



REPORT TO CONGRESS

ON

**THE CURRENT STATUS OF THE DEPARTMENT OF DEFENSE AND
DEPARTMENT OF VETERANS AFFAIRS DISABILITY EVALUATION SYSTEM
PILOT PROGRAM**

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EXECUTIVE SUMMARY

This report summarizes the status of the ongoing Department of Defense (DoD) and Department of Veterans Affairs (VA) effort to develop jointly and test an improved Disability Evaluation System (DES) process consistent with Section 1644 of the FY 2008 National Defense Authorization Act. The Pilot is the integration of the DoD and VA disability systems. The key features of the Pilot are a single physical disability examination conducted according to VA examination protocols, a single disability rating evaluation prepared by the VA and utilized by both Departments for their respective decisions (the fitness decision and separation disposition by DoD and disability rating of all service-connected conditions by VA), and delivery of compensation and benefits upon transition to veteran status for members of the Armed Forces being separated for medical reasons.

The Departments established the Wounded, Ill and Injured (WII) Senior Oversight Committee (SOC), co-chaired by the Deputy Secretaries of Defense and Veterans Affairs, to address the issues and implement the recommendations of the various committees and commissions chartered to examine issues associated with the care and services for WII Service members and veterans. To focus this effort, the WII SOC established an Overarching Integrated Product Team (OIPT) and eight workgroup Lines of Action (LoAs). The LoAs focus on specific areas to include case management, disability evaluation, traumatic brain injury (TBI) and psychological health, compensation/ benefits, and data sharing between DoD and VA. LOA1 is charged with improving the disability system. LOA1 is co-chaired by the Deputy Director for Policy Compensation and Pension Service from the VA and the Deputy Under Secretary for Military Personnel Policy from DoD.

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

- Design a more transparent, efficient, and effective DES
- Evaluate the DES Pilot
- Refine the mechanisms in the DES Pilot
- Identify training requirements
- Refine and test improved case management procedures
- Identify staffing and system support requirements
- Identify legal and policy issues the Departments should address to improve the DES

This Interim Report addresses each of these objectives, provides a status of each element of the effort to date, and includes a discussion of lessons learned and improvements already implemented or pending evaluation to ensure the continued success of an integrated DoD and VA disability system.

Evaluate the DES Pilot

Evaluation and assessment of the Pilot is based on a Balanced Score Card approach. This approach focuses on four dimensions:

- Process Improvement
- Customer Satisfaction
- Financial Management
- Learning and Growth

The major activities to determine measurable results that can be used to assess the success of the DES Pilot include a Continuing Process Improvement (CPI) effort; a Cost Benefit Analysis; participant and stakeholder surveys; and tracking and measuring the duration of the process for individuals, including an analysis of the process and demographic metrics. The CPI working group is analyzing each step of the DES Pilot process to identify areas for improvement, evaluate the accuracy of initial timeline estimates, and provide suggestions for changes. The Cost Benefit Analysis work will identify benefits that will accrue to DES Pilot participants; primarily arising from changes in the timeliness of the process. The Cost Benefit Analysis methodologies and findings will be described in the final report to Congress. The participant and stakeholder surveys are providing feedback from Wounded, Ill, or Injured (WII) Service members, their family and other stakeholders regarding their satisfaction and understanding of the process. The duration of the process is being measured using an on-line data capture tool that tracks each individual throughout the process, allowing management review and oversight.

Refine DES Pilot Mechanisms

As the DES Pilot has progressed, the Departments have used feedback from stakeholders and participants to modify and adjust the process to better support the stated goals. Since the Pilot commenced, there have been 8 procedural updates to the initial implementing Pilot directive. The updates are an outcome of the continuous process improvement effort and serve as a clarification mechanism. To date, the updates include areas such as: clarifying policy, adding new metrics, revision of goals, establishment of additional oversight reports, and refining duties and roles of stakeholders and administrators.

Refine and Test Improved Case Management Procedures

The DoD Physical Evaluation Board Liaison Officer (PEBLO) and the VA Military Service Coordinator (MSC) are DES non-clinical case management specialists assisting Service members through the DES process. The PEBLO and MSC are primarily responsible for providing information to the Service member and family member or representative, as applicable, during the DES. These specialists help manage expectations, coordinate medical appointments, and handle the member's case files through the DES process. They know the Service member's unique issues, coordinate across the DoD, VA and Social Security Administration (SSA) and ensure transparency and clarity throughout. The demands of the Pilot on case managers are significant. The Departments continue to review and evaluate case manager manpower ratios, training, and duty portfolios to ensure that they have the tools and knowledge to meet Pilot

objectives. What is clear is that the PEBLO and MSC are critical to success and must possess unique skills.

Identify Training Requirements

The Departments utilized a twofold approach to address the training requirements for the Pilot. First, it was essential that non-clinical case managers were fully knowledgeable of the existing DES process. Subsequently, PEBLOs and MSCs received training on the DES process based on areas identified in the Rand Study, “Methods & Actions for Improving Performance of the Department of Defense Disability Evaluation System,” which included background, typical processing scenarios, and data reporting requirements. The training brought Army, Air Force, Navy and Marine PEBLOs together with VA’s MSCs to promote cross-communication and understanding of roles. The training illustrated how the three Military Departments should interact with the VA MSCs.

Second, to ensure thorough understanding of the DES Pilot, an extensive training guide was developed. (Note: the training guide will facilitate expansion of the DES Pilot as determined by DoD and VA leadership). Training was provided on the use of the web-based DES Pilot data collection tool. The objective of the training was to prepare the DES Pilot data collection administrators to use the database tool.

Training to implement the Pilot was extensive. In response to Section 1642 of the 2008 NDAA, the Office of the Assistant Secretary of Defense for Health Affairs sponsored a joint session in April 2008 for administrators from all Military Department Physical Evaluation Boards (PEBs), including the U.S. Coast Guard, and VA rating specialists. This session focused on educating DoD PEB members on the methodologies used by VA in applying the VA Schedule for Rating Disabilities (VASRD). Trained members of the PEBs now receive all new Veterans Benefits Administration (VBA) procedural updates, commonly referred to as “Fast Letters,” and training letters, which ensure that DoD DES administrators have the most up-to-date VA guidance on VASRD issues.

In anticipation and preparation for DES Pilot expansion and possible use of DoD providers to perform the single disability/transition examinations, Veterans Health Administration (VHA) and DoD Health Affairs worked together to provide the same training and certification process provided to VHA examiners and VBA contract examiners. The training and certification is expected to be available online for access by DoD providers by December 2008.

Identify Staffing and System Support Requirements

The Departments examined the staffing requirements for DoD PEBLOs and VA MSCs in support of the DES Pilot. In many locations, case managers at the Pilot sites were fully engaged in administration, transition briefings and providing community outreach and could not sustain the Pilot without additional manpower. In regard to system support, the Pilot process requires electronic VA records, automated scheduling, interface between DoD and VA systems, and intensive case tracking. These requirements demanded that the Departments identify and pursue specific information technology support. The Pilot process is testing the introduction of paperless claims.

Identify Legal and Policy Issues

The Departments are using the DES Pilot to identify potential statutory and policy limitations to developing an effective pilot. Policy issues that encumber attainment of the Pilot objectives have been identified in the report and solutions are being evaluated. A significant policy finding is that the DES Pilot clearly reveals the need to extend the PEBLO's role beyond the traditional end-point at the conclusion of the PEB until the Service member transitions back to duty or to the care of the VA.

Conclusion

The initial reviews of objectives for the DES Pilot are favorable. The data suggest that the quality of customer service provided to the Service member, the timeliness and transparency of the process, and the outcomes of the DoD and VA combined Disability Evaluation Systems are an improvement over the existing disability evaluation systems of the Military Departments. The analyses indicate that there is a significant reduction in the amount of time required to move from DES Pilot Referral to transition into retirement, separation, or return to duty. While the time in the process through the DES for those separating or retiring is improved, the greatest impact has been on the elimination of delays between separation or retirement and the award of VA benefits. The Departments have and continue to collaborate effectively to improve and refine policies and procedures to ensure that the DES Pilot process is successful. Efforts to identify specific benefits and levels of satisfaction by Service members and DoD and VA staff are continuing and will evolve in sophistication as the DES Pilot expands beyond the National Capital Region (NCR).

Report on the Current Status of the Department of Defense and Department of Veterans Affairs Disability Evaluation System Pilot Program

INTRODUCTION

The Department of Defense (DoD) and Department of Veterans Affairs (VA) appreciate the opportunity to provide Congress with an interim report summarizing the current status of the DoD and VA Disability Evaluation Systems (DES) Pilot program required by Section 1644(g)(2) of the National Defense Authorization Act (NDAA) for Fiscal Year 2008 (FY08), Pub. L. 110-181. The Departments have selected jointly to conduct a DES Pilot consistent with Section 1644(b) (1) of the NDAA for FY08. This report summarizes the status of the ongoing Department of Defense (DoD) and Department of Veterans Affairs (VA) effort to develop and test an improved Disability Evaluation System (DES) process that integrates the Departments' disability evaluation systems. The integration of the systems is accomplished by providing a single physical disability examination conducted according to VA examination protocols and a single disability evaluation prepared by the VA and used by both Departments for unfitting conditions, and a complete disability evaluation of all service connected or aggravated conditions by VA produced prior to separation for members of the Armed Forces for medical reasons .

The following text from Section 1644(b) (1) of the NDAA for FY08 relates to the scope of the DES Pilot program.

SECTION 1644(b) (1): Scope of Pilot Programs: Disability Determinations by DoD utilizing VA Assigned Disability Rating

(b) SCOPE OF PILOT PROGRAMS.—

(1) DISABILITY DETERMINATIONS BY DOD UTILIZING VA ASSIGNED DISABILITY RATING.—Under one of the Pilot programs authorized by subsection (a), for purposes of making a determination of disability of a member of the Armed Forces under section 1201(b) of title 10, United States Code, for the retirement, separation, or placement of the member on the temporary disability retired list under chapter 61 of such title, upon a determination by the Secretary of the Military Department concerned that the member is unfit to perform the duties of the member's office, grade, rank, or rating because of a physical disability as described in section 1201(a) of such title—

(A) the Secretary of Veterans Affairs may—

- (i) conduct an evaluation of the member for physical disability; and
- (ii) assign the member a rating of disability in accordance with the schedule for rating disabilities utilized by the Secretary of Veterans Affairs based on all medical conditions (whether individually or collectively) that render the member unfit for duty; and

(B) the Secretary of the Military Department concerned may make the determination of disability regarding the member utilizing the rating of disability assigned under subparagraph (A)(ii).

The following text from Section 1644(g)(2) of the NDAA for FY08 defines the requirements for the interim DES Pilot report.

(g)(2) INTERIM REPORT- Not later than 180 days after the date of the submittal of the report required by paragraph (1) with respect to a Pilot program, the Secretary shall submit to the appropriate committees of Congress a report describing the current status of the Pilot program.

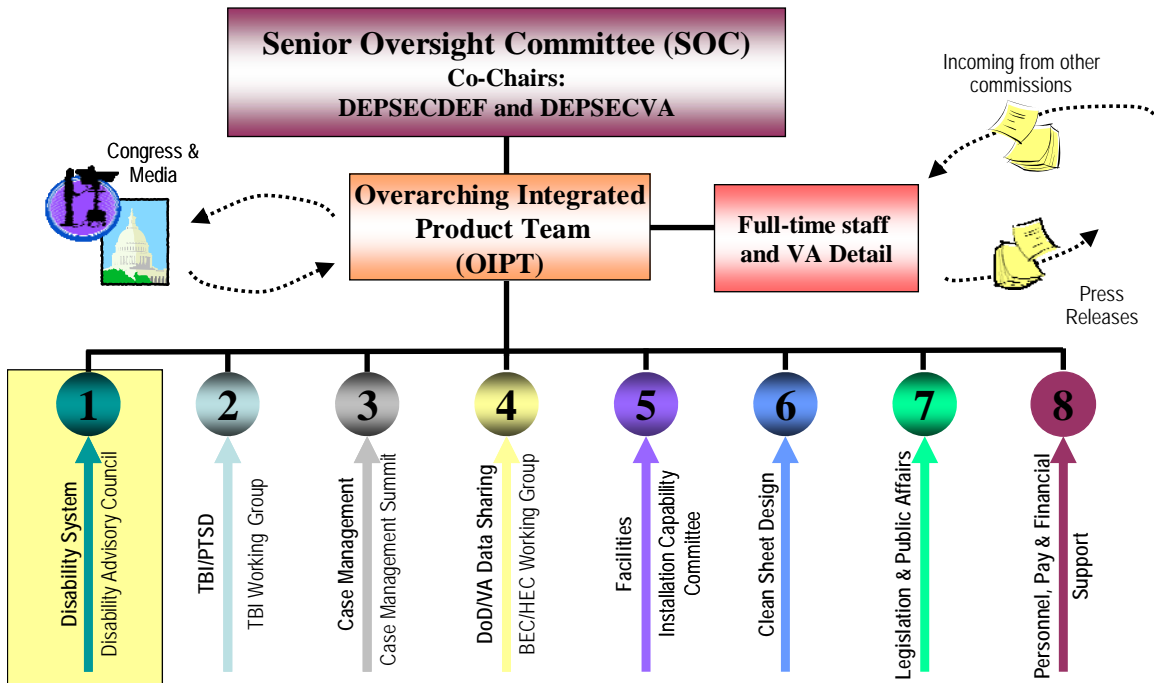
DoD and VA implemented the DES pilot program in November 2007 based on then-existing statutory authorities in title 10, chapters 55 and 61, and 38 U.S.C. §§ 513 and 8111. Section 1644(b)(1) of the NDAA expressly authorized the Departments to establish a pilot program for the DES, including a program in a format consistent with the pilot program the Departments had already established. Consistent with the purpose of the NDAA and in the interest of efficiency, DoD and VA are treating the pilot program established in November 2007 as a pilot program conducted pursuant to the NDAA. Section 1644(f) of the NDAA provides that pilot programs under that section will be completed within one year and that a final report will be submitted 90 days after completion. Although DoD and VA plan to continue the pilot program, we will treat the DES pilot program as complete for purposes of the NDAA reporting requirement in November 2008 (1 year after commencement of the pilot) and will provide a final report in February 2009.

