilot on various performance measures – such as decision timeliness and Service member satisfaction – to merit implementation throughout DoD and VA.

DOD RESPONSE: Concur with comment. The DoD and VA completed their plans to evaluate pilot success and guide potential large-scale expansion decisions. The DoD and VA Line of Action 1 balanced score card plans include criteria for determining the worthiness of the pilot process and how much improvement should be achieved under the pilot on a number of performance measures – such as decision timeliness and Service member satisfaction – to merit implementation throughout DoD and VA.

RECOMMENDATION 6: The GAO recommends that the DoD and VA sustain collaborative executive focus on the pilot and retain knowledgeable staff by, for example, continuing the agencies' joint Senior Oversight Committee or transferring the responsibilities to an equally staffed structure with the same level of executive commitment.

DOD RESPONSE: Concur.

Appendix IV: Comments from the Department of Veterans Affairs



THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

August 25, 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 (VA) has reviewed the draft report, ***MILITARY DISABILITY SYSTEM: Increased Supports for Servicemembers and Better Pilot Planning Could Improve the Disability Evaluation Process*** (GAO-08-876), and concurs with your recommendations.

The enclosure specifically addresses GAO's recommendations and provides additional discussion and comments to the draft report. VA appreciates the opportunity to comment on the draft report.

Sincerely yours,

A handwritten signature in black ink, appearing to read "James B. Peake".

James B. Peake, M.D.

Enclosure

Now GAO-08-1137.

Enclosure

Department of Veterans Affairs (VA) Comments to
Government Accountability Office (GAO) Draft Report
**MILITARY DISABILITY SYSTEM: Increased Supports for Servicemembers
and Better Pilot Planning Could Improve the Disability Evaluation Process**
(GAO-08-876)

Now GAO-08-1137.

Recommendation 1: To ensure that the evaluation of the DOD-VA pilot process is sound, and any decisions on large-scale implementation are well-founded, DOD and VA should develop complete plans to evaluate pilot success and guide potential large-scale expansion decisions. Such plans should include criteria for determining the worthiness of the pilot process and how much improvement should be achieved under the pilot on various performance measures—such as decision timeliness and servicemember satisfaction—to merit implementation throughout DOD and VA.

Concur – Via the joint Senior Oversight Committee (SOC) and the Overarching Integrated Product Team (OIPT), the Disability Evaluation System (DES) is currently accomplishing balanced scorecards performance measures, as well as surveys of servicemembers and stakeholders to ascertain the worthiness of the Pilot process and future improvements of the DES. The DES is being aligned under the Benefits Executive Council (BEC), objective 3.1b and incorporated into the Joint Strategic Plan (JSP) for FY 2009-2011. The VA and DoD working group associated with this objective will work together to establish a plan to evaluate the success of the pilot and guide potential large-scale expansion decisions. DES surveys have been agreed to by VA and DoD and are being conducted under a DoD contract. Meaningful survey data is not expected to be available for review until the summer of 2009. The August 12, 2008, SOC meeting mandated guidelines for potential large-scale expansion decisions.

Recommendation 2: To ensure that pilot evaluation and any large-scale implementation of the joint disability process is done successfully, DOD and VA should sustain collaborative executive focus on the pilot and retain knowledgeable staff by, for example, continuing the agencies' joint Senior Oversight Committee or transferring the responsibilities to an equally staffed structure with the same level of executive commitment.

Concur: VA is working with DoD to ensure the Wounded, Ill, and Injured Senior Oversight Committee's (SOC) current endeavors continue. VA and DOD have proposed that the SOC and the Joint Executive Council (JEC) be integrated into a new organization – the DoD/VA Senior Executive Oversight Committee (SEOC). The SEOC will consolidate short-term tactical actions of the SOC with the long-term objective of the JEC as mandated by title 38 United States Code, § 8111. This maturation of the SOC to the SEOC will also ensure continuity of current VA's SOC staff office personnel's institutional knowledge, allowing a high level of success, dedicated staff, and rigorous oversight of the VA/DoD collaborative efforts.

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

Daniel Bertoni, (202) 512-7215, bertonid@gao.gov

Staff Acknowledgments

Michele Grgich (Assistant Director), Joel Green (Analyst-in-Charge), Bryan Rogowski, Barbara Steel-Lowney, and Greg Whitney made significant contributions to this report. Walter Vance and Cindy Gilbert provided assistance with research methodology and data analysis. Bonnie Anderson, Rebecca Beale, Elizabeth Curda, and Anna Kelley provided subject matter expertise. Susannah Compton helped draft the report, and Mimi Nguyen provided assistance with graphics. Roger Thomas provided legal counsel.

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