



**REPORT TO CONGRESS**

**ON**

**THE ASSESSMENT OF CONSOLIDATION OF DEPARTMENT OF DEFENSE  
AND DEPARTMENT OF VETERANS AFFAIRS DISABILITY EVALUATION  
SYSTEMS**

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# **Report on Assessment of Consolidation of Department of Defense and Department of Veterans Affairs Disability Evaluation Systems**

## **INTRODUCTION**

The Department of Defense (DoD) and Department of Veterans Affairs (VA) appreciate the opportunity to provide Congress with information regarding the assessment of consolidation of Department of Defense and Department of Veterans Affairs Disability Evaluation Systems required by National Defense Authorization Act (NDAA) for Fiscal Year 2008 (FY08), Pub. L. 110-181. The Departments have jointly selected to execute the pilot authorized in Section 1644(b)(1) of the NDAA for FY08. This report is intended to satisfy the requirements of Section 1612(c) of the NDAA which requires the Department to comment on DES consolidation.

This report summarizes the status of the ongoing Department of Defense (DoD) and Department of Veterans Affairs (VA) Senior Oversight Committee (SOC) effort to jointly develop and test an improved Disability Evaluation System (DES) process that consolidates the Departments' disability systems to the degree allowed by current law. It also includes information on how this overall joint effort addresses the specific requirements of Section 1612(c) of the NDAA for FY08 regarding the feasibility and advisability of consolidating the disability evaluation systems. The full text of Section 1612(c) is included below.

With regards to Section 1603(b) requirements concerning unique gender-specific needs of recovering service members and veterans, the Pilot does not distinguish between genders in its disposition of cases. However, the Pilot will analyze the impact of dispositions and ratings among the genders as it completes the final report required by section 1644(g) of the NDAA. The Pilot is applicable to both the Active and Reserve (on active-duty) components of the Military Departments. Appropriate analysis on the components will be completed.

## **SECTION. 1612(c). Assessment of Consolidation of Department of Defense and Department of Veterans Affairs Disability Evaluation Systems**

- (1) IN GENERAL- The Secretary of Defense and the Secretary of Veterans Affairs shall jointly submit to the appropriate committees of Congress a report on the feasibility and advisability of consolidating the disability evaluation systems of the military departments and the disability evaluation system of the Department of Veterans Affairs into a single disability evaluation system. The report shall be submitted together with the report required by section 1611(a).
- (2) ELEMENTS- The report required by paragraph (1) shall include the following:
  - (A) An assessment of the feasibility and advisability of consolidating the disability evaluation systems described in paragraph (1) as specified in that paragraph.

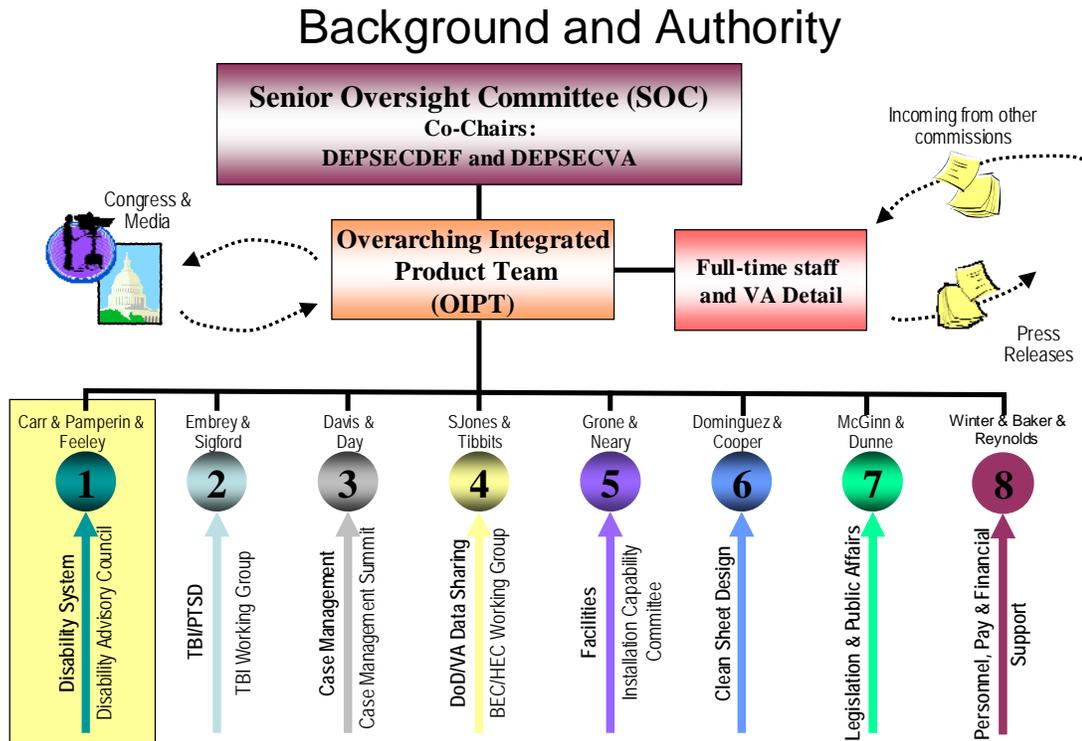
- (B) If the consolidation of the systems is considered feasible and advisable--
- (i) recommendations for various options for consolidating the systems as specified in paragraph (1); and
  - (ii) recommendations for mechanisms to evaluate and assess any progress made in consolidating the systems as specified in that paragraph.

## **BACKGROUND**

In response to media reports of substandard conditions and administrative practices at Walter Reed Army Medical Center and a resulting series of presidential commissions and departmental efforts chartered to study these and other surrounding issues, the DoD and VA established the Wounded, Ill and Injured (WII) SOC. The Departments chartered the SOC to focus high-level Departmental attention on addressing the recommendations identified by the various committees and commissions chartered to examine issues associated with the care and services for returning WII service members and veterans. The SOC is co-chaired by the Deputy Secretaries of Defense and Veterans Affairs; other committee members include the military service secretaries, the service chiefs of staffs, and other high-ranking officials within DoD, VA, DoL, and HHS. The WII SOC established an overarching vision to honor Service members and veterans by providing WII personnel and their families the best services across the continuum of care through community reintegration to support the highest quality of life.

To conduct its work, the WII SOC established an Overarching Integrated Product Team (OIPT) and eight workgroups titled Lines of Action (LoAs; Figure 1) to improve the continuum of care for our nations' wounded, ill, or injured Service members, veterans and their families. The LoAs focus on specific areas of WII service member and veteran care including case management, disability evaluation systems, traumatic brain injury (TBI) and psychological health including post-traumatic stress disorder (PTSD), compensation/benefits, and data sharing between DoD and VA. Each LoA, is co-chaired by, and includes representation from the DoD and VA. The LoAs report their efforts and recommendations to the OIPT which, in turn, reports to the SOC. The SOC and OIPT approve actions and direct appropriate components of DoD and VA to take action.

Figure 1.



