

**STATEMENT OF
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OF THE
DISABLED AMERICAN VETERANS
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HOUSE VETERANS' AFFAIRS
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS
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Mr. Chairman and Members of the Committee:

I am pleased to have this opportunity to appear before you on behalf of the Disabled American Veterans (DAV) to address the Department of Veteran Affairs (VA) Benefits Delivery at Discharge and Quick Start Programs.

The Benefits Delivery at Discharge (BDD) and Quick Start programs provide service members the opportunity to apply for disability compensation benefits from the VA prior to retirement or separation from military service. Service members who leave the military and file disability claims with the VA may be subject to duplicative physical exams in order to meet requirements of both the Department of Defense's (DoD's) military services and VA. To streamline the process, the military services and VA moved to coordinate their physical exam requirements by developing a single separation exam program. This program found its beginnings in 1995 when VA began accepting disability compensation claims from service members in the BDD program at three VA regional offices and three Army installations. However, differences in the availability of physicians trained to use VA's exam protocols, resulted in DoD and VA agreeing that local military bases be given flexibility in implementing the exams by allowing either VA or military physicians to conduct the exam.

In 1998, VA and DoD signed a memorandum of understanding (MOU) instructing local units to establish single separation exam programs. In 2002, the agencies created a Joint Executive Council to oversee joint efforts to eliminate barriers service members face as they leave the military. The Joint Executive Council's Benefits Executive Council, is focused on improving information sharing between the agencies and improving the transition process for service members. The agencies signed another memorandum of agreement in 2004, laying out roles and responsibilities for each agency in establishing a cooperative separation exam process. The signing of the National Defense Authorization Act for Fiscal Year 2008 mandated BDD services were to also be provided to National Guard and Reserve personnel at non-traditional BDD sites such as armories, military family support center to the maximum extent possible.

Participation in the BDD program is offered to service members who are within 60 to 180 days of release from active duty and who remain in the area in order to complete the medical examinations. To participate in BDD, service members generally must meet six requirements: (1) be in the process of being honorably discharged, (2) initiate their VA disability benefits application between 60 and 180 days prior to discharge, (3) sign a Veterans Claims Assistance

Act (VCAA) form, (4) provide the VA copies of service medical records, (5) complete a VA medical exam, and (6) remain near the base until all exams are completed. The BDD claims are then processed at VA Regional Offices at Salt lake City, Utah or Winston-Salem, North Carolina.

Quick Start is offered to all service members with less than 60 days remaining on active duty or demobilization. It is well suited for National Guard and Reserve members as they can file a claim while attending demobilization briefings and continue the claims process after returning home. This may make it possible for them to receive VA compensation benefits faster after separation or retirement. Service members with 1-59 days remaining on active duty or full-time Reserve or National Guard (Title 10 or Title 32) or service members who do not meet the BDD criteria requiring availability for all examinations prior to discharge may apply through Quick Start. There are three ways to apply for Quick Start: (1) Download VA Form 21-526, *Veteran's Application for Compensation and/or Pension*, from the VA website and submit it to the nearest VA Regional Office or any location where VA accepts claims; (2) Submit an online application at www.va.gov using "Apply Online", then click "Compensation & Pension" on the drop-down menu; (3) Request a claim form be mailed by calling the VA toll-free number. The service member must submit a paper copy of their service treatment records with each of the three options.

Current BDD program participants include 40 regional offices and 153 military installations (142 DoD sites and 11 Homeland Security Coast Guard sites). This number includes 5 locations overseas (3 in Korea and 2 in Germany). VA also issued policy guidance that allows service members being discharged from any base to file BDD claims at all 57 VA Regional Offices and other locations where VA personnel are located.

The Veterans Benefits Administration (VBA) has also established a website of <http://www.vba.va.gov/predischarge/index.htm> to provide information on the four components of the Pre-Discharge Program:

- BDD
- Quick Start
- Disability Evaluation System (Pilot program)
- Seriously Injured/Very Seriously Injured (SI/VSI)

The collaboration between the VA and the military services to establish single separation exam programs has generally been a successful endeavor. According to a Government Accountability Office (GAO) Report titled "Better Accountability and Access Would Improve the Benefits Delivery at Discharge Program," GAO-08-901, September 9, 2008, once a BDD application is approved, veterans may begin receiving benefits within 2 to 3 months, instead of the 6 to 7 months it typically takes if they had applied after discharge under the traditional disability claims process. In the past 5 years, about 140,000 service members have used the BDD program. More than 70 percent of service members leaving the military in fiscal year (FY) 2007 were discharged at military bases offering the BDD program.

A primary advantage of this program is that service treatment records are more readily accessible to the service member and the VA so filing a VA disability claim through the BDD program can be faster than filing a claim as a veteran under the traditional claim process. Establishing service connection for a claimed condition may be easier, since the member is still on active duty status. Key forms needed to process the claim can also be signed immediately.