Finally, NDAA 08, section 1603(b) requires that all reports to Congress include a description of the manner in which the subject-matter of the report addresses the unique gender-specific needs of recovering Service members and veterans. The DES Pilot does not distinguish between genders in its processing or disposition of cases. The final report on the DES Pilot process will include an analysis to determine if there are disparities between genders. At this juncture, the analysis is ongoing; any gender-specific findings will be included in the report required by section 1644(g) of NDAA 08.

1. BACKGROUND

In response to media reports of substandard facility conditions and practices at Walter Reed Army Medical Center, which were followed by commissions, task forces and study groups chartered to provide recommendations to fix those conditions and associated problems, the DoD and VA established the Wounded, Ill and Injured (WII) Senior Oversight Committee (SOC). The SOC, co-chaired by the Deputy Secretaries of Defense and Veterans Affairs established an Overarching Integrated Product Team (OIPT) and eight workgroup Lines of Action (LoAs). The LoAs focus on specific areas of WII Service member and veteran care to include case management, disability evaluation, traumatic brain injury (TBI) and psychological health including post-traumatic stress disorder (PTSD), compensation and benefits, and data sharing between DoD and VA. LoA1, a collaborative DoD and VA workgroup, is charged with addressing issues within the Disability Evaluation Systems.

Figure 1.1: Lines of Action



The WII SOC charged the LoA1 workgroup with revising the DoD and VA disability evaluation systems within the limits of current statute. Additionally, the WII SOC gave guidance to implement, when possible, the recommendations of the various commission findings. The LoA1 workgroup considered the following commission findings in its work: the Task Force on Returning Global War on Terrorism Heroes, the Independent Review Group, the President’s Commission on Care for America’s Returning Wounded Warriors (the Dole/Shalala Commission), and the Commission on Veterans’ Disability Benefits. The LoA1 workgroup subsequently designed the DES Pilot program to test an improved DES process in which the member receives one disability medical examination which meets the requirements of DoD and VA, and a single-source disability rating determined by the VA, which both Departments would utilize for disability ratings and for determination of the disposition for the Service member should the physical conditions make him or her unfit for continued service.

1.1 DES Pilot Overview

Purpose

In light of the recommendations of the various commissions, the WII SOC established the goal to improve the continuum of care for WII Service members, veterans, and their families from the point-of-injury to community reintegration. To that end, the Departments designed and implemented, beginning in November of 2007, a DES Pilot program for disability cases originating at the three major military treatment facilities (MTFs) in the National Capital Region (NCR) (Walter Reed Army Medical Center, National Naval Medical Center Bethesda, and Malcolm Grow Air Force Medical Center).

The WII SOC's vision for the DES Pilot is a Service member-centric, seamless and transparent DES, administered jointly by DoD and VA. The Departments set the following objectives:

- Design a more transparent, efficient and effective DES
- Evaluate the DES Pilot
- Refine the mechanisms in the DES Pilot
- Identify training requirements
- Refine and test improved case management procedures
- Identify staffing and system support requirements
- Identify legal and policy issues the Departments should address to improve the DES

The DoD published these objectives in the November 21, 2007, DES Pilot Directive Type Memorandum (DTM). The VA published corresponding guidance in a FAST letter dated January 30, 2008.

Key Features

One key feature of the DES Pilot is the integration of the Departments' disability medical examinations into one common examination, allowing the initiation of the VA claim process in parallel to the DoD process rather than sequentially. The DES Pilot implements this feature by integrating the single medical examination within the Medical Evaluation Board. This feature reduces redundancy of medical examinations and provides for standardized medical evaluation of all members in the DES. The PEBLO engages the VA as soon as a DoD medical provider determines that a Service member may not meet Service medical retention standards. At that time, VA Military Services Coordinators (MSC) counsel the Service member and assist them in completing a newly developed VA/DoD disability claim form specific to the DES Pilot.

Subsequently, the DoD and VA coordinate the Service member's disability medical examination and collaborate in processing the Service member through the process. At transition, the VA is completely prepared to immediately compensate and provide benefits for eligible Service members who are separated or retired for disability. In the DES Pilot to date, the single disability medical examinations are performed by VA Medical Center examiners. As the DES Pilot expands beyond the NCR, the Departments will broaden the responsibility for the medical examination to a variety of examiners certified in the application of VA disability examination standards. This single disability medical examination, for almost all DES participants, eliminates the delay that typically occurs when a new, disabled veteran applies for VA benefits and must wait to be examined, rated, and compensated by the VA. In addition to enabling the VA to compensate eligible disabled veterans when they separate, the DoD and VA anticipate savings in the long term by reducing the redundancy of examinations and eliminating the lengthy processing times.

Another key feature of the DES Pilot is a single disability rating agency. In the DES Pilot, disability percentage ratings are assigned by trained VA adjudicators based on the results of examinations, evidence and application of the VA Schedule for Rating Disabilities. The VA provides the DoD detailed information on the disability percentage for all Service members' service-connected and service-aggravated conditions, including those determined by the Military Department to be unfitting for continued service, as well as conditions claimed by the Service member or identified during the disability examination process.

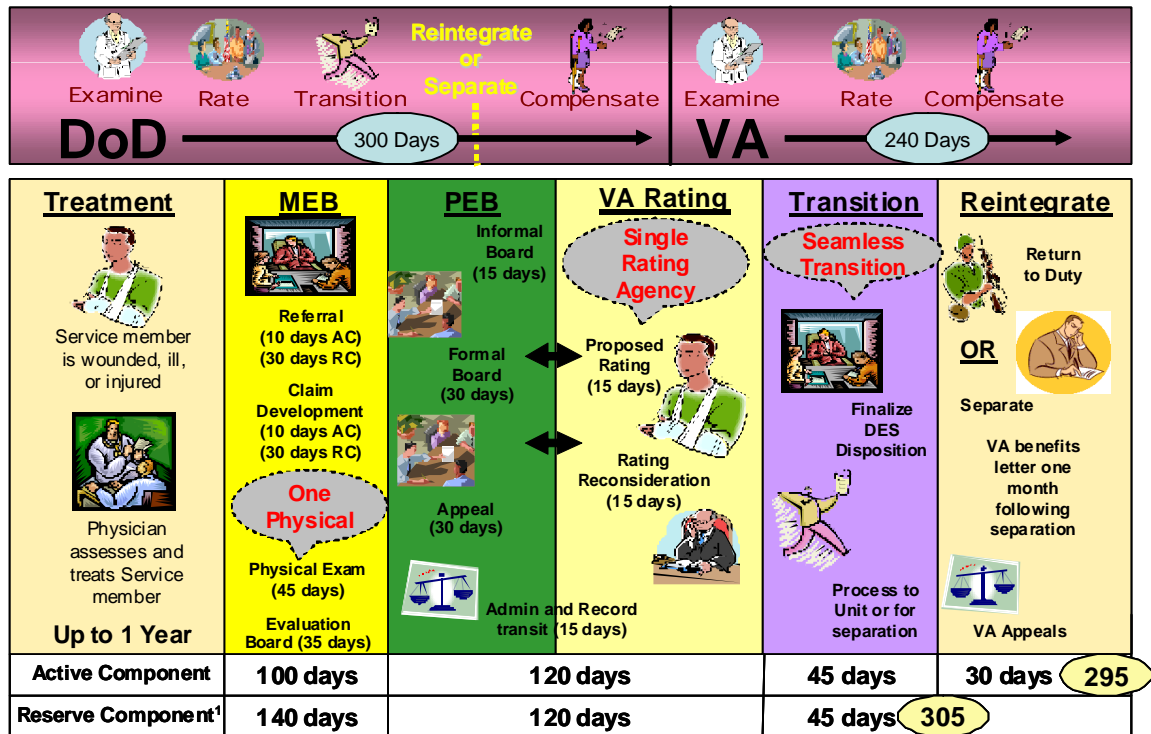
The DoD uses the VA-determined percentage ratings for unfitting conditions to determine DoD disability compensation. The VA uses the ratings for all service-connected conditions to determine entitlement to VA disability compensation. In addition to reducing the administrative burden on the veteran by eliminating the need for two examinations to develop an additional disability rating, this approach provides the significant advantage of ensuring Service members and veterans are rated more consistently by the DoD and VA for their disabilities. It eliminates the discrepancy in the disability evaluations assigned for unfitting conditions in nearly all cases. Combined disability ratings for VA purposes will continue to differ from DoD in many cases, primarily because the VA will also consider claimed non-unfitting conditions that are service-connected. When this difference occurs, however, the Service member will have a clear understanding of both assessments and why they might differ.

A final key feature of the DES Pilot is the enhanced assistance DoD and VA case managers provide to Service members and veterans to ensure they receive an uninterrupted continuum of care. These case managers consist primarily of PEB Administrators, PEBLOs, and MSCs. The enhanced services include earlier and more frequent engagement by DoD and VA case managers with Service members and veterans. In the DES Pilot, DoD case managers provide Service members additional materials to help them understand and navigate the DES. DoD case managers extend their support through the point of separation from military service and beyond for veterans who are temporarily retired for disability. DoD and VA case managers work closely together to ensure that Service members who transition to veteran status do so seamlessly with regards to their transition of care, benefits, and administrative records from the DoD to the VA. Additionally, the DES Pilot increases the transparency of the disability system by informing a disabled Service member of their VA disability rating before they become a veteran. The Departments are using the DES Pilot to identify opportunities to improve the flow of case management information and to identify additional resources to assist the Service member and their family.

These key features combine to produce a disability system that is less complex. The single disability medical examination and single-source rating reduce the administrative burden and complexity of the process. The enhanced case management services are designed to ensure Service members seamlessly transition to veteran status while experiencing an uninterrupted continuum of care.

Figure 1.2 compares the DES current and Pilot processes. In the current DES, shown at the top of Figure 1.2, the Service member experiences a bifurcated system with a solid dividing line between the DoD and VA systems. In the DES Pilot process depicted in the bottom portion of the figure, DoD and VA processes run parallel and support each other. Subject Matter Experts from DoD and VA estimated the time necessary to complete each stage of the process based on actual times from the cases used for a Table Top planning exercise. As the DES Pilot evolves, actual average time elapsed for cases in the Pilot will be analyzed to determine the adequacy of metric goals, which will be revised if necessary.

Figure 1.2: DES Pilot Process – Current vs. Pilot



1. Reserve Component member entitlement to VA disability compensation begins upon release from active duty or separation.

Note: The time standards reflected above for the referral and claim development stages of the process represent an increase from 5 to 10 days for each step from the initiation of the Pilot based on actual experience. The time standards reflected above for the physical exam stage represents an increase from 35 to 45 days from the initiation of the pilot, again based upon actual experiences to date.

2. METHODOLOGY

The LoA1 workgroup adopted a five-phased analyses approach as an organizing framework for developing and testing an improved DES process. The five-phased approach is outlined below. The workgroup employed two main techniques in its effort to improve the DES: analysis of existing DES law, policy, and procedural guidance as well as discussions with stakeholders and work groups. These techniques were utilized in documenting existing DES processes, policies, procedures, and most importantly,

existing practices. A description of each of the five phases of the analysis approach follows:

2.1 Analytical Approach

The WII SOC vision is to honor Service members and veterans by providing WII Service member, veterans, and their families the best services across the continuum of care from the point of injury through community reintegration to support the highest quality of life possible.

Define

The WII SOC vision and the findings of the various commission, task forces, and study reports suggested a number of requirements for the DES Pilot.

- **Simplify:** Make the process easier for Service members, veterans, and families by eliminating the duplicate requirements placed on them
- **Increase Consistency:** Ensure Service members and veterans with similar levels of disability receive similar benefits outcomes by standardizing processes and increased oversight
- **Ensure Appellate Procedures:** Protect the due process rights of Service members and veterans and reduce the adversarial atmosphere of the process
- **Ensure Seamless Case Transition:** Increase the scope and duration of case management responsibilities so there is a direct hand-off of case responsibilities between DoD and VA case managers when a Service member becomes a veteran and transitions to the care of the VA
- **Reduce Case Processing Time:** Reduce the wait Service members and veterans experience between the time they are referred to the DES until they receive VA benefits

Design

The workgroup used the requirements developed in the Definition phase to design the DES Pilot process. During August 2007, representatives from the Office of the Secretary of Defense (OSD), the Military Departments, and the VA designed and conducted a Table Top Exercise to test 33 previously adjudicated disability cases using five alternative DES processes. The cases represented a sampling from each Service, varying in the number and type of conditions and severity.