The SOC charged the LoA 1 workgroup with reforming the DoD and VA DES within the limits of current legislation and implementing, when possible, the recommendations of the various commission findings. The LoA 1 workgroup considered the following commission findings in it's 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 LoA 1 workgroup then designed and is currently executing a Pilot program to test an improved DES process that consolidates the disability systems of the DoD and VA to the degree allowed by law.

### DES Pilot Overview

#### **Purpose**

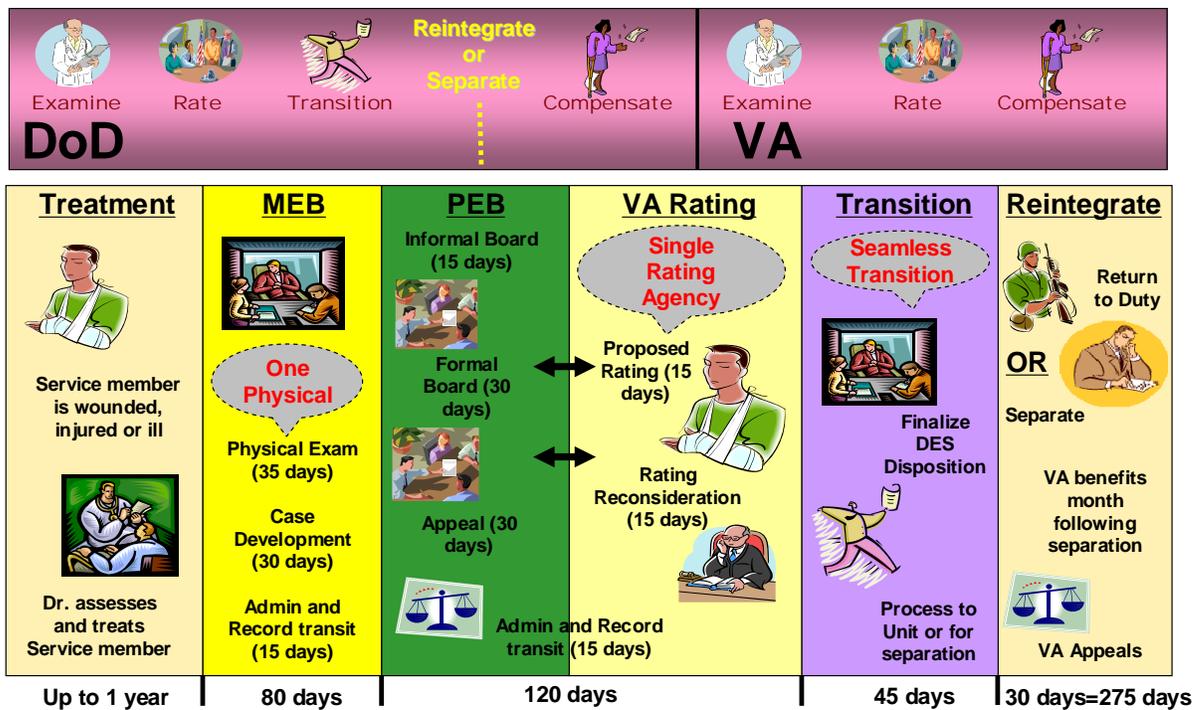
Given the criticisms of the disability systems and the recommendations of the various commissions, the SOC established a fundamental goal to improve the continuum of care for WWII Service members, veterans, and their families from the point-of-injury to community reintegration. To that end, the Departments designed and implemented, beginning in November of 2007, a DES Pilot program for disability cases originating at the three major military treatment facilities in the National Capital Region (Walter Reed Army Medical Center, National Naval Medical Center Bethesda, and Malcolm Grow Air Force Medical Center). The 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 for LoA 1: 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 DoD published these objectives in the November 21, 2007, DES Pilot Directive Type Memorandum (DTM).

### Key Features

Key features of the DES Pilot include integrating the Departments' systems so they run concurrently instead of sequentially. Both Departments agreed to use a single medical examination and single source disability rating to determine a Service member's outcome. Figure 1.2 compares the current and Pilot DES processes. To ensure a seamless transition of WII Service members from the care, benefits, and services of DoD to the VA, the Pilot is testing enhanced case management practices, such as extending DoD case management support through the point of separation from military service. The Departments are also using the 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. Finally, the Pilot increases the transparency of the disability system by informing a disabled Service member of their VA disability rating before they become a veteran.

Figure 1.2. DES Pilot Process: Current vs Pilot



The Departments expect the Pilot will improve the timeliness, effectiveness, transparency, and efficiency of the DES by integrating DoD and VA processes, eliminating duplication, and improving case management practices. The procedural changes the Pilot enacts are designed to reduce by half the time required to evaluate and transition a Service member to veteran status and provide them VA benefits and compensation. Another fundamental improvement the Pilot makes is that, by overlapping the DoD and VA systems and engaging the VA before a disabled Service member becomes a veteran, it positions the VA to provide disabled veterans benefits and compensation as soon as Service member attains veteran status. This improvement eliminates most of the delay that occurs when a new veteran applies for VA benefits and must wait to be examined, rated, and compensated by the VA.

## **METHODOLOGY**

The LoA 1 workgroup adopted a five-phase analysis approach (Figure 2.1) as an organizing framework for developing and testing an improved DES process.

The workgroup also 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 helped the group document existing DES processes and develop and document the DES Pilot policies and procedures. A description of each phase of the analysis approach follows:

### **Analytical Approach**

#### **Envision**

As one of its first tasks, the WII SOC set a vision for its efforts. 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. LoA 1 adopted the SOC vision unchanged.

#### **Define**

The WII SOC vision and the findings of the various commission reports suggested a number of high level critical requirements for the 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 increasing oversight
- **Ensure Appellate Procedures:** Protect the due process rights of Service members and veterans

- **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 high level requirements developed in the Definition phase to design the Pilot process. During August 2007, representatives from the Office of the Secretary of Defense (OSD), the Military Departments, and the VA designed and executed a Table Top Exercise to evaluate alternative DES processes.

During the Table Top Exercise, over 40 DES experts from the DoD and VA gathered for 5 days to test 33 previously adjudicated disability cases using five alternative DES processes. The cases represented varying:

- Numbers of medical conditions per case (between 1 to 8 claimed conditions with an average of 5 conditions per case)
- Condition types (asthma, spinal, epilepsy, seizure disorder, traumatic brain injury, post-traumatic stress disorder, etc.)
- Condition severity (original case disability VASRD ratings from 0 to 100%)
- Case origin by Military Service (8-USAF, 8-USA, 9-USN, 8-USMC)

The Table Top Exercise tested the following alternative DES processes:

- **Current DES Process:** Sequential Military Department and VA evaluation and benefits processes with duplicate disability examinations and ratings
- **Joint Disability Evaluation Board (JDEB) Baseline:** The Military Departments and VA conduct independent disability examinations, the VA provides disability ratings, and a joint (multi-Service) board determines fitness for duty
- **Dole-Shalala Variation:** The Military Departments execute a single physical exam, the VA provides disability ratings, and the Military Department PEB determines fitness for duty
- **JDEB Quality Control Alternative:** The Military Departments conduct independent disability examinations, the VA provides a single disability rating, the Military Department PEB determines fitness, and a JDEB performs a

statistical quality review function

- JDEB Appellate Review Alternative: The Military Department conduct independent disability examinations, the VA provides a single disability rating, the Military Department PEB determines fitness, and a JDEB performs an appellate review function

Based on an analysis of data collected during the Table Top Exercise, LoA 1 recommended to the SOC that the DoD and VA implement a DES pilot based on a modified Dole-Shalala process. They recommended the Departments test a process that features a single disability examination and rating to increase consistency, eliminate duplication, and simplify the process for Service members and veterans. They recommended the process 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. Where possible, LoA 1 recommended the Departments standardize training and procedures among the Military Departments. Finally, they recommended the DoD agree to accept the results of VA disability examinations and disability ratings, although the workgroup did acknowledge some legal and policy differences that will continue to result in differences in final disability ratings from the Departments.