While the programs can generally be viewed as successful, there are concerns with performance measures and program management. For example, VA's FY 2009 Performance and Accountability Report (PAR) has only one supporting measure for BDD and Quick Start. The PAR supporting measure is "out of all original claims filed within the first year of release from active duty, the percentage filed at a BDD site prior to a service member's discharge." The strategic goal is 65 percent. Results for each of the fiscal years is as follows: FY 2006 result of 46 percent with a target of 53 percent; FY 2007 result of 53 percent with a target of 48 percent; FY 2008 result of 59 percent with a target of 50 percent; FY 2009 result is unknown with a target of 60 percent. While increasing participation seems evident, the measure references BDD and Quick Start together, despite their very specific differences. Since both programs are measured in a combined fashion, it is difficult to determine the utilization rates of the two programs. Also, there is no breakout by Service component making it difficult to determine the number of National Guard and Reservists who are using these programs.

While program participation is measured, VA does not adequately measure timeliness and accuracy rates separately from claims that go through the traditional process. The current bookkeeping rules stipulate that BDD claims be tracked from the date of discharge whereas traditional claims are tracked beginning from the date a veteran files a claim. So, while VA and DoD state a key advantage of the BDD program is that it takes less time for the veteran to receive benefits after discharge, the accuracy of such a statement remains unclear. While a case can be made that the clock should not start ticking until the service member transitions from the service and attains veteran status with the necessary DD-214 form in hand, the actual work done by VA employees to complete the rating decision and place the disability compensation benefit in the new veterans account is not accurately measured. At least 60 days is spent by VA staff developing a claim before a service member's discharge but this is not included in its measures of timeliness for processing BDD claims, even though claims development is included in VA's timeliness measures for traditional disability claims. According to the aforementioned GAO Report, VA data shows that it is not processing claims (including BDD claims) as quickly as expected. By the end of FY 2007, it was taking an average of 76 days to complete BDD claims, even though VA has an informal goal of completing work on BDD claims no later than 60 days after discharge. In contrast, VA was taking an average of 183 days to complete all claims, compared to a goal of 125 days.

While information detailing the timeliness of receipt of benefits after discharge is useful, excluding the time spent on development of claims makes it difficult to identify and understand any challenges in this stage of the process. This, in turn, impacts VA's ability to identify problems in a timely fashion and develop viable solutions to address them. The GAO Report GAO-08-901 noted,

Personnel in 12 of the 14 BDD intake bases we reviewed indicated significant challenges with various claims development activities. For example, personnel on several bases told us they had a hard time scheduling exams, because service members were leaving the area so they could complete their service at home, among other reasons. Also, service members at several bases may have to obtain more than one exam and therefore take more time to complete their BDD claim. Challenges such as these may delay the development of service members' claims, putting them at risk of having to drop out of the BDD program. Unless VA tracks performance related to claims development prior to discharge, it cannot easily identify problems and compare performance across BDD locations.

The report also noted, "VA calculates a national accuracy rate, based on the percentage of claims that were processed without any errors. However, VA's accuracy reviews to date have focused on claims overall, and have not targeted specific types of claims, such as BDD. VA officials stated that the current sample approach and size are sufficient for estimating a national accuracy rate, but are not sufficient for obtaining precise results for specific types of claims. Consequently, VA is unaware of the extent to which BDD claims are more or less accurately processed relative to other claims and has incomplete information to help identify problems or challenges that BDD locations may face related to accurately developing claims."

As mentioned earlier, the service member applying for VA benefits through BDD or Quick Start must provide either the original or a copy of their paper service treatment records. This burden will be overcome for them and every other service member applying under other programs once the Veterans Lifetime Electronic Record is established.

Another important step would be the implementation of a single comprehensive medical examination as a prerequisite to completing the military separation process. If and when a single separation physical becomes the standard, VA should have this responsibility because it has the expertise to conduct a comprehensive examination as part of its compensation and pension process.

The problem with separation physicals identified for active duty service members is compounded when mobilized Reserve and Guard forces enter the mix. A mandatory separation physical is not required for demobilizing Reserve and Guard members. Unfortunately, there have been some cases when they were not made aware of this option, which later negatively impacted their ability to obtain a favorable service connection. While separation physical examinations of demobilizing personnel have greatly improved, there are still a number of service members who "opt out" of the physicals, even when encouraged by medical personnel to have them. While the expense and manpower needed to facilitate these physical exams might be significant, the separation physical is critical to the future care of demobilizing service members. Mandatory separation physical examinations would also enhance collaboration by the DoD and VA to identify, collect, and maintain the specific data needed by each to recognize, treat, and prevent illnesses and injuries resulting from military service.

The DoD and VA have made positive strides in transitioning our nation's military to civilian lives and jobs. The Department of Labor's (DOL) Transition Assistance Program (TAP)

and Disabled Transition Assistance Program (DTAP), which are handled by the Veterans Employment and Training Service (VETS) are typically the first point of contact with the VA and DOL for a separating service member. Thanks to the insistence of the DoD, local commanders are allowing more of their soldiers, sailors, airmen, marines, and coastguardsmen to attend these courses well enough in advance to take advantage of the information they receive.