Based on an analysis of the data collected during the Table Top Exercise, LoA1 recommended to the WII SOC that the DoD and VA implement a DES Pilot based on a modified interpretation of the primary recommendation from the President's Commission on Care for America's Returning Wounded Warriors (the Dole/Shalala Commission) report. Specifically, they recommended that the Departments:

- Test a process that features a single disability examination and single source rating to increase consistency, eliminate duplication, and simplify the process for Service members and veterans

- Include an enhanced role for the Disability Advisory Council (DAC), whereby the DAC would increase their oversight of the DES process and perform a quality assurance function for the DES Pilot
- Standardize training and procedures among the Military Departments
- Conduct and share the results of a single disability examination and single source disability rating

On September 25, 2007, the WII SOC directed the DoD and VA to implement a DES Pilot program utilizing the design recommended by LOA1 based on the results of the Table Top Exercise. Following the decision, the WII SOC directed the Military Departments to conduct proof of concept exercises during the month of November, 2007, followed by a one-year DES Pilot beginning in January, 2008. The WII SOC directed the Departments to implement the DES Pilot using the DES cases processing through Medical Evaluation Boards (MEBs) at Walter Reed Army Medical Center, Bethesda National Naval Medical Center, and Malcolm Grow Air Force Medical Center. A Memorandum of Agreement (MOA) between the Department of Veterans Affairs (VA) and the Department of Defense (DoD), was signed on 6 November 2007, officially implementing the standardized single disability evaluation/transition medical examination in the National Capital Region for the DoD Disability Evaluation System and the VA Disability compensation. Additionally, the WII SOC directed the Departments to be prepared to expand the DES Pilot.

Develop

After receiving the SOC direction to implement the DES Pilot, the Departments began developing the required detailed policy guidance and procedures. The Departments concentrated their efforts on implementing the major features of the DES Pilot, forgoing efforts that required extended development times (e.g., information technology system enhancement). The DoD published implementing guidance in a Policy and Procedural DTM for the DES Pilot Program, signed by the Under Secretary of Defense for Personnel and Readiness on November 21, 2007. The VA published its guidance implementing the DES Pilot in a policy FAST letter on January 30, 2008. Although the DTM modified existing Department guidance to implement a single medical exam and single source rating, other existing DoD DES guidance remained valid for the Pilot. For example, the DES Pilot does not change in any way the calculation of benefits provided to veterans with service connected disabilities.

Implement

On November 26, 2007, the Departments began processing cases originating at the three major military treatment facilities in the National Capital Region using DES Pilot procedures. As directed by the MOA, the DoD Pilot DTM, and the VA FAST letter, the Departments modified their procedures within existing legislation to provide Service members a single physical disability exam and a disability rating by a single rating agency. The Military Departments continued to process pre-existing DES cases and those DES cases referred to MEBs outside of the NCR under existing non-Pilot DES procedures. All new duty-related cases originating at the three major NCR MTFs were enrolled in the DES Pilot.

Assess

To support measurement of the success of the DES Pilot analysis, the Departments are managing a multi-faceted program evaluation process. The DES Pilot DTM lists the metrics and data elements the Departments initially believed were necessary to understand the performance of the DES Pilot. The Departments began collecting data on case timeliness and outcomes in November 2007. In February 2008, the SOC directed development of balanced score card measures. Based on this guidance, the DES Pilot assessment and improvement efforts have expanded to include several major program evaluation elements that comprise the balanced score card: continuous process improvement, including weekly status reports; monthly hot wash meetings; periodic site visits; continuous process improvement meetings; survey feedback from Service members, veterans, family members, and DES stakeholders; a comparative analysis of outcomes and demographics between DES Pilot and non-Pilot cases; and cost analyses.

Because of the substantial benefits (simplicity, consistency, and timeliness) and low risks expected to accrue to Service members enrolled in the DES Pilot, the Departments accepted certain program risks (e.g., risk that DES Pilot program costs could be higher than expected or that personnel resources would be insufficient to implement the DES Pilot on a large scale). As a result, although the DES Pilot program evaluation plan may not meet the standards of a major acquisition program, the Departments judged that the scope and depth of the program evaluation are commensurate with the benefits, cost and risk involved with the DES Pilot process.

At the current time, some elements of the DES Pilot program evaluation are more mature than others. While the LoA1 balanced score card metrics are established and being tracked, this report presents the interim results gathered to date and should not be considered to portray the final results.

2.2 Data Collection

Overview

In redesigning the DES, it was imperative to develop program and resource measures to evaluate performance. Accordingly, the Departments developed over 40 metrics to evaluate the DES Pilot. Those metrics fall within the following four categories:

- **Timeliness:** Comparing case processing time between the DES Pilot and the current DES to determine whether the DES Pilot enables faster receipt of disposition decisions (e.g., return to duty or disability separation) and DoD and VA disability benefits
- **Effectiveness:** Comparing whether the DES Pilot decreases the proportion of Service members who reject the findings of the PEB and appeal the PEB decision to the Military Department
- **Consistency:** Comparing whether the DES Pilot decreases the average difference between condition ratings by the Military Departments and the VA
- **Satisfaction:** Assessing the satisfaction of Service members, veterans, family members and other DES stakeholders (e.g., PEBLOs, MSCs and selected DES

leadership) and comparing the satisfaction of DES Pilot participants with that of Service members enrolled in the regular DES

Although the success of the DES Pilot is not based on cost, the Departments must understand the implications of the DES Pilot for Service members and veterans as well as the cost of executing the DES Pilot on a broad scale. Understanding the cost of executing the DES Pilot will help the Departments make informed decisions before implementing the Pilot construct across the DoD and VA.

Automated Data Collection Tools and Processes

Data collection began in November, 2007. DoD and VA administrators input data directly to a web-based tracking tool. The DES Pilot database is an automated tracking tool that enables collection, storage, rudimentary analysis, and reporting of approximately 50 data elements.

The Departments created several support mechanisms to assist users in operating the DES Pilot database tool. The support mechanisms include telephone and email contact with the LoA1 team and access to a DES Pilot web portal. The portal includes stakeholder discussion forums, DES Pilot process training materials, policy documents, weekly outcome status reports, and other material related to the DES Pilot. The portal provides an additional means for DES Pilot stakeholders to discuss issues.

3. STATUS OF DES PILOT DTM OBJECTIVES

As mentioned previously, the Departments set the following objectives for LoA1: evaluate the DES Pilot, refine the mechanisms in the DES Pilot, identify training requirements, refine and test improved case management procedures, and identify legal and policy issues the Departments should address to improve the DES. The following sections provide an interim status of LoA1's efforts to achieve those objectives.

3.1 Evaluate DES Pilot

Overall DES Pilot effectiveness is measured using a Balanced Scorecard (BSC) method focusing on four dimensions: Process Improvement, Customer Satisfaction, Financial Management, and Learning and Growth. When complete, the LoA1 balanced score card will be a key component of the DES Pilot program evaluation. The balanced score card methodology is a performance measurement tool utilized to track tasks that organizations have identified to achieve their vision, goals and objectives. The major measurement activities of the DES Pilot include a Continuing Process Improvement effort; a Cost Benefit Analysis; participant and stakeholder surveys; and tracking and measuring the duration of the process for individuals, including an analysis of the metrics identified in the November 21, 2007 DTM.

Process improvement is measured by analyzing the length of each major step of the DES Pilot against established goals as follows:

- Time from DES referral to completion of the Medical Evaluation Board (MEB)
- Time from completion of the MEB to completion of the PEB

- Time from completion of the PEB until separation or transition
- Time from DES referral to transmission of the veteran's VA Benefits Letter

Customer Satisfaction is assessed by surveying DES Pilot Service members and Veterans during four phases of their disability processing; MEB, PEB, Transition and Post Separation. Surveys assess the following:

- Member and Veteran overall satisfaction with their treatment in the DES Pilot
- Member and Veteran satisfaction with the adequacy of DES Pilot case management support
- Veteran satisfaction with Vocational Rehabilitation and Employment (VRE) process
- Veteran overall satisfaction with the DES Pilot one-year post separation

Financial Management of the DES Pilot is evaluated to assess both the adequacy of funding to support DES Pilot operations as well as the cost effectiveness of these operations using the following measures

- Adequacy of funding support for disability exams
- Adequacy of funding support of DES automation enablers
- Adequacy of funding support of DES Information Technology systems
- Adequacy of funding of DES analysis and evaluation systems

Learning and Growth of DES Pilot stakeholders will be assessed by measuring the following:

- Stakeholder satisfaction with DES Pilot training
- Stakeholder satisfaction with DES Pilot program information
- Stakeholder satisfaction with the availability of support and resources necessary to implement the DES Pilot program

Weekly Reports

A weekly status report depicting Service member progress through each phase of the DES Pilot was established. The weekly report provides:

- Number of Service members / veterans enrolled in the DES Pilot for the reporting week along with the cumulative total
- Number of cases that have returned to duty, been separated or retired, or have been disenrolled from the DES Pilot for other reasons
- Number of cases currently enrolled in the DES Pilot
- Case processing time from referral to issuance of the VA Benefits Determination Letter (with and without a Service member's pre-separation leave)
- Average, Median, Mode, Standard Deviation, and Min/Max number of claimed conditions

- Number of Service members referred to an Informal Physical Evaluation Board (IPEB) for the reporting week and cumulative total
- IPEB cases rebutted for the reporting week and the cumulative total
- Formal Physical Evaluation Board (FPEB) cases appealed for the reporting week and the cumulative total
- DES Pilot Support Team Observations, Questions, and Field Issues

Evaluation Phases / Stages

The Departments divided the DES Pilot process into four phases including smaller stages within those phases. Phase I of the DES Pilot process, the Medical Evaluation Board (MEB) phase, consists of the Referral, Claim Development, Medical Evaluation and Medical Evaluation Board stages. Phase II, the Physical Evaluation Board (PEB), consists of the IPEB, VA Rating Board, FPEB, VA Rating Reconsideration Board, and Appeal stages. Phase III, Transition, and Phase IV, VA Benefits, have no sub-stages. Table 3.1.1 provides the DES Pilot phase and stage beginning and end point definitions.

Table 3.1.1: DES Pilot Phase and Stage Definitions

| Phase Name Stage Name | Start Date | End Date |
|--|--|--|
| <u>Medical Evaluation Board (MEB) Phase</u> | Date the Military Department determines the Service member may not meet medical retention standards and refers them to the DES | Date the Military Department returns the Service member to duty without referring them to an IPEB or forwards their DES case file to the PEB to begin processing for an IPEB |
| Referral Stage | Date the Military Department determines the Service member may not meet medical retention standards and refers them to the DES Pilot | Date the PEBLO provides the Service member's complete service treatment record (STR) and VA Claim Form 21-0819 to the VA Military Services Coordinator |
| Claim Development Stage | Date the PEBLO provides the Service member's complete STR and VA Claim Form 21-0819 to the VA Military Services Coordinator | Date the MSC requests the Service member's medical evaluation |
| Medical Evaluation Stage | Date the MSC requests the Service member's medical evaluation | Date the MSC downloads the completed medical evaluation results from the CAPRI system and sends it to the PEBLO |
| Medical Evaluation Board Stage | Date the MSC downloads the completed medical evaluation results from the CAPRI system | Date the Military Department returns the Service member to duty without referring them to an IPEB or forwards their DES case file to the PEB to begin processing for an IPEB |

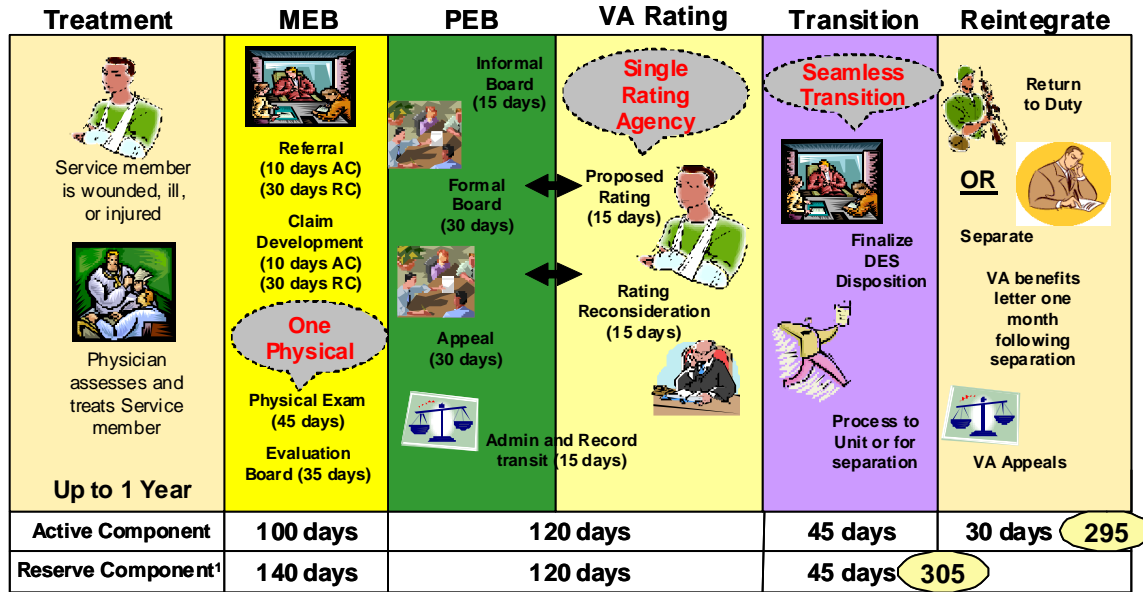
| | | |
|---|---|---|
| <u>Physical Evaluation Board (PEB) Phase</u> | Date the Military Department forwards the Service member's DES case file to the PEB to begin processing for an IPEB | Date the PEBLO informs the Service member of the Military Department final determination of their fitness for duty and disability rating after PEB and Military Department appeals are complete |
| Preliminary Rating Board Stage | Date VA Rating Board receives a request for a disability rating and the Service member's complete health treatment record from the PEB | Date the PEBLO informs the Service member of the preliminary disability rating decision |
| Rating Reconsideration Panel Stage* | Date the VA Rating Board receives the rating reconsideration request from the PEB administration | Date the PEBLO informs the Service member of the reconsidered disability rating decision |
| <u>Transition Phase</u> | Date the PEBLO informs the Service member of the Military Department final determination of their fitness for duty and disability rating after PEB and Military Department appeals are complete | Date the Military Department separates the Service member, or, if found fit, returns them to duty |
| <u>VA Benefits Phase</u> | Date the Military Department separates the Service member | Date the VA issues the veteran his or her disability benefits decision letter |

*VA rating reconsideration, within the DES Pilot, is reconsideration of the evaluation(s) assigned for the DoD designated unfitting condition(s) only. Reconsideration of claimed but not unfitting conditions is done once the member is separated or retired and requests reconsideration from VA.

