

GAO

Report to the Committee on Veterans' Affairs, House of Representatives

May 1990

VETERANS' COMPENSATION

Medical Reports Adequate for Initial Disability Ratings Need to Be More Timely





United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-236840

May 30, 1990

The Honorable G.V. (Sonny) Montgomery
Chairman, Committee on Veterans' Affairs
House of Representatives

The Honorable Bob Stump
Ranking Minority Member
Committee on Veterans' Affairs
House of Representatives

As you noted in your February 1, 1989, letter, medical evidence is the most critical element in adjudicating veterans' claims for disability compensation.

This report responds to your request that we determine

- whether regional offices of the Department of Veterans Affairs (VA) are requesting medical examinations for the appropriate impairment for veterans applying for disability benefits; and
- whether the medical reports received from VA medical centers are adequate, complete, and timely for eligibility determinations.

Results in Brief

Our review of a nationwide sample of veterans' initial claims for disability compensation showed that (1) VA regional offices requested medical examinations for the appropriate medical impairment and (2) the medical reports addressed all claims for compensation made by veterans. The medical reports contained diagnoses that were adequately supported by clinical tests and procedures and physical examinations performed by VA physicians. With few exceptions, these reports provided sufficient medical evidence to VA medical and nonmedical rating board specialists to make a judgment about the extent of a veteran's disability and assign disability ratings for compensation. On the other hand, medical reports frequently do not meet VA timeliness standards.

Background

Veterans having diseases or injuries resulting from their military service are eligible to apply for disability compensation. Claims for compensation are handled by VA regional offices and submitted to a rating board consisting of a physician and two nonphysician rating specialists. When evaluating a claim, the board determines whether the medical evidence in the veteran's file is sufficient for it to make a rating determination. If not sufficient, the board forwards a request for a medical examination

(Form 2507) to a VA medical center. Medical center physicians then perform the necessary examinations and tests and submit medical reports to the rating board. The board then considers the medical report and other available evidence in the veteran's file, including employment history and educational background.

VA's Schedule for Rating Disabilities is the official guide for converting clinical findings into standard diagnostic codes, covering diseases or injuries and degrees of severity of impairment.¹ Rating specialists convert diagnoses in medical reports to diagnostic codes in the rating schedule and select the appropriate degree of severity from the schedule. Severity is measured in percentages ranging from 0 to 100 (in increments of 10 percent)—100 percent being totally disabled.

Scope and Methodology

To review VA medical reports, we randomly selected a nationwide sample of cases from VA's April 1989 disability compensation payment file. We reviewed 160 cases that we estimate are part of a universe of about 29,600 cases that had initial awards on or after January 1, 1988. The 160 cases included 34 in which disability determinations were made based on information received from non-VA physicians or medical centers. In these cases, rating specialists determined that there was sufficient medical evidence in the veteran's file to make a determination without a report from a VA medical center. The remaining 126 determinations were made by rating specialists after receiving a report from a VA center.

We reviewed the 160 cases to determine whether the medical reports were adequate, complete, and timely as measured by VA criteria. Our chief medical advisor reviewed the medical reports and their supporting documentation to determine whether there was sufficient information for the rating specialists to make the disability rating in accordance with VA's rating schedule. Our review did not include an evaluation of the actual ratings given to each veteran. Also, our findings apply only to VA's initial claims approved during our sample period and not to claims that were reopened or denied and required a medical report during the period.

Our review was made in accordance with generally accepted government auditing standards. We sought the views of responsible VA officials

¹We recommended needed improvements to the rating schedule in *Veterans' Benefits: Need to Update Medical Criteria Used in VA's Disability Rating Schedule* (GAO/HRD-89-28, Dec. 29, 1988).

during our work and incorporated their comments where appropriate. (A more detailed discussion of our scope and methodology is contained in app. I.)

Regional Offices Request Examinations for Appropriate Impairment

VA regional offices are requesting examinations that address medical impairments claimed by veterans in their initial applications for disability compensation. In the 126 cases that contained requests for examinations generated by rating boards, we compared the veterans' claimed impairments as listed in their applications for compensation with (1) the VA Form 2507 (Request for Physical Examination) and (2) the impairments listed at the time of examination. In each instance, the information in the veterans' claims matched the information contained in the rating board's request and in the "complaints" section of the medical report (VA Form 2545). In addition, our chief medical advisor determined that the medical reports addressed each of the claimed impairments contained in these documents.