The TAP and DTAP programs have continued to improve, but challenges remain at some local military installations, overseas locations and with services and information for those with injuries. The prospect of a service member after having been on multiple deployments to return stateside and then be placed on medical or administrative hold has persuaded some from filing a claim for VA compensation or other ancillary benefits. Also, though individuals are receiving the information, the haphazard nature and quick processing time may allow some individuals to fall through the cracks. This is of particular concern in the DTAP program where those with severe disabilities who may already be getting health care and rehabilitation from a VA spinal cord injury center despite still being on active duty. Because these individuals are no longer located on or near a military installation, they are often forgotten in the transition assistance process. DTAP has not had the same level of success as TAP, and it is critical that coordination be closer between the DoD, VA, and VETS to improve this disparity.

Many veterans with significant disabilities are turning to state vocational rehabilitation and workforce development systems because of these and other impediments to accessing VA's vocational rehabilitation and employment benefits. Almost all state vocational rehabilitation agencies have entered into memoranda of understanding with VA to serve veterans. Disabled Veterans Outreach Program and Local Veterans' Employment Representative Program personnel are often housed in state One-Stop Career Centers and these positions are often praised as a model that should be emulated by the broader workforce system. However, all of these vocational programs are under considerable resource distress and their ability to serve veterans who are unserved by the Vocational Rehabilitation and Employment Service is hindered by their own personnel and budgetary limitations.

Although the achievements of the DoD and VA have been good with departing active duty service members, there is a much greater concern with the large numbers of Reserve and National Guard service members moving through the discharge system. Both the DoD and VA seem ill-prepared to handle the large numbers and prolonged activation of reserve forces for the global war on terrorism. The greatest challenge with these service members is their rapid transition from active duty to civilian life. If service members are uninjured, they may clear the demobilization station in a few days, and little of this time is dedicated to informing them about veterans benefits and services. Additionally, DoD personnel at these sites are most focused on processing soldiers through the site. Lack of space and facilities often restricts contact between demobilizing soldiers and VA representatives.

The DoD and VA have made progress in the transition process. Unfortunately, limited funding and a focus on current military operations interfere with providing for service members who have chosen to leave military service. If we are to ensure that the mistakes of the first Gulf War are not repeated during this extended global war on terrorism, it is imperative that a truly seamless transition be created. With this, it is imperative that proper funding levels be provided

to VA and the other agencies providing services for the vast increase in new veterans from the National Guard and Reserves. Service members exiting military service should be afforded easy access to health care and other benefits that they have earned. This can only be accomplished by ensuring that the DoD and VA improve their coordination and information sharing to provide a seamless transition.

A review of the VA/DoD Joint Executive Council's Strategic Plan for FY 2009 to 2011 addresses the issue of seamless transition in Goal 3, Seamless Coordination of Benefits. Their goal is to "enhance collaboration efforts to streamline benefits application processes, eliminate duplicative requirements, and correct other business practices that complicate the transition from active duty to veterans status." Their objective is "to improve participation in the BDD program nationwide and ensure servicemembers are afforded the single cooperative examinations where available." To achieve this goal, the Benefits Executive Council's Benefits Delivery at Discharge Working Group is to align BDD with concurrent efforts dedicated to streamlining delivery of VA benefits for eligible personnel; calculate and analyze BDD participation rates at MOU sites; and instill ownership of BDD with operational commanders. While strategic goals and objectives are important, they achieve the best results when there are measureable outcomes with clear due dates. A review of this objective finds neither. So, this successful program may lack the clarity of data from the DoD as well, which may delay even greater utilization of this important and effective program.

It is the recommendation of the DAV that:

1. DoD and VA ensure that service members have a seamless transition from military to civilian life.
2. DoD and VA continue to develop electronic medical records that are interoperable and bidirectional, allowing for a two-way electronic exchange of health information and occupational and environmental exposure data. These electronic medical records should also include an easily transferable electronic DD-214.
3. In accordance with the recommendation of the FY 2008 National Defense Authorization Act and the recommendation of the President's Commission, the DoD and VA implement a single comprehensive medical examination as a prerequisite of promptly completing the military separation process. VA should be responsible for handling this duty.
4. DoD and VA encourage active duty service members to seek veterans service organization representation during outprocessing and discharge examinations.
5. Congress and the Administration provide adequate funding to support TAP and DTAP which are managed by the DOL Veterans Employment and Training Service to ensure that active duty, as well as National Guard and Reserve, service members do not fall through the cracks while transitioning.
6. VA track and account for the time needed for claims development activities that occur prior to discharge in the agency's timeliness calculation for BDD and pre-discharge claims;
7. VA separately estimate the accuracy of BDD and pre-discharge claims;
8. VA collect data for all claims filed by Service component and analyze the extent to which different components are filing claims and receiving timely benefits under BDD, Quick Start, pre-discharge and traditional claims processes;

9. VA include program reviews of BDD operations as part of oversight visits to regional offices with BDD operations and ensure such reviews are consistently conducted and reported;
10. DoD establish an accurate measure of service members' participation in TAP including VA benefit briefings; and
11. DoD establish a plan with specific time frames for meeting its goal of 85 percent participation rate in TAP.

Mr. Chairman, this concludes my testimony. I will be pleased to answer any questions you or the Committee may have.