During the Table Top simulation, DoD and VA estimated the time required to complete phases and stages. As shown in Figure 3.1.1, the expected average processing time for the DES Pilot is 295 days for Active duty members, 305 for Guard and Reserve members. Additional time is allocated for Reserve Component individuals to allow for employer notification, to establish orders, and to compile treatment records. As of September 14, 2008, a total of 686 Service members had entered the DES Pilot since November 26, 2007. Of those 686 Service members, 106 completed or exited the DES Pilot. Of those, 48 were returned to duty, 24 were retired, 7 were separated, and 27 were removed from the DES Pilot for other reasons (transferred out of the National Capital Region, case terminated pending administrative discharge processing, etc), leaving a total of 580 members still enrolled in the DES Pilot. A thorough analysis of Pilot case dispositions compared to non-pilot historical DES dispositions will be in the final DES

Pilot report. Any disposition analysis at this date would be inconclusive due to low volume of completed cases. Additionally, more diverse data from expansion of the Pilot are needed for a valid comparative analysis.

Figure 3.1.1: DES Pilot Phases and Timeline



1. Reserve Component member entitlement to VA disability compensation begins upon release from active duty or separation.

The DES Pilot report ending September 14, 2008, indicated that the average time from MEB referral to transmission of the VA Benefits Letter as 220 days. The average case processing time from MEB referral to issuance of the VA Disability Benefits letter was 193 days excluding a Service member’s pre-separation leave, 82 days below the DES Pilot goal.

Phase I of the DES Pilot process, the Medical Evaluation Board phase, consists of four sub-stages (Referral, Claim Development, Medical Evaluation, and the MEB). As of September 14, 2008, the average processing time for the MEB phase was 122 calendar days, 22 days over the 100 calendar day goal. The individual sub-stage average durations (and target duration) are: Referral, 13 days (target 10); Claim Development, 10 days (target 10); Medical Evaluation, 50 days (target 45); and, MEB, 54 days, (target 35).

The primary reason for the referral sub-stage exceeding the ten-day target is the workload associated with compiling the Service member’s complete Service Treatment Record (STR). The reasons for delays in completing the Claim Development sub-stage within 10 days were insufficient IT connectivity (subsequently resolved), obtaining additional STRs and VA records for members who had previous VA care, and insufficient staffing given the under estimated level of contact per enrolled service member. The reasons provided for exceeding the Medical Evaluation timeline were the need for multiple examinations due to the complex nature of the presenting unfitting and claimed conditions and the early IT inadequacies mentioned earlier. The initial IT infrastructure delays precluded the MSCs from leveraging the normal automated processes found in VA Regional Offices to

request and download examinations. The reasons provided for not meeting the MEB timeline were more varied than in the first three sub-stages. Roughly one-quarter of the cases that exceeded the timeline were due to additional examinations that were identified as necessary.

Phase II of the DES Pilot, the Physical Evaluation Board phase, consists of the IPEB, Preliminary Rating Board, FPEB, Rating Reconsideration Board, and Appeal stages. As of September 14, 2008, the average processing time for the PEB phase was 38 calendar days, well within the 120 day goal. The averages for preliminary and reconsidered rating board stages were 18 and 9 calendar days, respectively. The DES Pilot report for the week ending September 14, 2008, indicated 35 (23%) Service members in the PEB phase received a “Fit” determination from their Military Department. The Military Departments found 114 Service members unfit and designated them for retirement or separation.

Phase III of the DES Pilot process is the Transition phase has no identified sub-stages. As of September 14, 2008, the average processing time for transition was 42 calendar days, which met the 45 day goal.

Phase IV of the DES Pilot process is the VA Benefits phase, also without sub-stages. As of September 14, 2008, the average processing time for VA Benefits was 10 calendar days, meeting the 30 day goal. As of that date, 31 Service members were retired or separated and provided their VA Disability Benefits letter.

Hot Washes

LoA1 and LoA 3, Case Management, hold monthly meetings to provide updates to the stakeholders and Departmental leadership. The Hot Washes provide an excellent opportunity to receive feedback from PEBLOs, MSCs, and DoD and VA stakeholders on issues affecting DES Pilot implementation.

Procedural Updates

There have been 8 procedural updates to the original November 21, 2007 DES Pilot Directive Type Memorandum. The need for these updates was identified during the day-to-day operations of the DES Pilot. Specifically, procedural updates serve as the mechanism to clarify and amplify existing policy. Updates addressed issues ranging from adding new data elements to better understand and monitor the new process, to leadership interventions such as refining the case management role of the PEBLO.

DES Pilot Process Lessons Learned

The progress of the DES Pilot to date has highlighted several important lessons concerning the interactions between DoD and VA as the Departments move towards establishing an integrated, overlapping, member-centric DES capability.

Common Commitment: First and foremost is that there is a great deal of common interest and commitment at all levels to work in a coordinated and complementary fashion. Examples from all phases of the DES Pilot indicate that the personnel

implementing the process are interested in identifying and addressing topics that will help improve and streamline the path of Service members and veterans as they progress through the Pilot. Lessons learned range from staffing and technology capabilities to necessary improvements in the procedures used to administer the process to differences in the interpretation of applicable statutes.

Manpower Staffing: At the initiation of the DES Pilot, DoD and VA case managers recognized that the number of personnel supporting the Pilot would need to increase to achieve the staffing ratios required to meet goals for caring and processing members through the DES Pilot. Greater interaction and coordination between DoD and VA and a focus on expectation management added to the need for more staff. The primary non-clinical case managers (PEBLOs and MSCs) recognized that their traditional roles would need to expand to ensure that Service members and veterans going through the process would receive the expected level of support at all points in the continuum. The oversight role of the PEBLO was an early lesson learned which arose from members missing VA medical appointments. The PEBLO was promptly identified as the conduit between the member's military leadership and VA to ensure awareness and resolution of any conflicts.

Information Technology: Difficulties establishing interfaces between DoD and VA information technology systems caused initial delays in the process to move necessary data from DoD to VA systems. This issue was resolved and recorded for use in site assessments for subsequent expansion recommendations. Ensuring the appropriate IT interfaces and permissions to allow access to VA systems from DoD platforms provides DES administrators the ability to store electronic health records, track and manage individual cases, and provide management oversight.

Data Collection: As the number of cases increased, necessary adjustments to the process were identified and addressed. These changes included increasing the amount and nature of data collected on participants to ensure that VA had access to the information necessary to track and monitor metrics and performance timelines specific to VA portions of the process. As the process evolved, the DES Pilot administrators were able to implement an electronic data capture tool to increase efficiency, visibility, and utility of the data collected on Pilot participants. While the DES Pilot database proved valuable as a stand-alone tool, it also pointed out the need for a consolidated DoD and VA system to provide a more integrated capability. The Departments will migrate from the DES Pilot tracking tool to the VA's Veterans Tracking Application (VTA) system, which will serve as an interim step towards a fully integrated information system supporting the future state of a joint DoD/VA DES process.

Statutory and Policy Interpretations. In addition to personnel and logistical lessons identified above, there have been a few cases that highlight statutory and policy interpretation differences between the Departments. One case revealed variance in how each Department interprets evidence in determining conditions that may have existed prior to service (EPTS). The DoD and VA recognize the need for dialogue to promote clarity in interpreting varied statutory provisions.

3.2 Customer Satisfaction

The Departments designed customer feedback surveys to capture key aspects of satisfaction with the DES Pilot process and to compare satisfaction with the DES Pilot process to satisfaction with the existing DES process. The survey results and recommendations will provide a better understanding of WII Service members, their family and other stakeholders' views of what is working and what is not within the DES Pilot program. They will also help determine the appropriate pace, direction, and scope for expansion of the DES Pilot.

Survey Design

The Departments developed survey methodologies for the MEB, PEB, and Post transition phases. Survey items were also developed for family members and stakeholders. The surveys follow an established model of customer service, SERVQUAL¹. Of the ten total SERVQUAL dimensions, LoA1 selected the five they considered most applicable to Service member expectations. The five dimensions included in the DES Pilot survey are:

- Tangibles (appearance of DoD and VA physical facilities and equipment, DES personnel, DES communication materials)
- Reliability (ability to conduct DES tasks dependably and accurately)
- Responsiveness (willingness to help Service members and provide prompt service)
- Assurance (knowledge and courtesy, and ability to convey trust and confidence to Service members)
- Empathy (caring, individualized attention paid to Service members)

The surveys also measure:

- Distributive justice (the extent to which the distribution of an outcome across stakeholders is perceived as fair)
- Procedural justice (the extent to which the procedures by which the distributions are made are perceived as fair to all stakeholders)

To support the survey process, Service member demographic data are being collected from the following sources:

- Defense Eligibility and Enrollment System (DEERS)(demographic and personal information about Service members such as Service component, duty status, rank occupational field and contact information)
- VA data set (additional contact information)
- TRICARE Management Activity (TMA) data sets (records of TRICARE beneficiaries' inpatient and ambulatory care visits, and additional contact information), which may include:

¹ SERVQUAL Model was initially developed by Zeithaml, Parasuraman, and Berry in '*Delivering Quality Service: Balancing Customer Perceptions and Expectations*'.

- Standard Inpatient Data Record (SIDR)
- Health Care Service Record – Institutional (HCSR-I)
- Standard Ambulatory Data Record (SADR)

Survey Administration

The Defense Manpower Data Center (DMDC) is responsible for all aspects of survey administration for the DES Pilot. DES Pilot participants complete surveys through self-administered or interviewer-administered paper, telephone, or web-based means. DES participants' family members, non-DES Pilot comparison group members, and other DES stakeholders complete surveys through the telephone. The comparison surveys began August 28, 2008 for Navy and Marine participants; surveys for the Army and Air Force were distributed later in September. The effort to collect feedback from family members started on July 22, 2008; and stakeholders began July 31, 2008. As a result of the September start for the Army and Air Force surveys, the only comparative data currently available are from Navy and Marine Corps respondents.

Analysis and Interpretation of Data

In order to assess the efficacy of the Pilot process through the experience of the wounded, ill, or injured service member in the DES process it is necessary to compare the survey responses of Pilot and non-Pilot participants. We did so at the .05 level, denoting that differences observed would only occur on the basis of chance 5% of the time. The analytic tools we used were the t-test and Multiple Regression. Using these types of statistics will allow the team to determine which observed differences between the Pilot and non-Pilot group are meaningful and which may be a function of random variation in the data.

Data Limitations as of September 8, 2008

It is important to note that at this juncture the findings are preliminary, not sufficiently representative, and should not be considered to be indicative of the final analysis. Ultimately, the Departments will seek to assess the differences between Pilot and non-Pilot participants for every stage in the DES Pilot process. As of September 8, 2008, there are viable data for the MEB and PEB phases only. In addition, there is only non-Pilot comparison data for the MEB phase. Further, the relatively small number of comparison non-Pilot participants precluded testing using multiple regressions. Therefore, the comparisons were conducted using t-tests.

MEB Phase

Demographics

As of September 8, 2008, a total of 202 participants have completed the MEB phase survey, 175 Pilot participants and 27 non-Pilot participants. Due to inconsistencies in data collection and management, only four demographic variables are available for inclusion in this report: service type, component, location, and officer/enlisted. Moreover, the majority of the demographic data for the non-Pilot group were not provided, creating significant limitations in comparisons across the Pilot and non-Pilot groups. Subsequent reports will include a more robust data set for non-Pilot participants

in order to facilitate a more comprehensive comparison between Pilot and non-Pilot participants. Table 3.2.1 shows the distribution of survey respondents by service type, component, and personnel class across the Pilot and non-Pilot groups. The lack of representative data in the non-Pilot group poses a challenge for interpreting findings.

Table 3.2.1: MEB Demographics

| Service Type | | Non-Pilot | Pilot | Total |
|-----------------|---------|-----------|-------|-------|
| Army | Count | 0 | 57 | 57 |
| | Percent | 0% | 33% | 28% |
| Air Force | Count | 0 | 28 | 28 |
| | Percent | 0% | 16% | 14% |
| Marines | Count | 10 | 43 | 53 |
| | Percent | 37% | 25% | 26% |
| Navy | Count | 17 | 47 | 64 |
| | Percent | 63% | 27% | 32% |
| Component | | Non-Pilot | Pilot | Total |
| Active | Count | 0 | 152 | 152 |
| | Percent | 0% | 87% | 75% |
| Reserve | Count | 0 | 21 | 21 |
| | Percent | 0% | 12% | 10% |
| Personnel Class | | Non-Pilot | Pilot | Total |
| Enlisted | Count | 0 | 149 | 149 |
| | Percent | 0% | 85% | 74% |
| Officer | Count | 0 | 25 | 25 |
| | Percent | 0% | 14% | 12% |

Location

Table 3.2.2 features the distribution of survey respondents by location across the Pilot and non-Pilot groups.