After being informed of the LoA 1 Table Top Exercise results, the WII SOC directed the DoD and VA, on September 25, 2007, to implement a 2-phase Pilot program. In the first phase, the SOC directed the Military Departments to execute proof of concept exercises during the month of November, 2007. In the second phase, they directed the Departments to conduct a one-year DES Pilot effectively beginning on November 26, 2008. The SOC also directed the Departments to implement the Pilot using the disability cases originating from Medical Evaluation Boards (MEBs) at Walter Reed Army Medical Center, Bethesda National Naval Medical Center, and Malcolm Grow Air Force Medical Centers. Finally, the SOC directed the Departments to be prepared to expand the Pilot on their orders.

### **Develop**

After receiving the SOC direction to implement the DES Pilot, the Departments began developing the required detailed policy guidance and procedures to prepare for a January commencement. However, during the development period, LoA 1 was directed to accelerate the initiation of the Pilot to November, 2007. To meet the accelerated timeline, the Departments concentrated their efforts on implementing the major features of the 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 provided guidance to VA offices participating in the pilot with detailed instructions in November 2007. Although the DTM modified existing Department guidance to implement a single medical exam and rating, it left other existing DoD DES guidance intact. For example,

the Pilot did not change in any way the calculation of benefits provided to veterans with service connected disabilities.

Section 3.2 of the DoD Pilot directive defined five Pilot objectives:

- Evaluate the DES Pilot: The intent of the DES Pilot is to evaluate and significantly improve the DES timeliness, effectiveness, simplicity, and resource utilization by integrating DoD and DVA processes, eliminating duplication, and improving case management practices. The DoD and DVA will assess the effectiveness and efficiency of the DES Pilot using program and resource metrics identified in the November 2007 DTM. They will also adjust the metrics as necessary during the course of the DES Pilot.
- Refine mechanisms employed: The DoD and DVA will determine the utility and adequacy of forms, standardization of key processes, terms and nomenclature, data to be collected, formal or legal notifications, and points at which coordination among DES case administrators, managers, and approval authorities is required.
- Identify training requirements: The DoD and DVA will assess training requirements during the course of the DES Pilot.
- Refine and Test Case Management Procedures through an LOA 1 and LOA 3 Integrated Approach: The DoD and DVA will examine communication and case management requirements for Service members, veterans, their family member(s), and other participants in the DES Pilot to determine optimal communication points and ensure seamless case transition throughout the process.
- Identify legal and policy issues: The DoD and DVA will identify potential legal and policy revisions that will enhance effectiveness or efficiency during the DES Pilot for consideration by leadership of the Departments.

### **Implement**

On November 26, 2007, the Departments began processing cases at the three, major military treatment facilities in the National Capital Region using DES Pilot procedures. As directed by the DoD Pilot DTM and the VA FAST letter, the Departments modified their procedures 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 under the current DES rules but enrolled new, duty-related cases at the three major MTFs in the NCR in the Pilot.

### **Assess**

LoA 1 is executing a multi-faceted program evaluation to assess the results of the DES Pilot. DES Pilot DTM lists the metrics and data elements the Departments initially believed were necessary to understand the performance of the Pilot. Since the publication of the DES Pilot DTM, Pilot assessment efforts have expanded to include

several major program evaluation elements: weekly status reports, balanced score card measures, periodic program hot wash meetings, site visits, survey feedback from service members, veterans, family members, and DES stakeholders, and cost analyses. Because of the substantial benefits (simplicity, consistency, timeliness) and low risks expected to accrue to Service members and veterans enrolled in the Pilot, the Departments accepted certain program risks (e.g., risk that Pilot program costs could be higher than expected or that personnel resources would be insufficient to implement the 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 Pilot process.

At the current time, some elements of the DES Pilot program evaluation are more mature than others. The Departments began collecting data on case timeliness and outcomes when they began processing cases in November 2007. In November 2007, the SOC directed the Lines of Action develop balanced score card measures. While the LoA 1 balanced score card metrics are drafted, it will be some time before the infrastructure to support the automated presentation and detailed examination is developed and the measures are published.

## **Data Collection**

### **Overview**

In redesigning the DES, LoA 1 determined it was imperative to develop adequate program and resource measures to evaluate the performance of the Pilot process. Therefore, the Departments developed over 40 metrics to evaluate the Pilot. Those metrics fall within the following six categories:

- **Timeliness:** Comparing case processing time between the Pilot and the current DES to determine whether the 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 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 Pilot decreases the average difference between condition ratings by the Military Departments and the VA
- **Satisfaction:** Comparing the satisfaction of Service members, veterans, and other DES stakeholders (e.g., PEBLOs, MSCs and selected DES leadership) with that the satisfaction of those groups outside the Pilot
- **Cost/Resources:** Estimating the cost of the DES Pilot.

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

### **Organizing Principles**

LoA 1 designed the DES Pilot data system using several, high-level organizing principles. First, LoA 1 developed the Pilot metrics and supporting data elements to be Service member and veteran centric. Where possible, the Pilot metrics measure case processing time from the Service member's perspective, rather than from the Department's perspective. For example, while the DoD currently measures the start of the DES process from the time a physician signs the Service member's medical evaluation narrative summary, the DES Pilot starts DES processing time when the Military Department refers the member to a medical evaluation board. That referral date may be a month or more earlier than the narrative summary signature date. A second example of the Service member and veteran centric principle is that many of the DES Pilot timeliness metrics end at the point the DoD or VA inform the member of a decision or outcome rather than at the point the Department made the decision or determined the outcome. Thus, the Pilot metrics capture case processing time that is apparent to the Service member but, in some cases, is missing from the DoD's existing DES metrics.

A second data collection organizing principle LoA 1 used is to minimize DES Pilot data collection points and reporting agents. This principle improved LoA 1's ability to train data reporting agents and to control the consistency of the reported data. It also reduced the data collection burden placed on DES reporting agents by minimizing the points in the process at which they are required to report case results.