Table 3.2.2: Location

| Service Type | | Non-Pilot | Pilot | Total |
|--------------|---------|-----------|-------|-------|
| Bethesda | Count | 0 | 90 | 90 |
| | Percent | 0% | 51% | 45% |
| Malcolm Grow | Count | 0 | 28 | 28 |
| | Percent | 0% | 16% | 14% |
| Walter Reed | Count | 0 | 57 | 57 |
| | Percent | 0% | 33% | 28% |
| No Data | Count | 27 | 0 | 27 |
| | Percent | 100% | 0% | 13% |
| Total | Count | 27 | 175 | 202 |
| | Percent | 100% | 100% | 100% |

MEB Comparisons

Appendix A to this report illustrates each construct (i.e., Assurance, Distributive Justice) measured in the DES Pilot study and the corresponding items included in the calculation of each composite score. To ensure an accurate comparison between Pilot and non-Pilot groups, two composite scores were created for each construct. The first composite scores provided include all items, both common and uncommon, across the MEB phase surveys. The second modified composite score provided includes only common items across both

surveys. For example, the composite score of Assurance includes the additional item specific to the Pilot survey (i.e., “The VA MSC was courteous in providing service”), whereas the modified composite excludes this item. This approach allows for a more “true” comparison when explaining possible differences between Pilot and non-Pilot groups.

MEB Phase Composite Mean Scores by Group

For the purpose of providing true comparisons between the Pilot and non-Pilot groups across study constructs, two forms of composite mean scores are included in this report:

- Composite means for all items included in both surveys
- A modified composite mean that excludes items that do not appear across both Pilot and non-Pilot surveys

All composite mean scores provided are based on a Likert scale from “1” (lowest rating) to “5” (highest rating).

MEB Phase Composite Mean Score Results (All Items) – t-tests

Chart 1 illustrates MEB phase results by group across all study constructs. Survey participants in both groups rated assurance the highest (Pilot M = 4.00, Non-Pilot M = 4.02). Conversely, timeliness and distributive justice received the lowest rating among Pilot group participants (M = 3.24) and Non-Pilot participants (M = 3.33), respectively.

Chart 1: MEB Phase Mean Composite Scores by Group (All Items)

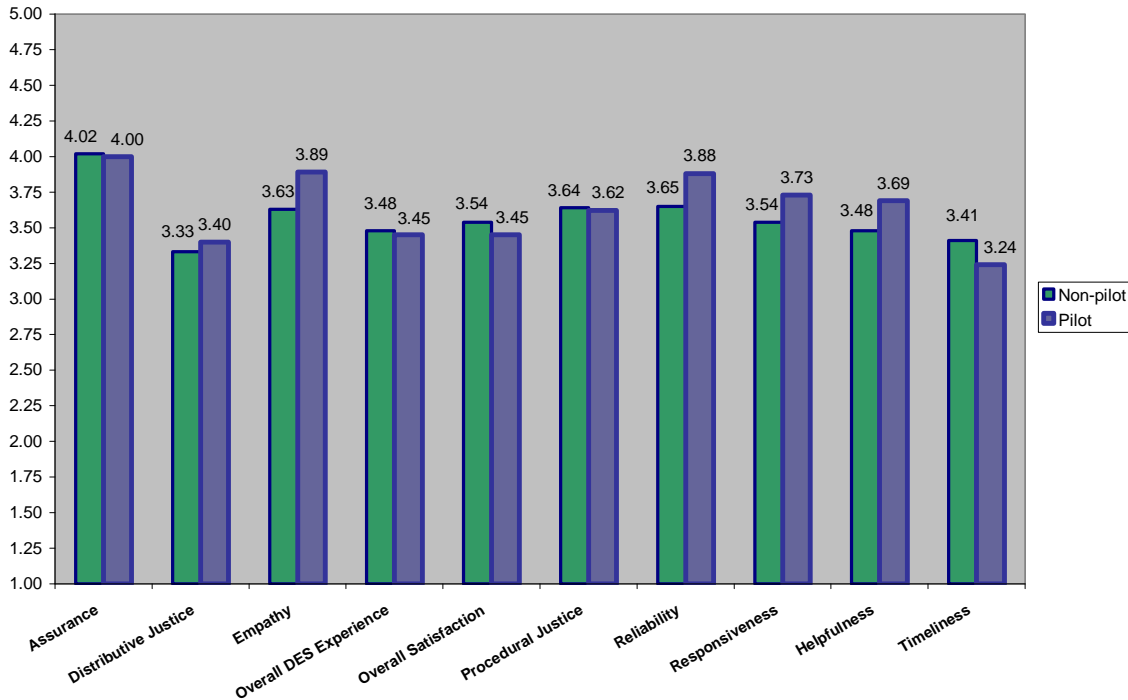


Table 3.2.3 depicts the total count, mean, standard deviation, and mean difference by construct for both the Pilot and non-Pilot groups. No significant differences exist

between Pilot and non-Pilot participants. It is worthwhile to illustrate several mean group differences across constructs. Pilot participants (M = 3.88) reported higher composite mean scores for reliability than their non-Pilot (M = 3.65) counterparts. Additionally, Pilot participants (M = 3.82) scored higher on empathy than non-Pilot participants (M = 3.63).

Several salient limitations should be noted. First, as noted previously, the small number of non-Pilot respondents (n = 27) relative to Pilot participants (n = 175) limits the ability to draw clear conclusions. Second, survey participants in the non-Pilot group represented only those from the Navy and Marine Corps. To make a more accurate and statistically sound comparison across groups, the non-Pilot group would need a sample that is representative of all Services.

Table 3.2.3: Composite Mean Scores by Construct (All Items)

| MEB Phase Composite Mean Scores by Group (All Items) | Group | N | Mean | SD | DIF |
|---|--------------|----------|-------------|-----------|------------|
| MEB Phase Assurance | Non-pilot | 27 | 4.02 | 0.86 | -0.01 |
| | Pilot | 175 | 4.00 | 0.66 | |
| MEB Phase Distributive Justice | Non-pilot | 24 | 3.33 | 1.20 | 0.07 |
| | Pilot | 119 | 3.40 | 1.24 | |
| MEB Phase Empathy | Non-pilot | 27 | 3.63 | 1.15 | 0.19 |
| | Pilot | 172 | 3.82 | 0.94 | |
| MEB Phase Overall DES Experience | Non-pilot | 27 | 3.48 | 1.19 | -0.03 |
| | Pilot | 172 | 3.45 | 1.09 | |
| MEB Phase Overall Satisfaction | Non-pilot | 27 | 3.54 | 1.19 | -0.09 |
| | Pilot | 173 | 3.45 | 1.03 | |
| MEB Phase Procedural Justice | Non-pilot | 25 | 3.64 | 1.08 | -0.02 |
| | Pilot | 154 | 3.62 | 1.17 | |
| MEB Phase Reliability | Non-pilot | 27 | 3.65 | 0.99 | 0.23 |
| | Pilot | 174 | 3.88 | 0.81 | |
| MEB Phase Responsiveness | Non-pilot | 27 | 3.54 | 1.00 | 0.08 |
| | Pilot | 173 | 3.63 | 0.96 | |
| MEB Phase Helpfulness | Non-pilot | 27 | 3.48 | 1.45 | 0.02 |
| | Pilot | 172 | 3.50 | 1.21 | |
| MEB Phase Timeliness | Non-pilot | 27 | 3.41 | 1.08 | -0.17 |
| | Pilot | 167 | 3.24 | 1.39 | |

MEB Phase Composite Mean Score Results (All Items) – Multiple Regression

The team was unable to test the impact of Pilot participation using multiple regression due to the small number non-Pilot participants. These tests will be conducted in future reports when more data are available.

Modified MEB Phase Composite Mean Score Results (Common Items) – t-tests

Chart 2 and Table 3.2.4 illustrate MEB phase results for common items across both the Pilot and non-Pilot DES Survey. Modified composite mean scores are denoted with an asterisk (*). Current scores reflect member experience with both the MSC and the PEBLO. When more data are available we may break out member impressions if there is a significant difference between the MSC and PEBLO.

Chart 2: MEB Phase Mean Composite Scores by Group (Common Items)

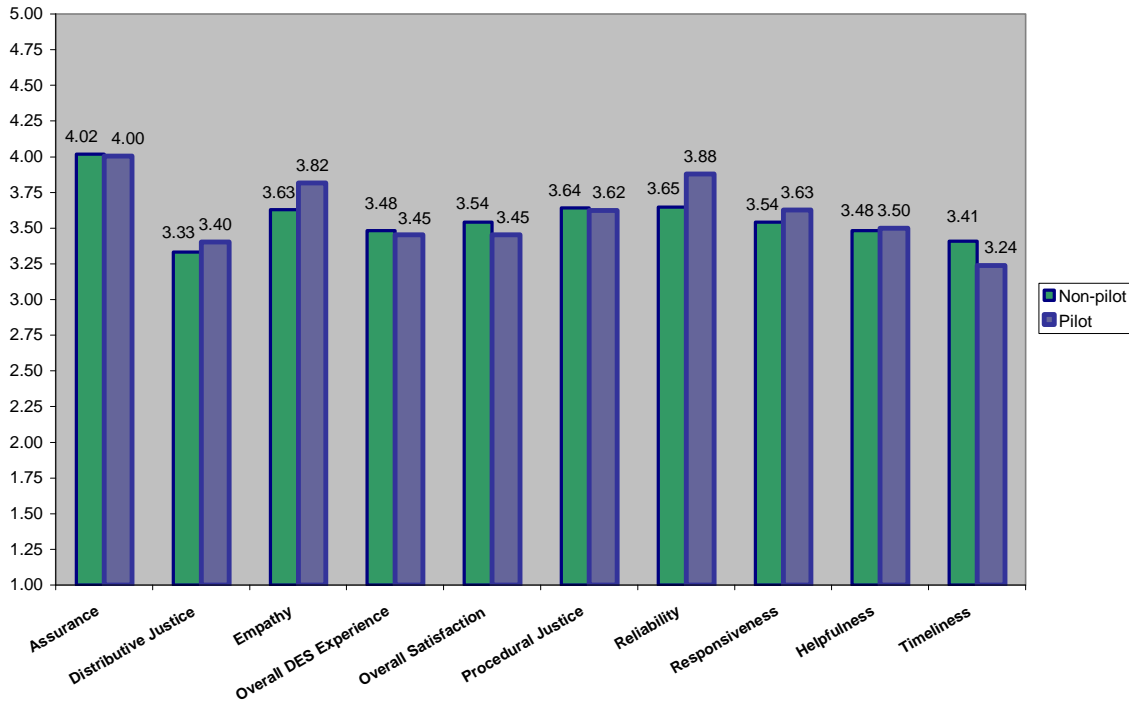


Table 3.2.4: Modified Composite Mean Scores by Construct (Common Items)

| MEB Phase Composite Mean Scores by Group (Common Items Only) | Group | N | Mean | SD | DIFF |
|---|--------------|----------|-------------|-----------|-------------|
| MEB Phase Assurance* | Non-pilot | 27 | 4.02 | 0.86 | -0.02 |
| | Pilot | 175 | 4.00 | 0.72 | |
| MEB Phase Distributive Justice | Non-pilot | 24 | 3.33 | 1.20 | 0.07 |
| | Pilot | 119 | 3.40 | 1.24 | |
| MEB Phase Empathy* | Non-pilot | 27 | 3.63 | 1.15 | 0.26 |
| | Pilot | 159 | 3.89 | 1.15 | |
| MEB Phase Overall DES Experience* | Non-pilot | 27 | 3.48 | 1.19 | -0.03 |
| | Pilot | 172 | 3.45 | 1.09 | |
| MEB Phase Overall Satisfaction | Non-pilot | 27 | 3.54 | 1.19 | -0.09 |
| | Pilot | 173 | 3.45 | 1.03 | |
| MEB Phase Procedural Justice | Non-pilot | 25 | 3.64 | 1.08 | -0.02 |
| | Pilot | 154 | 3.62 | 1.17 | |
| MEB Phase Reliability* | Non-pilot | 27 | 3.65 | 0.99 | 0.23 |
| | Pilot | 174 | 3.88 | 0.81 | |
| MEB Phase Responsiveness* | Non-pilot | 27 | 3.54 | 1.00 | 0.18 |
| | Pilot | 169 | 3.73 | 1.17 | |
| MEB Phase Helpfulness* | Non-pilot | 27 | 3.48 | 1.45 | 0.20 |
| | Pilot | 167 | 3.69 | 1.38 | |
| MEB Phase Timeliness | Non-pilot | 27 | 3.41 | 1.08 | -0.17 |
| | Pilot | 167 | 3.24 | 1.39 | |

*Modified based on common survey items

Modified MEB Phase Composite Mean Score Results (Common Items Only) – Multiple Regressions

Due to the small number of comparison group non-Pilot participants testing of the impact of Pilot participation using multiple regressions was not practical. In future reports, when more comparative data are available, these tests will be conducted.

PEB Phase

Demographics

As of September 8, 2008, a total of 76 Pilot participants have completed the PEB phase survey. Due to inconsistencies in data availability, only four demographic variables are included in this report: service type, component, location, and personnel class. Demographic data does not exist for non-Pilot participants because of insufficient responses to the PEB phase survey. Therefore, descriptive statistics reported below are reflective of Pilot participants only. Subsequent reports will include a data set for non-Pilot participants to facilitate a comparison between Pilot and non-Pilot participants. Table 3.2.5 shows the distribution of survey respondents by service type, component, and personnel class.