A third organizing data collection principle LoA 1 followed was that the DES Pilot data would be used solely for the evaluation of the Pilot program. The Military Departments and the VA would continue to use their existing IT capabilities as the systems of record for Service member and veteran case outcomes. The rapid development and execution of the Pilot process combined with the complexity of the existing Military Department and VA health and personnel data systems prevented the timely development of a fully functional DES Pilot IT system that could serve as a system of record for case outcomes and interface with existing Department IT systems. This circumstance, unfortunately, requires DES Pilot reporting agents to record DES Pilot data twice; once to support the existing DoD and VA systems and a second time to support data collection needed to evaluate the performance of the DES Pilot.

### **Automated Data Collection Tools and Processes**

LoA 1 began collecting data on Pilot performance when the program began in November, 2007. The accelerated implementation of the Pilot prevented the immediate implementation of a simple data collection solution so, LoA 1 initially collected DES Pilot data from DES Pilot reporting agents, primarily PEBLOs and MSCs, using electronic forms. The forms are Microsoft Word documents with data mask macro

routines that help control data entry quality. Reporting agents completed and returned the forms to LoA 1 at several steps throughout the Pilot process. Figure 2.1 depicts the high-level DES Pilot process. The horizontal rows or “swim lanes” contain the actions of actors in the process. The data collection points for the DES Pilot are circled and labeled with a form number (e.g., FM 1) and the approximate number of days at which the Departments expected a typical case would reach that point.

In February 2008, the Departments implemented a web-based automated data collection process modeled after the initial electronic forms. After significant testing by, and feedback from DES Pilot stakeholders, LoA 1 trained reporting agents on the use of the data collection tool on February 7, 2008. Reporting agents began using the tool to report Pilot data February 11, 2008. In the refined process, the reporting agents log on to a web-based portal and enter Pilot process and outcome data directly to a database tool. The DES Pilot database is an automated tracking tool that enables collection, storage, basic analysis, and reporting of approximately 50 data elements from the administrative case files of Service members and veterans enrolled in the DES Pilot. The tool is hosted on the Army Knowledge Online (AKO) infrastructure as agreed to in a Memorandum of Understanding between the Offices of the Secretary of Defense and the Army Office of the Surgeon General for Information Management. LoA 1 implemented a number of technical and procedural security measures to protect the data at rest in the tool, including operation (transit) within the .mil domain, the use of Secure Socket Layer (SSL) technology, password protection, role-based reporting agent and user limitations on data access, and periodic user access verification. Designated officials in the Departments verify the personnel required to access the DES Pilot data and remove that access when it is no longer required.

The data collection tool provides a variety of features that facilitate information flow to DoD and VA leadership on the progress of the DES Pilot. The features include real-time data collection, advanced reporting and query capability, quality control measures (e.g., data input masks), logs that record changes to case data, and text entries to explain why a case exceeded the expected processing time.

LoA 1 created several support mechanisms to help data reporting agents and other DES stakeholders use the Pilot database tool. The support mechanisms include telephone and email contact with the LoA 1 team. LoA 1 also implemented a DES Pilot web portal hosted on AKO. The portal includes stakeholder discussion forums, Pilot process training materials, policy documents, weekly outcome status reports, and other material related to the Pilot. The portal provides an additional means for Pilot stakeholders to communicate with each other and the LoA 1 team. LoA 1 produced and provided substantial DES Pilot process and data collection training materials for the agents responsible for collecting DES Pilot process and outcome data. These efforts are intended to ensure DES Pilot reporting agents have appropriate access to the data collection tools and can report Pilot data accurately and consistently.

## **Stakeholder Feedback**

LoA 1 is seeking stakeholder feedback to assess whether the DES Pilot moves the Departments closer to the overarching vision of honoring Service members and veterans by providing WII personnel and their families the best services across the continuum of care. As one of the most important measures of DES Pilot Program success, LoA 1 will survey DES Pilot WII Service members, their family member(s), as well as other DES stakeholders (e.g., case managers, medical care providers).

LoA 1 solicited the assistance of the Defense Manpower Data Center (DMDC) to obtain survey feedback from WII Service members, veterans, their family member(s), as well as other DES Pilot stakeholders, including case managers, medical care providers, VA rating officials, and medical / physical evaluation board members. LoA 1 will compare the results to feedback from comparison groups that did not participate in the DES Pilot.

## **STATUS OF DES PILOT DTM OBJECTIVES**

As mentioned above, the Departments set the following objectives for LoA 1: 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 address LoA 1's efforts to meet those objectives.

### **Evaluate DES Pilot**

LoA 1 uses several tools to evaluate the DES Pilot. The evaluation tools include a weekly status report to the OIPT, a balanced score card, surveys, as well as quarterly, interim, and final Pilot reports. Each of these evaluation tools allows senior leadership the opportunity to make informed decisions about the Pilot based on sound analysis. The following sections describe these components of the DES Pilot program evaluation plan.

### **Weekly Reports**

When the DES Pilot started, the OIPT directed LoA 1 to provide them a weekly status report showing how Service members are progressing through the phases of the DES Pilot. The LoA 1 team briefs the status report weekly to a select group immediately following the OIPT meeting. The Principal Deputy Under Secretary of Defense for Personnel and Readiness, the VA Under Secretary for Benefits, and the Military Department Assistant Secretary's for Manpower and Reserve Affairs attend the briefing. The weekly report provides the:

- Number of Service members / veterans enrolled in the DES Pilot for the reporting week along with the cumulative total
- Number of Service members / veterans currently in each stage of the process
- Average case processing times (calendar days)
- Average number of claimed conditions

- Service members referred to an Informal Physical Evaluation Board (IPEB)
- IPEB cases rebutted
- Formal Physical Evaluation Board (FPEB) cases appealed
- Service members / veterans with combat-related disabilities
- Cumulative PEB dispositions
- Service members/veterans who have completed / exited the DES Pilot
- DES Pilot Team Observations, Questions, and Field Issues

LoA 1 divided the DES Pilot process into major phases with smaller stages within those phases. Phase I of the Pilot process, labeled the Medical Evaluation phase, consists of the Referral, Claim Development, Medical Evaluation and Medical Evaluation Board stages. For Phase II, the Physical Evaluation Board (PEB), consists of the IPEB, Preliminary Rating Board, FPEB, Rating Reconsideration Board, and Appeal stages. Table 3.1 provides the DES Pilot phase and stage beginning and end point definitions.