Table 3.2.5: PEB Demographics

| Service Type | | Non-Pilot | Pilot | Total |
|------------------------|----------------|------------------|--------------|--------------|
| Army | Count | 0 | 20 | 20 |
| | Percent | 0% | 26% | 26% |
| Air Force | Count | 0 | 8 | 8 |
| | Percent | 0% | 11% | 11% |
| Marines | Count | 0 | 22 | 22 |
| | Percent | 0% | 29% | 29% |
| Navy | Count | 0 | 26 | 26 |
| | Percent | 0% | 34% | 34% |
| Component | | Non-Pilot | Pilot | Total |
| Active | Count | 0 | 67 | 67 |
| | Percent | 0% | 88% | 88% |
| Reserve | Count | 0 | 9 | 9 |
| | Percent | 0% | 12% | 12% |
| Personnel Class | | Non-Pilot | Pilot | Total |
| Enlisted | Count | 0 | 64 | 64 |
| | Percent | 0% | 84% | 84% |
| Officer | Count | 0 | 12 | 12 |
| | Percent | 0% | 16% | 16% |

Location

Table 3.2.6 features the distribution of survey respondents by location. Nearly two out of every three (63%) participants were located in Bethesda, with others located at the Walter Reed (26%) and Malcolm Grow (11%) sites.

Table 3.2.6: Location

| Service Type | | Non-Pilot | Pilot | Total |
|---------------------|----------------|------------------|--------------|--------------|
| Bethesda | Count | 0 | 48 | 48 |
| | Percent | 0% | 63% | 63% |
| Malcolm Grow | Count | 0 | 8 | 8 |
| | Percent | 0% | 11% | 11% |
| Walter Reed | Count | 0 | 20 | 20 |
| | Percent | 0% | 26% | 26% |
| Total | Count | 0 | 76 | 76 |
| | Percent | 0% | 100% | 100% |

3.3 Cost Benefit Analysis

An important determinant of DES Pilot success is the added value of benefits, both realized and perceived, to the Service member. A Cost Benefit Analysis (CBA) is being conducted in order to quantify added financial and non-financial benefits to participating Service members as well as the total cost to the Government of extending the DES Pilot process beyond the NCR. The CBA examines the differences between the DES Pilot and the pre-Pilot processes to provide feedback in terms of both dollars and time. CBA results will be provided in the final DES Pilot report and will include an estimated cost for implementation based on Pilot evaluations, lessons learned and scalability.

3.4 DES Pilot Process Analysis

One of the objectives of the DES Pilot project is to increase the efficiency of the current DES process and move the wounded, ill, or injured service member through the process in a more timely manner. In order to assess whether or not this objective has been met it is necessary to compare the length of time it takes Pilot participants to move through the DES process to the time it takes non-Pilot participants. This comparison will be conducted several ways:

- **Total duration of the DES process** – in order to assess the efficacy of the Pilot to reduce the total time a wounded, ill, or injured service member spends in the entire DES process, the total number of days elapsed between when a service member is referred to the MEB, and when he or she is separated from the service and receives their VA Benefits letter is compared across Pilot and non-Pilot participants.
- **Referral Phase** – in order to assess the efficacy of the Pilot to reduce the time it takes to begin a claim, the number of days elapsed from referral to the MEB to the date the claim was started is compared across Pilot and non-Pilot participants.
- **MEB Phase** – in order to assess the efficacy of the Pilot to reduce the time it takes a Service member to complete the MEB phase of the DES, the number of days elapsed between referral to the MEB and the MEB end date is compared across Pilot and non-Pilot participants.
- **PEB Phase** – in order to assess the efficacy of the Pilot to reduce the time it takes a service member to complete the PEB phase of the DES, the number of days elapsed between referral to the PEB and the date of final disposition is compared across Pilot and Non-Pilot participants.
- **Transition Phase** – in order to assess the efficacy of the Pilot to reduce the time it takes a service member to complete the final phase of the DES, the number of days elapsed between the date of final disposition and the date of the VA Benefits Letter is collected.

Because the Military Departments currently have different DES processes, each provided the team with a unique data set. The team is in the process of aligning the disparate processes and, where necessary, establishing analogous dates to calculate the above durations. The data analyses are ongoing; detailed results will be presented in the final report to Congress, 90 days after completion of the DES Pilot.

4. CONTINUOUS PROCESS IMPROVEMENT

The DES Pilot Support team initiated a Continuous Process Improvement (CPI) effort in May of 2008. The overall process includes a review of the DES mission and objectives; an analysis of the alignment of the DES Pilot to those objectives; and provides recommended improvements to better align people, processes, technology, and infrastructure. The following sections provide a description of the rationale and framework of the analysis and progress to date.

4.1 Background and Analytical Framework

Existing DES Mission Objectives

The existing DES Process has three mission objectives. These mission objectives provide a foundation for CPI analysis:

- Evaluate Service member's fitness to continue his/her military service
- Enable a Service member's transition of care from his/her Military Department to the VA
- Establish a rating which determines benefits and compensation

DES Pilot Objectives

The CPI effort aligns with the four stated objectives that guide further improvements to the DES Pilot process. Those objectives are:

- Improve timeliness, effectiveness, simplicity and resource utilization by integrating DoD and VA processes, eliminating duplication, and improving case management practices
- Deliver more consistent disability evaluations and compensation to wounded, ill, and injured Service members and veterans
- Establish seamless operation between/among organizations throughout process
- Focus on the Service member ("Service member-centric") and be transparent from Service member's point of view

CPI Objectives

- Assess the current performance of the DES Pilot and identify effective, sustainable, repeatable process improvement measures that support the overall DES Pilot objectives
- Ensure timely and efficient process performance, focusing on delivering the highest quality service to the member and family, as well as other stakeholders
- Create a consistency of process outcomes

- Facilitate seamless operation between/among organizations throughout the process
- Create a transparent process from Service member's point of view
- Identify additional metrics to assess performance
- Identify additional detailed activities that comprise DES Pilot processes
- Assess activities that support or hinder efficient performance of the DES Pilot and its related sub-stages
- Evaluate performance measurement approach

CPI Analysis Framework

The CPI analysis framework employs a phased analysis approach across key organizational capabilities. Once an issue is identified by the CPI team, it is developed and tracked through the framework. The framework facilitates process improvement by providing a logical construct for intervention. The framework is defined by six progressive Phases of Analysis:

- **Envision:** Set vision for the effort, develop strategy, and identify known challenges and opportunities for improvement
- **Define:** Agree upon issues to be address and their priority, define scope for each issue
- **Design:** Develop CPI metrics for Pilot program, map roles and relationships between actors, develop conceptual processes, and review existing information transfers
- **Develop:** Refine metrics, establish training requirements, establish detailed sub-stage process solutions and identify requirements for information management and logistics
- **Implement:** Develop policy directives, propose solutions, assign authority for meeting goals, and analyze cost impact of changes
- **Assess:** Evaluate the results of the previous five stages using existing baselines, introduce new baselines to measure the changed system

Executed across five interrelated Organizational Capabilities:

- **CPI Capability Development:** Develop processes and culture in which there can be continuous improvement.
- **Change Management:** Creation of a proactive process for preparing the organization for change and engaging key stakeholders.
- **Business Process Improvement:** Develop target metrics to assess the impact and outcomes of process changes
- **Information Management:** Review and identify technological improvements that can be used to better manage information in the system
- **Infrastructure and Logistics Management:** Review and identify improvements that can be made in the management of resources and processes.

CPI Data Collection

The CPI Team created a standard template to integrate data collected from numerous various forums to ensure consistency in comparisons made across diverse organizations. In addition, information has been gathered through informal avenues such as emails, phone calls, and individual interviews.

CPI Analysis Products

The following products aided the team in evaluating and mapping processes and developing recommendations for improving the Pilot process:

- **Process Maps:** Worked closely with Enterprise Architect support to accurately model the business processes involved in the DES Pilot. A more detailed process model will be developed based on the gaps identified by the CPI Working Group participants and the improvements recommended within the process.
- **Decision Tree:** Accurately mapped major decision points throughout the DES Pilot process in order to assure that decision outcomes are supporting one or more DES mission objectives.
- **Standardized Forms:** Collected and analyzed various forms used by each of the Services in the DES Pilot process with the aim of evaluating their effectiveness and standardizing their format.

Using the DES Pilot process sub-stages as the context for analysis, data collection efforts have yielded initial observations and recommendations, particularly across the three central phases of the CPI analysis framework: Define/baseline; Design; and Develop. Continued data collection and analysis will lead to refined recommendations, with the eventual goal of implementation and assessment of CPI initiatives.

4.2 DES Pilot Process Sub-Stage Analysis

Pre-Referral

Overview

The Pre-Referral sub-stage includes all DES-related activities from the point-of-injury through formal referral into the DES process. Related activities include initial treatment; determination of diagnosis/prognosis; determination of treatment regimen; identification of related work restrictions; identification of the individual Service member as a viable candidate for the DES process; and notification of the Service member, his/her command, and others of the referral. The pre-referral sub-stage applies to every Service member who is injured or develops an illness that requires treatment. However, for the purposes of the DES, the population at interest is isolated to those with injuries or illnesses sufficient enough to call into question the continuation of a Service member's military career. In addition, this sub-stage is not within the scope of the DES Pilot, however it provides primary input to the DES Pilot process and is therefore a logical point of analysis.

Referral

Overview

The Referral sub-stage includes all activities from entry into the DES Pilot process through the transfer of the Service member's STR from the PEBLO to the MSC. Related activities include assignment of PEBLO; compilation of Service Treatment Record (STR); education on the DES Pilot process; distribution of brochures or handouts detailing benefits, expectations, and possible decisions for each step of the process; completion of Section One of the VA/DoD Joint Physical Disability Evaluation Board Claim (Form 21-0819); transmission of the STR and Form 21-0819 to the MSC; Commander's completion of the non-medical assessment; and possible initiation of a Line of Duty Investigation.

The core participants in this sub-stage include the Service member, the referring physician, the Service member's command, the PEBLO and the MSC.

Observations

Observation 1: Opportunity for early notification

There is no reliable mechanism in place to pre-notify the MSC of the upcoming claim development requirement. Nearly all Service members who are assigned a PEBLO/Patient Administrator will proceed to the care of an MSC. Early notification may provide administrative benefits even if the MSC does not have access to the complete STR at this early point in time.

Observation 2: Delay in Consolidation of STR

Based on information gathered from CPI Working Groups, as well as DES Pilot database outlier reports, the consolidation of the STR is a source of delay in the process. Significant labor and time is spent compiling this information during the sub-stage. A consolidated STR is in the best interest of DoD, the Service member, and is required by VA to properly decide the claim.

Observation 3: Opportunities for delivery of STR

The STR is printed and provided as a hard copy to the MSC. The current DES process is largely a paper bound process within DoD and VA. VA has instituted paperless claims processing in the DES pilot effective October 1, 2008. However, it is still necessary for the PEBLO to print and deliver paper copies of STRs to the MSCs who then send them for scanning into Virtual VA, VBA's Compensation and Pension Paperless platform. The printing of STRs is still required until such time as DoD's AHLTA system is capable of pushing electronic images to VA more broadly than in the current limited DoD/Veterans Health Administration shared patient environment. Once documents are in Virtual VA the pilot is testing the ability of VA and DoD to conduct the balance of the process without paper documents.

Observation 4: Processing timeline goals may force incomplete STRs to move forward

Early estimates suggest that this process should take, on average, five calendar days. Due to challenges printing, compiling and copying all parts of the STR and scheduling

obstacles, that timeline may not be feasible. While a time estimate is important for this stage, additional measures must be in place to ensure that the STR is complete (or as complete as possible) when forwarded to the MSC.

Recommendation

Based on feedback received from working level PEBLOs and MSCs, and DES Pilot database analysis, the CPI team suggested that the Timeline Goal for the Referral sub-stage be increased from 5 calendar days to 10 calendar days. Data analyses show the mean time for all participants in the process is 12.64 days. The median time is 8 days, still higher than the original time of five days (determined at the August 2007 DES Pilot Table Top). This recommendation proposed 10 days instead of 12 in recognition of gains made by PEBLOs and MSCs in performing the process more efficiently, particularly in the compilation of a complete STR.

Claim Development

Overview

The Claim Development sub-stage includes all activities from the Service member's transition to the MSC through the scheduling of medical examinations for the Service member. Related activities include education on the VA process and potential benefits; identification of any additional claimed conditions; completion of Sections 2-4 of VA Form 21-0819; providing the notice required by Veterans Claims Assistance Act (VCAA) and soliciting a response to the VCAA notice; submission of medical examinations and templates using CAPRI, VERIS, or other appropriate system; forwarding of the VA Form 21-0819, Service member's STR, and VCAA response to the VA Rating Site, St. Petersburg, FL; and gathering of additional information required to substantiate the case

The core participants in this sub-stage include the Service member, the PEBLO, and the MSC.

Observations

Observation 1: Service member lag time at the beginning of the stage

The MSC counsels the Service member only after he/she has carefully reviewed the STRs and other documents provided by the PEBLO. The timely information exchange between PEBLO and MSC requires close coordination.

Observation 2: Uniqueness of National Capital Region (NCR)

In every regard, the NCR is unique. There are multiple trauma and combat related cases which add to complexity of the process. In addition, the accessible high level leadership oversight resolves many process issues which may be more problematic when the Pilot expands outside the NCR.

Observation 3: Standardizing the MSC Role

Participation in the DES process is a new role for VA MSCs. As a consequence VA has developed standardized training for them in their roles and responsibilities.

Observation 4: MSC Staffing

Through feedback from CPI Working Groups, in the initial stand up of the DES Pilot it became apparent that the initial patient to MSC ratio was a success factor to ensure timely administrative processing. The VA took action to ensure adequate staffing at all DES Pilot sites.

Observation 5: Assuring that all conditions are claimed at this sub-stage

It is important that the Service member is informed that this is his or her chance to claim all relevant conditions prior to proceeding through the DES Pilot process. Delays in claiming additional non-referred conditions may result in those conditions being evaluated after separation.

Recommendation

Based on feedback received from MSCs, and DES Pilot database analysis, the CPI team believes that the timeline goal for the Claim Development sub-stage should be increased from 5 calendar days (determined at the August 2007 DES Pilot Table Top) to 10 calendar days. When viewing the claim development sub-stage as a whole, the mean time for all participants in the process is 10.32 days. Similar to the referral process, the median time of the process is 8 days. The mode is 1 day, so it is clear that this process is normally completed quickly.