Table 3.1. DES Pilot Weekly Report Phase and Stage Definitions

<b>Phase Name Stage Name</b>	<b>Start Date</b>	<b>End Date</b>
<b>Medical Evaluation Board (MEB) Phase</b>	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
<b>Referral Stage</b>	Date the Military Department determines the Service member may not meet medical retention standards and refers them to the DES	Date the PEBLO provides the Service member's complete health treatment record and VA Claim Form 21-0819 to the VA Military Services Coordinator
<b>Claim Development Stage</b>	Date the PEBLO provides the Service member's complete health treatment record and VA Claim Form 21-0819 to the VA Military Services Coordinator	Date the MSC requests the Service member's medical evaluation
<b>Medical Evaluation Stage</b>	Date the MSC requests the Service member's medical evaluation	Date the MSC downloads the completed medical evaluation results from the CAPRI system
<b>Medical</b>	Date the MSC downloads the	Date the Military Department

<b>Evaluation Board Stage</b>	completed medical evaluation results from the CAPRI system	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
<b>Physical Evaluation Board (PEB) Phase</b>	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	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
<b>Preliminary Rating Board Stage</b>	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
<b>Rating Reconsideration Panel Stage</b>	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
<b>Transition Phase</b>	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
<b>VA Benefits Phase</b>	Date the Military Department separates the Service member, or, if found fit, returns them to duty	Date the VA issues the veteran his or her disability benefits decision letter

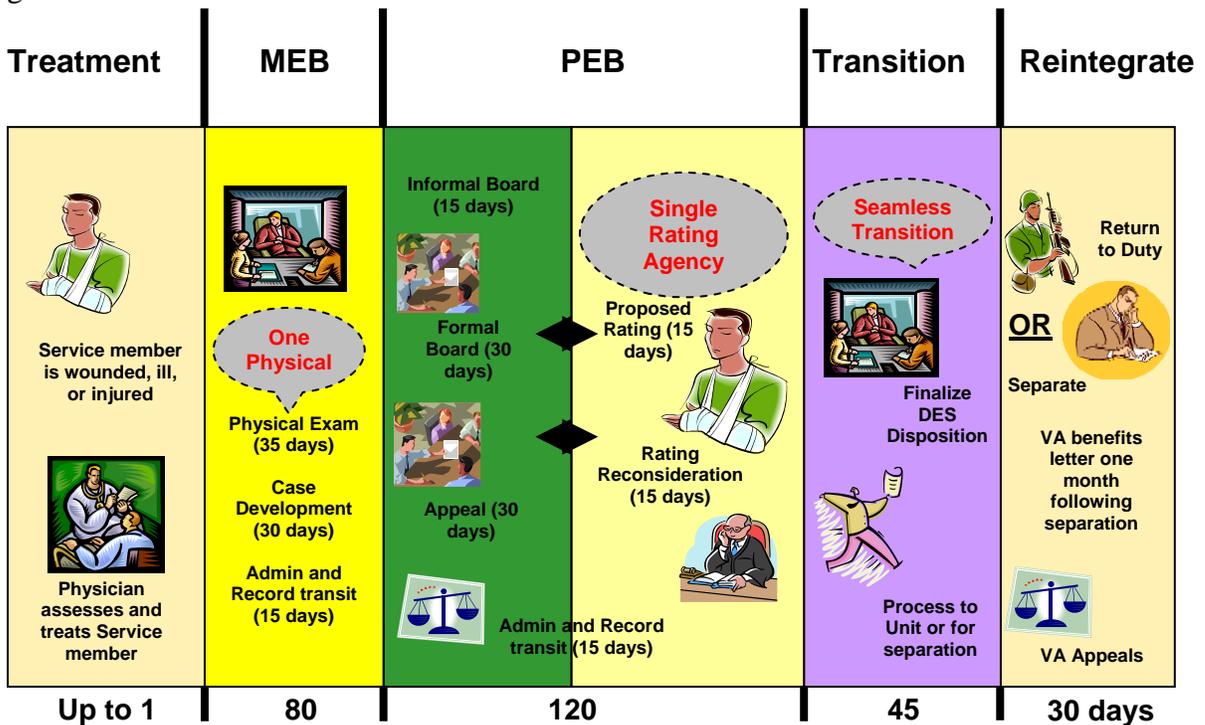
Based on the DES Pilot report for the week ending June 8, 2008, a total of 425 Service members entered the DES Pilot since November 26, 2007. Of those 425 Service members, 42 completed or exited the DES Pilot: 21 were returned to duty, 1 was retired, and 20 were removed from the DES Pilot for other reasons (transferred out of the National Capital Region, case terminated pending administrative discharge processing, etc). Finally, two Service members passed away leaving a total of 381 members enrolled in the DES Pilot as of June 8, 2008.

The DES Pilot report for the week ending June 8, 2008, reflected the following numbers of Service members in the stages of the Medical Evaluation phase: 29 (8%) Service

members in Referral; 12 (3%) in Claim Development (MSC); 114 (30%) in the Medical Evaluation; and 115 (30%) at the Medical Evaluation Board.

Phase II of the Pilot process, labeled the Physical Evaluation Board phase, consists of the IPEB, Preliminary Rating Board, FPEB, Rating Reconsideration Board, and Appeal stages. At this time, LoA 1 reports only the total number of Service members in the PEB phase and the numbers of Service members in the Preliminary Rating Board and Rating Reconsideration Panel stages. The expected, average processing time for the PEB phase is 120 days. The DES Pilot report for the week ending June 8, 2008, reflected 75 (20%) Service members in the PEB phase for a “Fitness” determination. There were 37 members in the Transition phase. One Service member was found “Unfit” and received their VA Disability Benefits letter. The Military Department concerned (Army) found this Service member 30% disabled (using the VA disability rating) and placed them on the Permanent Disability Retired List (PDRL).

Figure 3.1. DES Pilot Phases and Timeline



(Estimated average of 275 days from MEB referral to receipt of the VA benefits letter)

During the Table Top simulation, DoD and VA DES experts estimated the time required to complete phases and stages using the DES Pilot process. As shown in Figure 3.1, the expected, average processing time for the DES Pilot from MEB referral to receipt of the VA benefits letter was 275 calendar days. The DES Pilot report for the week ending June 8, 2008, reflected the first member completed the program in 160 days (transited the DES Pilot from referral to separation, including 61 days of terminal leave). Total DES Pilot process time was 99 days.

## **Balanced Score Card**

When complete, LoA 1's balanced score card will be a key component of the DES Pilot program evaluation. The balanced score card methodology is a performance measurement tool used to track tasks and measures organizations have identified to achieve their vision, goals and objectives. The WII balanced score card divides LoA objectives into four categories: process improvement, customer satisfaction, financial management, and learning and growth. LoA 1 is developing objectives and measures in these categories that align with the overarching recommendations from the five commission reports the LoA referenced. LoA 1 is carefully choosing these strategic initiatives and performance measures to broadly represent DoD and VA components of the process that indicate the overall success of the DES Pilot. LoA 1 will continue to develop its balanced score card and expects to complete the score card and include the status of most metrics from the score card in the next DES Pilot report.

## **Surveys**

Surveys are designed to capture key aspects of satisfaction with the Pilot process and to compare satisfaction with the Pilot process to satisfaction with the existing DES process.

### **Background**

Part of evaluating the DES Pilot's success includes measuring satisfaction with Pilot processes. DMDC and the LoA 1 team are working together to develop, administer, analyze, and report the results of surveys to be given to various DES Pilot stakeholders. Four population groups will participate in this aspect of data collection via satisfaction surveys:

- WII Service members participating in the DES Pilot (Pilot participants)
- A family member of each DES Pilot participant
- Other DES stakeholders (e.g., PEBLOs, MSCs, MEB and PEB members)
- A comparison group of WII Service members processing through the existing DES program

### **Methodology**

LoA 1 will measure satisfaction with Pilot processes using an established model of customer service, SERVQUAL<sup>1</sup>. The surveys also include measures of distributive and procedural justice. The Survey Design section below includes descriptions of the survey measures. LoA 1 will develop, analyze, and report on each population group's satisfaction and sense of fairness of the processes within the DES Pilot or existing program. LoA 1 will also compare satisfaction with the Pilot to satisfaction with the

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

existing DES. DMDC will administer the surveys and collect the data from the four groups. LoA 1 will include DES Pilot program satisfaction survey results in the Pilot reports (NDAA 08 Section 1644) when the results are available.

LoA 1 is employing a six-step process to translate the task of gathering stakeholder feedback into objective and actionable goals:

- Identify the overall objectives of the survey effort
- Develop the survey strategy<sup>2</sup>
- Design the survey tools
- Deploy the surveys<sup>3</sup>
- Analyze and interpret the results
- Plan next steps in response to the assessment results

### **Survey Objectives**

The LoA 1 team met with DES Pilot leadership to establish and validate survey goals and objectives. The overarching goal of LoA 1 is “to improve the DES and transition of care separated Service members to meet the needs of wounded, ill, or injured Service members/veterans, and their families.”

The surveys will be designed to capture key aspects of satisfaction with the Pilot process and to compare satisfaction with the Pilot process to the existing process. The survey results and recommendations will:

- Provide a better understanding of the WII Service member’s, their family members’, and other stakeholders’ views of the DES Pilot program
- Help determine the merit of expanding the Pilot program
- Inform the next round of DoD and VA policy adjustments and legislative initiatives

### **Survey Strategy**

DMDC will:

- Develop sampling plans

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<sup>2</sup> DMDC will design the survey strategy.

<sup>3</sup> DMDC will deploy the surveys to all groups.

- Obtain sampling frame data
- Validate sampling frame contact information
- Finalize sampling frame databases
- Format each of the four surveys in a way that maximizes reliability and minimizes bias
- Plan and implement the survey communication plan
- Deploy each of the four surveys across multiple phases during the one-year Pilot program

In addition, DMDC will gather Service member demographic data 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:
  - Standard Inpatient Data Record (SIDR)
  - Health Care Service Record – Institutional (HCSR-I)
  - Standard Ambulatory Data Record (SADR)

### **Survey Design**

LoA 1 is developing and vetting with Pilot stakeholders survey items for the Pilot participants, family member, comparison group, and stakeholder surveys for three phases of the pilot. The surveys follow an established model of customer service, SERVQUAL<sup>1</sup>. Of the ten total SERVQUAL dimensions, LoA 1 selected the five they considered most applicable to Service member expectations vis-à-vis the DES process to include in the Pilot surveys. The five dimensions included in the DES Pilot survey include:

- Tangibles (appearance of DoD and VA physical facilities and equipment, DES personnel, DES communication materials)
- Reliability (ability to execute 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)

DMDC will create the data collection tools to administer surveys to DES Pilot participants at the following key DES milestones: Phase 1 (completion of the MEB), Phase 2 (completion of the PEB), and Phase 3 (Transition). DMDC will administer surveys to other DES stakeholders and Pilot participant family members only at the completion of the Transition Phase.

### **Survey Deployment**

DMDC is responsible for all aspects of survey administration. DES Pilot participants will complete surveys via self-administered or interviewer-administered paper, telephone, or web-based means. DES participants' family members, non-Pilot comparison group members, and other DES stakeholders will complete surveys via telephone.

### **Analysis and Interpretation of Data**

DMDC will audit and editing the survey data sets using basic conventions for range checks, skip patterns, and missing data. They will prepare and deliver interim and final un-weighted data files to LoA 1 at the following intervals throughout the data collection period.

- Interim Data Sets (Phase 1 test file) - June 2, 2008
- Interim Data Sets (Phase 1) - July 2008
- Interim Data Sets (Phases 1 and 2) - September 2008
- Final Data Sets (Phases 1, 2 and 3) - December 2008

DMDC will deliver two types of data files to LoA 1:

- Un-weighted data sets with a restricted-use file containing respondents' personal information
- Un-weighted analytic data set without personally identifying information but with participant IDs that can be linked to the restricted-use data file.

LoA 1 will accomplish the following analytical steps when preparing results for the interim and final DES Pilot reports:

- Audit the data sets delivered by DMDC
- Prepare data files for performing statistical analysis
- Test the data files for each survey data set to ensure that they are analytic-ready
- Run descriptive statistics on all demographic variables and all survey items
- Analyze reliability of the SERVQUAL dimensions
- Aggregate items into SERVQUAL dimensions for each of the surveys and run descriptive statistics on the SERVQUAL dimensions

LoA 1 will perform the following analyses:

- Compare SERVQUAL dimension mean scores across Service member groups surveyed (DES Pilot vs. existing system) to determine differences in satisfaction and each dimension of satisfaction between the Pilot program and the existing program
- Conduct inferential statistical analyses, to the degree that we are able to meet statistical assumptions, using the final phase satisfaction survey scores as dependent variables and the demographics and SERVQUAL dimension scores as independent variables to determine which demographics and dimensions of satisfaction (i.e., tangibles, reliability, responsiveness, assurance, empathy) best explain overall satisfaction with the Pilot program

### **Refine Mechanisms Employed**

LoA 1 developed and implemented several procedures to seek feedback on and refine the mechanisms employed in the DES Pilot. The procedures include periodic hotwashes, visits to Pilot sites, and published updates to DES Pilot procedures. Each of the feedback mechanisms has helped to expand the lines of communications within and between the Departments as well as those necessary between the DES Pilot team and Stakeholders. A detailed look at each method follows.

## **Hot Washes**

LoA 1 and LoA 3, Case Management, hold monthly meetings to provide updates to the stakeholders and Departmental leadership. The Hotwashes also provide an excellent opportunity to receive feedback from PEBLOs, MSCs, and DoD and VA stakeholders on issues affecting DES Pilot implementation. During this reporting period, LoAs 1 and 3 held two Hotwashes.

- Hotwash #1, December 11, 2007. The LoA 1 team addressed a variety of issues at the Hotwash to help DES Pilot stakeholders to include DES Pilot flow chart, methods for data collection and reporting, balanced scorecard, development of the DES Pilot data base tool and LoA 3's update to PEBLOs and MSCs on case management procedures.
- Hotwash #2, February 1, 2008. The LoA 1 team provided attendees information on data base implementation, weekly reporting requirements, procedural update notices, and plans to collect survey data to determine Service member, veteran, family member, and other stakeholder satisfaction with the DES Pilot. LoA 3 updated attendees on case management issues. And, representatives from the Military Departments and the VA updated attendees on the status of the operation of Pilot within their organization.