Medical Evaluation

Overview

The Medical Evaluation sub-stage includes all activities from the requesting of medical examinations through providing completed examination reports to the PEBLO. Related activities include updating Service member's case file; scheduling all required general and specialty medical examinations; informing the Service member and their Commander of all the scheduled exams; monitoring scheduled exams and resolving scheduling issues when necessary; assembling the DES case file for the MEB; performing required general and specialty medical examinations; and completion of VA examination worksheets and templates.

Observations

Observation 1: Assuring the Service member is transported to appointment and related logistics

The Service member's command is responsible for providing this transportation, a factor outside the scope of the PEBLO or MSC.

Observation 2: Timeline of phase influenced by how quickly appointments are scheduled

There is lead time involved within the scheduling of certain specialty exams. Appointments are scheduled in order to conduct all exams on the same day when

possible, but the results of the exams may compel the member to return for additional appointments. Outside of the NCR, where there may not be such a wide range of medical resources, the lag time to results of exams may be even greater.

Observation 3: Complexity of the case may affect the timeline

Based upon feedback from the CPI Working Groups, an estimated 40-50% of all cases contain complex conditions that often require additional specialty examinations.

Observation 4: Missed examination appointments may hold up process

The DES Pilot timeline measurements do not account for the additional lag time caused by missed appointments. Based on CPI Working Group feedback, it is believed that 5% of appointments are missed. There is currently a process in place to allow the MSC to notify the PEBLO in the case of a no-show to facilitate the rescheduling of appointments.

Recommendation

Based on feedback received from PEBLOs, VA, and DES Pilot database analysis, the CPI team suggested that the timeline goal for the Medical Evaluation sub-stage increase from 35 calendar days (determined at the August 2007 DES Pilot Table Top) to 45 calendar days. Data analyses show a mean time for all participants in the process is 49.92 days, with a median time of 44 days.

Medical Evaluation Board

Overview

The Medical Evaluation Board sub-stage includes all activities from informing the Service member of the results of the medical examinations through informing the Service member of their meeting or not meeting medical retention standards. Related activities include informing the Service member of their case status within the MEB process; consideration of the case file to determine if the Service member meets medical retention standards; informing the Service member of the conditions that caused the failure to meet medical retention standards; and assembling the MEB case file with all attachments and forwarding to the PEB Administrator.

The core participants in this sub-stage include the Service member, the PEBLO, and the MEB members.

Observations

Observation 1: Composition of MEB Varies

Services vary the composition of the MEB. Army MEBs are comprised of designated MEB physicians, to include specialist physicians when necessary (psychiatrist, etc.). For the Navy, general physicians with training perform the MEB, but there are no permanently designated MEB physicians. The Air Force describes their board as more flexible and tailored to best review the case. The DoD guidance establishes standards but offers flexibility.

Observation 2: Multiple Roles for MEB physicians

In some cases, the physician who has treated the member is also involved in the MEB determination.

Observation 3: Standardizing NARSUM Timelines

The NARSUM plays a critical role in setting up and conducting medical examinations. Due to time gaps between creation of the NARSUM and its use, there is a potential that the NARSUM will be outdated, threatening the fairness and timeliness of the medical evaluation. Currently, Departments have "expiration" dates for developed NARSUMs to address this issue. Expirations are different for each Department. Upon expiration, treating/referring physicians must re-create/re-authorize NARSUMs.

Recommendations – In progress

(Recommendations and Observations that are noted as being in progress indicate that the CPI effort has not fully developed the recommendation or has not addressed that area to date.)

Physical Evaluation Board

Overview

The Physical Evaluation Board includes both the IPEB and FPEB sub-stages and all activities from informing the Service member of their not meeting medical retention standards through informing the Service member of the PEB finding. The CPI team will further evaluate this portion of the process and identify specific activities and core participants for inclusion in the DES Pilot Final Report.

Recommendations – In progress

VA Rating Board

Overview

The VA Rating Board includes all activities for VA ratings and rating reconsiderations (if necessary) from the request for a preliminary rating from the PEB, to the actual rating. Reconsideration of a rating is provided by a VA decision review officer. The PEBLO informs Service members of their rating(s). The CPI team will further evaluate this portion of the process and identify specific activities and core participants for inclusion in the DES Pilot Final Report.

Observations – In progress

Recommendations – In progress

Disposition/Transition

Overview

The transition stage is that stage beginning after the Service member accepts the finding or completes formal and Military Department Secretary appeals. At this point, the VA is informed of the final disposition, receives a copy of the separation orders and DD Form 214, and conducts a final interview with the member. Also at transition, enrollment in VA healthcare is processed, additional evidence is collected associated with any dependents the member may have and the proposed rating is converted to a formal VA rating for promulgation on the date of separation. If the member is incompetent, final arrangements for a fiduciary are completed. The CPI team will further evaluate this portion of the process and identify specific activities and core participants for inclusion in the DES Pilot Final Report.

Observations – In progress

Recommendations – In progress

VA Benefits

Overview

VA Benefits include all activities from generating and distributing the VA benefits letter to the veteran to initiation of actual payment of benefits. The CPI team will further evaluate this portion of the process and identify specific activities and core participants for inclusion in the DES Pilot Final Report.

Observations – In progress

Recommendations – In progress

5. TRAINING

DES Pilot Start-Up Session

Prior to the commencement of the DES Pilot, the Departments conducted a DES Pilot briefing and training session on November 1-2, 2007, for DES Pilot policy and managerial personnel. The session included an opportunity for attendees to ask questions about the DES Pilot, indicate process concerns, and voice opinions.

Other key elements of the November 1-2, 2007, Start-Up session included:

- An overview of the DES Pilot concept, scope, objective, policy and organizational responsibilities, as summarized in the DTM
- A description of DES Pilot overarching concepts, including testing an enhanced DES creation of a Service member-centric process
- A detailed description of the DES Pilot process
- A detailed description of DES Pilot data collection tools and procedures
- An introduction to DES Pilot strategic communications

DES Pilot PEBLO and MSC Training

At a November 14-16, 2007, PEBLO and MSC training session, PEBLOs and MSCs were introduced to the DES Pilot process, background, a typical processing scenario, and their data reporting requirements. In-depth process training was provided during this session. The session also brought Army, Air Force and Navy/Marine PEBLOs together with VA's MSCs to promote communication between the DES staff from the two Departments and to illustrate how the three Military Departments would interact with the VA MSCs.

Federal Recovery Coordinator Training

LoA 3 held a two-day training session January 8-9, 2008, on the DES Pilot for the first ten newly hired Federal Recovery Coordinators. LoA 3 staff facilitated the training session, which provided an overview of the DES Pilot and description of the responsibilities of the Departments, including Department data collection requirements. The session also included presentation of a typical DES Pilot case processing scenario for a WII Service member and a strategic communications brief.

DES Pilot Database Training

LoA1 provided training on the use of the web-based DES Pilot data collection tool on February 7, 2008. The goal of the session was to prepare the DES Pilot data collection agents to use the database tool upon its implementation on February 11, 2008.

The training was intended to ease the transition from the earlier use of electronic forms. The session included training on the following data collection tool key features:

- AKO account and DES Pilot tool username and password requirements
- Role and access request procedures
- Automatic generation of case ID numbers
- Query and report generation capabilities
- Case filters and search functions
- Data entry requirements

VASRD Training

In response to Section 1642 of the 2008 NDAA, ASD (Health Affairs) sponsored a joint session in April 2008 for individuals from all service Physical Evaluation Boards (PEBs), including the U.S. Coast Guard, and VA rating specialists to help DoD understand how the VA applies the VA Schedule for Rating Disabilities (VASRD). Members of each Military Department PEB now receive all new Veterans Benefits Administration (VBA) procedural updates, commonly referred to as "Fast Letters", and Training letters, to ensure that they have the most up-to-date VA guidance on VASRD issues during the adjudication and rating of each case. This training provided for a better understanding of the ratings provided by VBA Rating Veterans Service Representatives (RVSRs) during the Pilot.

Medical Examiner Training and Certification

Preparing for expansion and the potential use of DoD providers performing the single disability/transition examinations, Veterans Health Administration (VHA) and ASD HA worked together to provide the same training and certification process currently provided to VA and VA contract examiners. The training and certification is expected to be available online for access by DoD providers by November 2008.

Future Training

The Departments developed extensive training guides to provide PEBLOs and MSCs with standardized training on the DES and updated training on the DES Pilot. The goal of this training guide is to effectively facilitate expansion of the DES Pilot as determined by DoD and VA leadership. The DES Pilot training includes:

- Manager-level training on expansion plans for DES Pilot leadership
- Procedural-level training on expansion plans for DES staff at expansion sites

6. REFINE AND TEST CASE MANAGEMENT PROCEDURES

The DES Pilot implementing memorandum establishes enhancement of case management procedures as an objective of the DES Pilot. LoAs 1 and 3 are using the refinement mechanisms described in Section 3.3 of this document (Hot washes, Site Visits, and Procedural Updates) to develop and implement effective procedures for the primary non-clinical case managers involved in the DES Pilot: PEBLOs and MSCs. The DES Pilot enabled the DoD and VA to refine procedures for numerous interaction points between PEBLOs and MSCs. The procedures ensure the seamless transition of DES Pilot cases and records as they move back and forth between the Departments. For example, these transitions occur between the Referral and Claim Development stages, the Medical Evaluation and Medical Evaluation Board stages, and when the Service member's DES case and health treatment record move between the Informal PEB and the VA Rating Board. Ensuring cases and records are not misrouted or delayed at these transition points is critical to developing a seamless DES process. The DES Pilot revealed the need to extend the role of the PEBLO beyond its current, traditional end-point at the conclusion of the PEB.

7. IDENTIFY LEGAL AND POLICY ISSUES

The Departments are using the DES Pilot to identify legal and policy issues. When designing the DES Pilot, the Departments considered legal issues, such as ensuring the DES Pilot maintained Service members' due process appeal rights, and policy issues, such as ensuring that the DES Pilot process and outcomes were transparent to Service members and veterans. One example of this transparency is the DES Pilot provision that allows Service members to receive their proposed VA disability ratings at the same time they receive their fit / unfit rating from the IPEB. This policy allows the member to make an informed decision about their best course of action, which is a great help to Service members who have their career unexpectedly terminated by a disabling condition. To address concerns identified by the Army, the Departments will evaluate the impact of this policy on the process in terms of its effect on the number and nature of appeals arising as a result of the Pilot. The DES Pilot emphasized the need to extend the PEBLO's role beyond its current, traditional end-point at the conclusion of the PEB. The guidance that

requires the PEBLO to manage the Service member's DES case until that Service member transitions back to duty or to the care of the VA is another example of the DES Pilot impact on overall DES policy.

8. EXPANSION

The DoD and VA began formally exploring options in March 2008 for expanding the DES Pilot beyond the National Capital Region. To help determine, if appropriate, the desired scope and pace of expansion, the Departments held meetings in March, April, and May to determine expansion requirements for the DES Pilot. The Departments developed an expansion site assessment matrix to evaluate potential expansion locations. The expansion site assessment matrix established a baseline for assessing whether each potential expansion location is able to meet the requirements of the DES Pilot.

The DES Pilot expansion evaluation plan included extensive quantitative and qualitative performance measures. The Departments collaborated in the analysis of the available data to inform expansion decisions. Based on Departmental meetings the expansion matrix criteria included: physical and human resources, IT architecture development and fielding, case management procedures, training, and costs. As part of the expansion consideration, LoAs 1 and 3 worked together to ensure the Departments were prepared to train the personnel who would implement the DES Pilot at expansion sites. Although the primary case managers involved in the DES Pilot are PEBLOs and MSCs, the Departments also intend to train other personnel who process DES Pilot cases, including PEB administrative personnel and MEB and PEB members.

The decision to expand the DES Pilot was based upon a favorable review that focused on whether the DES Pilot met its timeliness, effectiveness, transparency, and customer and stakeholder satisfaction objectives. One key goal of the expansion is to 'stress the DES Pilot' by setting increasing, yet achievable requirements for the supporting personnel and logistical infrastructure currently in place. Additionally, by extending the DES Pilot beyond the NCR, more diverse data from other geographic areas can be evaluated, prior to rendering a final decision on worldwide implementation. These additional data will cover a wider range and density of injuries and illnesses than what is presently being treated in the NCR. Because of the nature and mission of the MTFs in the NCR, a disproportionate amount of the wounds, illnesses, and injuries that result in referral to a MEB are combat related, with an accordingly higher degree of severity. Including data from DES participants from MTFs and regions that do not have the same combat-related patient densities will provide a more accurate assessment of the full body of individuals going through the process.

Beginning October 1, 2008, the Departments expanded the DES Pilot to Fort Meade, MD and Fort Belvoir, VA. Additional installations will be introduced to the DES Pilot upon completion of VA/DoD coordination, site preparations, and personnel orientation and training.

The remaining installations proposed for the program are:

- **Department of the Army:** Fort Carson, CO; Fort Drum, NY; Fort Stewart, GA; Fort Richardson and Fort Wainwright, AK; Brooke Army Medical Center, TX; and, Fort Polk, LA
- **Department of the Navy:** Naval Medical Center (NMC) San Diego and Camp Pendleton, CA; NMC Bremerton, WA; NMC Jacksonville, FL; and, Camp Lejeune, NC
- **Department of the Air Force:** Vance Air Force Base, OK; Nellis Air Force Base, NV; MacDill Air Force Base, FL; Elmendorf Air Force Base, AK; and, Travis Air Force Base, CA

In testimony to the House Subcommittee on Security and Foreign Affairs of the Committee on Oversight and Government Reform, the U.S. Government Accounting Office (GAO) recommended deliberate and thorough development of adequate assessment and expansion plans prior to pushing the Pilot beyond the NCR². Accordingly, DoD and VA are moving at a deliberate but aggressive pace to assess, and, when appropriate, bring the benefits of the DES Pilot to all Service members and veterans.