## **Site Visits**

In addition to a monthly meeting for stakeholders and Department leadership, the LoA 1 determined visiting each participating Medical Treatment Facility (MTF) in the NCR would provide insight on future expansion issues and assist in resolving issues. The LoA 1 and 3 teams visited Walter Read Army Medical Center on 8 January 2008, National Naval Medical Center at Bethesda on 10 January 2008, followed by Malcolm Grow Medical Center at Andrews Air Force Base, 11 Jan 2008. The site visits helped LoA 1 and 3:

- Provide on-site support for Departmental members supporting the DES Pilot
- Ensure standardization of DES Pilot data collection
- Gather site-specific challenges and best practices
- Improve communication between Departmental stakeholders and the DES Pilot team

At the three MTFs engaged in the Pilot, the LoA 1 team met with the PEBLOs and MSC's as well as other military treatment facility staff to obtain information on their experience with the DES pilot. Specific areas of discussion included:

- Revising the policy guidance for the length of time the Service member must remain in the National Capital Region during DES Pilot processing

- Communicating the DES Pilot to Service members, DES personnel, and the public
- Overcoming negative preconceptions of Service members referred into the DES Pilot
- Processing time for the Referral stage
- Time required to gather and copy the health treatment record
- Procedures for obtaining and transmitting mental health records with the health treatment record
- Timely completion of Medical Evaluation Board narrative summaries
- Procedures to improve Service member availability and adherence to appointment schedules
- Availability of sufficient PEBLO and MSC resources at each sites

At the invitation of the VA, the LoA 1 team met with National Capital Region MSCs and representatives from the Veterans' Benefits Administration on January 24, 2008, at WRAMC. VA attendees provided feedback on the DES Pilot process. Specifically, they indicated that one of the greatest challenges facing MSCs is the fact that, unlike PEBLOs, who typically support a single MTF, they support multiple DES Pilot locations. This creates added processing time to complete the Claim Development step in the process. The MSCs and VBA representatives also expressed concern regarding insufficient communication between the PEBLOs and MSCs regarding appointment scheduling / rescheduling and the impact it has on their ability to provide appropriate customer service in a timely manner. Finally, they expressed concerns with the 14-16 November 2007 PEBLO-MSc training and challenges with Pilot data collection. Many of the data collection issues were resolved when LoA 1 implemented the web-based data entry tool for Pilot data collection in February 2008.

The site visits resulted in the development and distribution of DES Pilot communication tools including a tri-fold for Service members participating in the DES Pilot and a one-page "slick sheet" for other DES Pilot stakeholders. The tri-fold and slick sheet provide a DES Pilot program overview for Service members and staff executing the Pilot. Stakeholders at all three DES Pilot locations expressed concern with the availability of sufficient personnel to support the Pilot, especially if the program expands. LoA 1 continues to use the feedback from the site visits to improve Pilot procedures.

### **Procedural Updates**

As a result of the feedback gained during hotwashes and site visits, LoA 1 published several updates to the DES Pilot procedures. The procedural updates provide a quick

method to supplement the Pilot DTM, dated November 21, 2007. To date, LoA 1 has published four updates to DES Pilot procedures.

- Procedural Update #1: Directed PEBLOs to assemble a complete health treatment record prior to passing a Pilot case to the VA MSC
- Procedural Update #2: Directed Service members to remain in the National Capital Region for a minimum of 80 calendar days after referral into the DES Pilot
- Procedural Update #3: Updated data collection procedures
- Procedural Update #4: Assigned responsibility to the PEBLOs for scheduling and coordinating Service member appointments
- Procedural Update #2 (Amended): Allowed the Service member's commander the flexibility to grant exceptions to the requirement to remain in the National Capital Region for a minimum of 80 calendar days after referral into the DES Pilot

The amendment to Procedural Update #2 allows commanders to authorize Service members enrolled in the DES Pilot to leave the National Capital Region as long as the Service members are available to complete DES Pilot appointments in a timely fashion.

### **Identify Training Requirements**

#### **DES Pilot Start-Up Session (November 1-2, 2007)**

Prior to the commencement of the DES Pilot on the 26 November 2008 in the NCR, the LoA 1 team held a DES Pilot briefing and training session November 1-2, 2007, for DES Pilot policy and managerial personnel. LoA 1 briefed attendees on the Pilot directive memorandum and the medical examination memorandum of agreement between the Assistant Secretary of Defense for Health Affairs (ASD HA) and the VA. The session included an opportunity for attendees to ask questions about the DES Pilot, indicate process errors, and voice concerns. Additionally, the session provided attendees an overview of the information LoA 1 planned to provide to MSCs and PEBLOs during a November 14-16, 2007, training session.

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 (November 14-16, 2007)**

At a November 14-16, 2007, PEBLO and MSC training session, the LoA 1 team introduced PEBLOs and MSCs to the DES Pilot process, background, a typical processing scenario, and their data reporting requirements. The LoA 1 team provided in-depth process training during this session. The session also brought Army, Air Force and Navy/Marine PEBLOs together with VA's MSCs to promote crosstalk between the DES staff from the two Departments and to illustrate how the three Military Departments would interact with the VA MSCs. The LoA 1 team distributed training binders to PEBLO and MSC attendees. The binders contained the following materials: agendas and briefings for the session, the draft Pilot DTM, the DES Pilot process models, data collection forms, and a data collection spreadsheet. During the training session, PEBLOs and MSCs requested LoA 1 automate the Pilot data collection process. Their requests led LoA 1 to develop the DES Pilot web-based data collection tool.

### **Federal Recovery Coordinator Training (January 8-9, 2008)**

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 (February 7, 2008)**

LoA 1 provided training on the use of the web-based DES Pilot data collection tool on February 7, 2008. The training was intended to ease the transition from the earlier use of the Microsoft Word forms. The LoA 1 team presented the training a live demonstration of the data collection tool's operation at the National Naval Medical Center at Bethesda.

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

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.

### **Future Training**

The LoA 1 team will continue to provide training and training materials when necessary. Anticipated DES Pilot training includes:

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

### **Refine and Test Case Management Procedures**

The DES Pilot implementing memorandum sets refining and testing case management procedures as an objective of the Pilot. LoAs 1 and 3 are using the refinement mechanisms described in Section 3.3 (Hotwashes, Site Visits, 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 test and refine procedures for numerous interaction points between PEBLOs and MSCs. The procedures developed 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 Initial Rating Board. Ensuring cases and records are not lost or dropped at these transition points is critical to developing a seamless DES process. The DES Pilot also revealed the need to extend the role of the PEBLO beyond its current, traditional end-point at the conclusion of the PEB. LoAs 1 and 3 are now developing guidance that ensures the PEBLO manages the Service member's DES case until that Service member transitions back to duty or to the care of the VA.

### **Identify Legal and Policy Issues**

LoA 1 is also using the DES Pilot to identify and address legal and policy issues that run counter to the SOC's vision for WWII Service members and veterans. When designing the DES Pilot, the Departments considered legal issues, such as ensuring the DES Pilot maintained Service members' appeal rights and policy issues, such as ensuring the DES Pilot process and outcomes were transparent to Service members and veterans. One example of this transparency is the Pilot provision that allows Service members to receive their proposed VA disability ratings before they separate from military service. This policy provides the transitioning Service member advance notice of their anticipated financial status upon separation, which is a great help to Service members who have their career unexpectedly terminated by a disabling condition. The Pilot also emphasized the need to extend the PEBLO's role beyond its current, traditional end-point at the conclusion of the PEB. LoAs 1 and 3 are now developing guidance that ensures the

PEBLO manages the Service member's DES case until that Service member transitions back to duty or to the care of the VA.