9. CONCLUSION

In response to media reports of deficiencies in the DoD disability system, the Departments examined and improved the disability evaluation and delivery of benefits processes. This interim report on the status of the DES Pilot describes the results, to date, by the DoD and VA to develop and test an improved DES process. The DES Pilot implements process changes intended to significantly improve DES timeliness, effectiveness, simplicity, and resource utilization. The Departments expect these improvements because the DES Pilot integrates DoD and VA processes, eliminates duplication, and improves case management practices. The DES Pilot currently includes disability cases originating from MEBs at Walter Reed, Bethesda National Naval, and Malcolm Grow Medical Centers. The number of Service members enrolled in the DES Pilot will continue to grow over the coming months as will the numbers who have progressed to the later stages of the DES Pilot process. At this time, the DES Pilot provides an alternative disability evaluation system that consolidates the Departments' previous programs to the degree allowed by statute. The alternative the Departments are testing in the DES Pilot was the preferred process model among five alternatives the Departments examined in the Summer of 2007. Although the evaluation data on the performance of the DES Pilot are limited at this time, preliminary indications are favorable as indicated by this report.

Appendices:

A – DES Pilot MEB Phase Survey Items and Composites

² GAO 08-514T, Preliminary Observations on Efforts to Improve Care Management and Disability Evaluations for Service members.

Appendix A

Disability Evaluation System (DES) Pilot MEB Phase Survey Items and Composites

MEB Survey Composite Items

| Construct | MEB Pilot Common Items | MEB Non-Pilot Common Items | Additional Items (Pilot Only) |
|-------------------------------|---|---|---|
| Assurance | 8. The doctor who conducted your VA disability medical exams was courteous. 9. You had a chance to speak your mind during the Medical Evaluation Board phase of your case. 13d. [The PEBLO] was courteous in providing service. | 7. The doctor who conducted your VA disability medical exams was courteous. 8. You had a chance to speak your mind during the Medical Evaluation Board phase of your case. 12d. [The PEBLO] was courteous in providing service. | 16d. [The VA MSC] was courteous in providing service. |
| Distributive Justice | 11. In comparison with other case outcomes you have heard about, you think your Medical Evaluation Board case outcome was fair. | 10. In comparison with other case outcomes you have heard about, you think your Medical Evaluation Board case outcome was fair. | N/A |
| Empathy | 13e. [The PEBLO] had your best interests in mind. | 12e. [The PEBLO] had your best interests in mind. | 16e. [The VA MSC] had your best interests in mind. |
| Overall DES Experience | 27. How would you evaluate your overall experience since entering the Disability Evaluation System Pilot process? | 20. How would you evaluate your overall experience since entering the Disability Evaluation System process? | N/A |
| Overall Satisfaction | 23. How satisfied or dissatisfied were you with the medical care you received during the Medical Evaluation Board phase of the Pilot process? 24. How satisfied or dissatisfied were you with the management of your case during the Medical Evaluation Board phase of the Pilot process? 25. How satisfied or dissatisfied were you with the overall Medical Evaluation Board phase of determining your retention status in the military? | 16. How satisfied or dissatisfied were you with the medical care you received during the Medical Evaluation Board phase of the process? 17. How satisfied or dissatisfied were you with the management of your case during the Medical Evaluation Board phase of the process? 18. How satisfied or dissatisfied were you with the overall Medical Evaluation Board phase of determining your retention status in the military? | N/A |
| Procedural Justice | 10. You believe the Medical Evaluation Board process was fair. | 9. You believe the Medical Evaluation Board process was fair. | N/A |
| Reliability | 7. The Disability Evaluation System Pilot medical exams associated with your VA disability were thorough. 12a. The PEBLO explained the overall Disability Evaluation Pilot process in a way you could understand. 12b. The PEBLO explained the Medical Evaluation Board phase of the Pilot process in a way you could understand. 12c. The PEBLO explained the Physical Evaluation Board phase of the Pilot process in a way you could understand. | 6. The Disability Evaluation System Pilot medical exams associated with your VA disability were thorough. 11a. The PEBLO explained the overall Disability Evaluation process in a way you could understand. 11b. The PEBLO explained the Medical Evaluation Board phase of the process in a way you could understand. 11c. The PEBLO explained the Physical Evaluation Board phase of the process in a way you could understand. | 19. During the Medical Evaluation Board phase of your case, did the VA Military Services Coordinator managing your case ever mention the VA's role in the Disability Evaluation System Pilot process? 20. Did the VA Military Services Coordinator managing your case explain the VA's role in the Disability Evaluation System Pilot process in a way you could understand? 21. During the Medical Evaluation Board phase of your case, did the VA Military Services Coordinator managing your case make sure you knew how to complete your VA disability claim? |
| Responsiveness | 13a. The PEBLO provided timely service. 13b. The PEBLO kept you well informed about the status of your case. 13c. The PEBLO was attentive to your needs. | 12a. The PEBLO provided timely service. 12b. The PEBLO kept you well informed about the status of your case. 12c. The PEBLO was attentive to your needs. | 16a. The VA MSC provided timely service. 16b. The VA MSC kept you well informed about the status of your case. 16c. The VA MSC was attentive to your needs. |
| Helpfulness | 14. During the Medical Evaluation Board phase, to what extent was the Physical Evaluation Board Liaison Officer managing your case helpful to you? 15. During the Medical Evaluation Board phase, to what extent was the Physical Evaluation Board Liaison Officer managing your case helpful to your family? | 13. During the Medical Evaluation Board phase, to what extent was the Physical Evaluation Board Liaison Officer managing your case helpful to you? 14. During the Medical Evaluation Board phase, to what extent was the Physical Evaluation Board Liaison Officer managing your case helpful to your family? | 17. During the Medical Evaluation Board phase, to what extent was the VA Military Services Coordinator managing your case helpful to you? 18. During the Medical Evaluation Board phase, to what extent was the VA Military Services Coordinator managing your case helpful to your family? |
| Timeliness | 26. How would you evaluate the timeliness of the Pilot process since entering the Disability Evaluation Pilot process? | 19. How would you evaluate the timeliness of the Pilot process since entering the Disability Evaluation process? | N/A |

All MEB Survey Items

| MEB Survey Results by Item | | Non-pilot | | Pilot | | Total | |
|--|-------|-----------|---------|-------|---------|-------------|---------|
| | | Count | Percent | Count | Percent | Total Count | Total % |
| 1. Did you read the brochure that explains the Disability Evaluation System Pilot process? | Yes | 15 | 63% | 119 | 76% | 134 | 74% |
| | No | 9 | 38% | 37 | 24% | 46 | 26% |
| | Total | 24 | 100% | 156 | 100% | 180 | 100% |
| 2. Was the Pilot process brochure easy to understand? | Yes | 11 | 79% | 104 | 90% | 115 | 88% |
| | No | 3 | 21% | 12 | 10% | 15 | 12% |
| | Total | 14 | 100% | 116 | 100% | 130 | 100% |
| 3. Was the information in the Pilot process brochure helpful to you? | Yes | 12 | 92% | 103 | 90% | 115 | 91% |
| | No | 1 | 8% | 11 | 10% | 12 | 9% |
| | Total | 13 | 100% | 114 | 100% | 127 | 100% |
| 4. Were you informed of your right to legal counsel during the Disability Evaluation System Pilot process? | Yes | 18 | 69% | 122 | 79% | 140 | 77% |
| | No | 8 | 31% | 33 | 21% | 41 | 23% |
| | Total | 26 | 100% | 155 | 100% | 181 | 100% |
| 5. Do you know the name of the Physical Evaluation Board Liaison Officer (also known as the PEBLO) who was assigned by the military to manage your case? | Yes | 14 | 61% | 150 | 87% | 164 | 84% |
| | No | 9 | 39% | 22 | 13% | 31 | 16% |
| | Total | 23 | 100% | 172 | 100% | 195 | 100% |
| 6. Do you know the name of the Veterans Affairs Military Services Coordinator (also known as the VA MSC) who was assigned to manage your case? | Yes | 0 | 0% | 99 | 62% | 99 | 62% |
| | No | 0 | 0% | 60 | 38% | 60 | 38% |
| | Total | 0 | 0% | 159 | 100% | 159 | 100% |

| Mean Comparisons by MEB Survey Item | Group | N | Mean | SD | DIF |
|--|--------------------|-----------|--------------|--------------|-------|
| 7. The Disability Evaluation System Pilot medical exams associated with your VA disability were thorough. | Non-pilot Pilot | 26 169 | 3.31 3.53 | 1.29 1.08 | 0.22 |
| 8. The doctor who conducted your VA disability medical exams was courteous. | Non-pilot Pilot | 25 170 | 4.12 4.11 | 0.88 0.90 | -0.01 |
| 9. You had a chance to speak your mind during the Medical Evaluation Board phase of your case. | Non-pilot Pilot | 26 164 | 3.92 3.61 | 1.16 1.20 | -0.31 |
| 10. You believe the Medical Evaluation Board process was fair. | Non-pilot Pilot | 25 154 | 3.64 3.62 | 1.08 1.17 | -0.02 |
| 11. In comparison with other case outcomes you have heard about, you think your Medical Evaluation Board case outcome was fair. | Non-pilot Pilot | 24 119 | 3.33 3.40 | 1.20 1.24 | 0.07 |
| 12a. The PEBLO explained the overall Disability Evaluation Pilot process in a way you could understand. | Non-pilot Pilot | 26 166 | 3.65 4.00 | 1.09 1.04 | 0.35 |
| 12b. The PEBLO explained the Medical Evaluation Board phase of the Pilot process in a way you could understand. | Non-pilot Pilot | 26 164 | 3.77 4.06 | 1.11 0.92 | 0.29 |
| 12c. The PEBLO explained the Physical Evaluation Board phase of the Pilot process in a way you could understand. | Non-pilot Pilot | 27 164 | 3.74 3.95 | 1.10 1.04 | 0.21 |
| 13a. [The PEBLO] provided timely service. | Non-pilot Pilot | 26 164 | 3.62 3.79 | 1.20 1.28 | 0.18 |
| 13b. [The PEBLO] kept you well informed about the status of your case. | Non-pilot Pilot | 27 165 | 3.22 3.59 | 1.19 1.36 | 0.37 |
| 13c. [The PEBLO] was attentive to your needs. | Non-pilot Pilot | 27 167 | 3.85 3.83 | 1.06 1.16 | -0.03 |
| 13d. [The PEBLO] was courteous in providing service. | Non-pilot Pilot | 27 166 | 4.00 4.25 | 0.92 0.83 | 0.25 |
| 13e. [The PEBLO] had your best interests in mind. | Non-pilot Pilot | 27 159 | 3.63 3.89 | 1.15 1.15 | 0.26 |
| 14. During the Medical Evaluation Board phase, to what extent was the Physical Evaluation Board Liaison Officer managing your case helpful to you? | Non-pilot Pilot | 27 163 | 3.63 3.87 | 1.33 1.28 | 0.24 |
| 15. During the Medical Evaluation Board phase, to what extent was the Physical Evaluation Board Liaison Officer managing your case helpful to your family? | Non-pilot Pilot | 10 67 | 2.10 2.91 | 1.60 1.76 | 0.81 |
| 16a. [The VA MSC] provided timely service.** | Non-pilot Pilot | 151 | 3.81 | 1.04 | |
| 16b. [The VA MSC] kept you well informed about the status of your case.** | Non-pilot Pilot | 153 | 3.15 | 1.25 | |
| 16c. [The VA MSC] was attentive to your needs.** | Non-pilot Pilot | 155 | 3.59 | 1.06 | |
| 16d. [The VA MSC] was courteous in providing service.** | Non-pilot Pilot | 157 | 4.04 | 0.89 | |
| 16e. [The VA MSC] had your best interests in mind.** | Non-pilot Pilot | 153 | 3.84 | 0.90 | |
| 17. During the Medical Evaluation Board phase, to what extent was the VA Military Services Coordinator managing your case helpful to you?* | Non-pilot Pilot | 149 | 3.36 | 1.37 | |
| 18. During the Medical Evaluation Board phase, to what extent was the VA Military Services Coordinator managing your case helpful to your family?* | Non-pilot Pilot | 65 | 2.69 | 1.67 | |
| 23. How satisfied or dissatisfied were you with the medical care you received during the Medical Evaluation Board phase of the Pilot process? | Non-pilot Pilot | 19 136 | 3.68 3.76 | 1.25 1.12 | 0.08 |
| 24. How satisfied or dissatisfied were you with the management of your case during the Medical Evaluation Board phase of the Pilot process? | Non-pilot Pilot | 26 166 | 3.62 3.42 | 1.39 1.25 | -0.20 |
| 25. How satisfied or dissatisfied were you with the overall Medical Evaluation Board phase of determining your retention status in the military? | Non-pilot Pilot | 27 149 | 3.52 3.32 | 1.19 1.22 | -0.20 |
| 26. How would you evaluate the timeliness of the Pilot process since entering the Disability Evaluation Pilot process? | Non-pilot Pilot | 27 167 | 3.41 3.24 | 1.08 1.39 | -0.17 |
| 27. How would you evaluate your overall experience since entering the Disability Evaluation System Pilot process? | Non-pilot Pilot | 27 172 | 3.48 3.45 | 1.19 1.09 | -0.03 |

**MEB Pilot Survey Items Only