### **Technology Issues**

The pilot has demonstrated the need to leverage existing technology and impending enhancements to the Bi-directional Health Information Exchange (BHIE). The pilot to date has been a paper bound process. Work has begun on developing the mechanisms to move medical evidence between the two Departments and within the DES process from VA examination results to the MEB; MEB results to the PEB; PEB findings to VA for rating as needed; and from VA back to DoD. We view this as an essential element to full implementation.

### **EXPANSION**

The purpose of expansion is to stress the system and expose new environments within which any eventual decision for national implementation would need to address. The goal is to gather sufficient data to fully inform any decision for national implementation. Therefore, the DoD and VA are developing options for expanding the DES Pilot to additional locations. To help determine, if appropriate, the desired scope and pace of expansion, the Departments will examine the status of the DES Pilot outcomes detailed in Section 3. LoA 1 will inform the OIPT and SOC on the status of several areas to assist in the Departments' expansion decisions.

The DES Pilot evaluation plan includes extensive quantitative and qualitative performance measures. Although only one Service member had completed the DES Pilot to the point of transitioning to veteran status as of this report, LoA 1 expects a small sample population to process through the DES Pilot by mid-July, 2008. LoA 1 will analyze and report the data available at that time to inform Department Pilot expansion decisions. LoA 1 is defining criteria to assess the readiness of a site to implement the DES Pilot. LoA 1 anticipates the criteria will include: physical and human resources, IT architecture development and fielding, case management procedures, training, and costs. LoAs 1 and 3 are also working together to ensure the Departments are prepared to train the personnel who would implement the Pilot at expansion sites. Although the primary case managers involved in the DES Pilot are PEBLOs and MSCs, the Departments are preparing plans to train other personnel who process DES Pilot cases, including PEB administrative personnel, VA disability raters, and MEB and PEB members.

The final expansion topic LoA 1 will bring to the OIPT and SOC is a recommended plan for expansion locations and pace. The VA and the Military Departments are preparing desired expansion location lists. They will also assess the preparedness of those sites to expand and provide estimates of the time and resources required to prepare the sites to implement the Pilot process. At the current time, LoA 1 envisions the following expansion schedule:

- May – June: determine initial expansion plans

- June – July: analyze and report DES Pilot data and expansion recommendations

The U.S. Government Accounting Office (GAO), in conversations with LoA 1 personnel, has cautioned against expanding the DES Pilot prematurely. And, in testimony to the House Subcommittee on Security and Foreign Affairs, the GAO recommended deliberate and thorough development of adequate assessment and expansion plans prior to pushing the Pilot beyond the NCR<sup>4</sup>. Accordingly, DoD and VA are moving at a deliberate but aggressive pace to assess, and, if appropriate, bring the benefits of the DES Pilot to all Service members and veterans.

## **CONCLUSION**

In response to media reports of deficiencies in the DoD and VA disability systems, the DoD and VA WII SOC directed LoA 1 leadership to examine and improve the disability processes of the Departments. This report on the DES Pilot describes the results, to date, by the DoD and VA to develop and test an improved DES process. The DES Pilot consolidates, to the degree allowed by law, the disability systems of the DoD and VA.

The DES Pilot implements process changes intended to significantly improve DES timeliness, effectiveness, simplicity, and resource utilization. The Departments expect these improvements because the Pilot integrates DoD and VA processes, eliminates duplication, and improves case management practices. The Pilot currently includes disability cases originating from MEBs at Walter Reed, Bethesda National Naval, and Malcolm Grow Medical Centers. The Departments anticipate making a decision on whether and how to expand the DES Pilot in the summer of 2008.

LoA 1 is executing a multi-faceted program evaluation to assess the Pilot. The oversight mechanisms for senior leaders include the construction of an executive-level balanced score card dashboard, weekly status updates to the OIPT, and increasingly comprehensive quarterly, interim and final reports documenting the Pilot results. The Departments are developing the LoA 1 balanced score card. LoA 1 provided the following information to the OIPT in its weekly report at the close of the reporting period for this quarterly report.

As of the week ending June 8, 2008, a total of 425 Service members had entered the DES Pilot. A total of 381 members remained enrolled in the DES Pilot as of June 8, 2008. The DES Pilot report for the week ending June 8, 2008, reflected that 75 (20%) Service members were in the PEB phase for a “Fitness” determination and 37 Service members were in the Transition phase. Finally, one Service member was found unfit and placed on the PDRL.

The number of Service members enrolled in the DES Pilot will continue to grow over the coming months as will the number who have progressed to the later stages of the Pilot process. LoA 1 will continue to track and report their progress to the SOC and OIPT weekly and will update this report in July, 2008, to assist the Departments with decisions

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<sup>4</sup> GAO 08-514T, **Preliminary Observations on Efforts to Improve Care Management and Disability Evaluations for Service Members.**

on expanding the Pilot process to additional locations. Although the evaluation data on the performance of the DES Pilot are limited at this time, the Departments are hopeful the consolidation of the Departments' systems is feasible and advisable. The Departments will publish additional reports as the DES Pilot progresses.

### **RECOMMENDATIONS OF OPTIONS FOR CONSOLIDATING THE SYSTEMS**

At this time, the Departments are piloting an alternative disability evaluation system that consolidates the Departments' disability systems to the degree allowed by current law. The alternative the Departments are testing in the DES Pilot was the preferred process model among 5 alternatives the Departments examined in summer, 2007. Although the evaluation data on the performance of the DES Pilot are limited at this time, the Departments are hopeful the consolidation of the Departments' systems is feasible and advisable.

As stated above, the DES Pilot consolidates the Department disability systems to the degree allowed by law. The Pilot does not implement the full recommendations of the Dole – Shalala Commission, which called for a more complete restructure of the Departments' systems. In simplest terms, the Dole – Shalala proposal would allow the DoD to concentrate on maintaining a fit, battle-ready force and the VA to focus on what it does best, evaluating, caring for, and compensating WWII veterans. A Dole – Shalala disability system would remove the DoD from the disability compensation arena, thereby eliminating the frustrating and confusing circumstance of differing disability ratings, disability evaluations, and appeal and compensation rules by the Departments. The Departments acknowledge and support efforts to implement the full recommendations regarding these aspects of their disability systems.

### **RECOMMENDATIONS FOR MECHANISMS TO EVALUATE AND ASSESS ANY PROGRESS MADE IN CONSOLIDATING THE SYSTEMS**

As described in the above sections, the Departments have expended significant effort developing the evaluation mechanisms for the DES Pilot. Those efforts continue to mature. The Departments anticipate they will be able to report more substantial results of the DES Pilot in their report to Congress in October, 2008. The Departments recommend continuing along the evaluation path laid out in the preceding sections and believe this path will provide the information required to determine the feasibility and advisability of consolidating the Departments' disability systems.