Medical Reports Are Complete and Adequate for Disability Determinations

Murray Grant, M.D., D.P.H., our chief medical advisor, reviewed the medical reports contained in the 160 cases and determined that in all but 3 cases, the reports contained diagnoses that were adequately supported by clinical tests, procedures, and physical examinations and contained sufficient information about the condition's severity. These reports provided sufficient medical evidence to VA medical and nonmedical rating specialists to make a judgment about the extent of a veteran's disability and assign a disability rating for compensation purposes. On a nationwide basis, we estimate that about 2 percent, or about 550, of the 29,600 cases did not meet VA criteria for adequate and complete medical reporting.²

VA has established general guidance for rating board specialists concerning what information should be contained in medical reports for them to be considered complete and adequate for rating purposes. The criteria are:

1. The report must include both a medical and an occupational history.
2. The report must contain appropriately documented results of a general medical or specialist examination, including all tests and procedures

²We are 95-percent confident that cases not meeting VA criteria for adequate and complete medical reports do not exceed 4.4 percent, or about 1,300 cases.

performed in diagnosing a given condition and any significant limitation of function resulting from the condition.

3. Any disagreements or conflicts concerning the diagnosis of a given condition or interpretation of test results must be resolved.

4. All medical reports must be signed by the examining physician and reviewed by an appropriate screening physician, signed, and dated. The screening physician certifies that the report is adequate for rating purposes from the medical viewpoint.

In reviewing our 160-case sample, our chief medical advisor found deficiencies in 3 cases based on the criteria outlined above. In 2 cases, the medical evidence in the report did not adequately support the final diagnosis, nor did it adequately address the severity of the condition for rating purposes. In the third case, he determined that although the diagnosis of the condition was adequately supported, insufficient information existed about the severity of the condition to make a rating determination.

Reviews of medical reports by screening physicians are an important internal control mechanism required by VA to ensure that reports are complete and adequate for rating purposes. Of the 126 cases where examinations were conducted by VA medical centers, 24 percent lacked screening physician approval of the medical reports.³ Despite this lack of review, however, our medical advisor judged the medical reports in these instances to be adequate for rating purposes.

Timeliness of Medical Reports Does Not Meet VA Standards

Many cases in our sample did not meet VA's timeliness standards. VA's criteria for timeliness are outlined in the form of performance standards set for the medical centers. For the period of our review, timeliness was measured by the percentage of medical examinations that are completed in a given period. Table 1 compares the timeliness of medical reports in our sample with VA timeliness standards.

³We are 95-percent confident that cases lacking screening physician approval ranged between 16 and 32 percent, or about 4,700 to 9,400 cases.

Table 1: Comparison of GAO Sample With VA Timeliness Standards

Days to complete medical exams	VA standard (percent)	GAO sample result (percent)	Sampling error (percentage points)
30 or less	65	32	± 9
60 or less	90	81	± 7
180 or less	100	99	± 2

Based on our sample, the average elapsed time was 63 days for the medical centers to schedule and complete medical examination reports.⁴

VA has instituted new timeliness criteria, effective in fiscal year 1990, which establish criteria for each step in the process. These new standards set the number of days in which these activities must be completed as follows:

- Schedule exam after request received—5 days.
- Complete exam after request received—45 days.
- Document exam after completion—5 days.
- Return exam to requester—7 days.

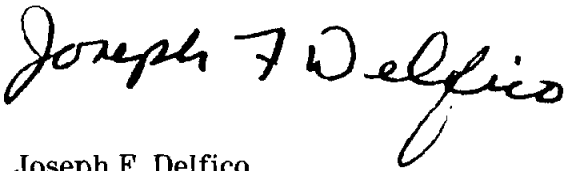
In addition, VA is currently field-testing a new information exchange system, which, if successful, VA believes should eliminate virtually all the current delays involved in mailing documents between regional offices and medical facilities. The first element of this exchange process uses computerized links between the various installations allowing electronic transmission of requests for examinations and written medical reports. Supporting test results, for example, X rays, are then forwarded by mail.

A second element in this new system is the development of standardized examination reports for various body systems. These reports are designed to capture data elements based directly on specifics contained in VA's rating schedule that are necessary to determine the type and degree of severity of a given condition. Currently, 40 such examination reports have been developed, with 20 more in the planning stage.

We are sending copies of this report to appropriate congressional committees; the Secretary of VA; the Director, Office of Management and Budget; and other interested parties.

⁴We are 95-percent confident that the actual average number of days falls somewhere between 56 and 70.

Please call me on (202) 275-6193 if you or your staffs have any questions about this report. Other major contributors to the report are listed in appendix II.



Joseph F. Delfico
Director, Income Security Issues

Scope and Methodology

VA provided us with a random sample of 5 percent of all disability compensation and pension cases (approximately 3.6 million) on VA's payment file, as of April 24, 1989. From this 5-percent sample, we identified 1,750 compensation cases in which, according to the automated file, the initial award was made on or after January 1, 1988, and the veteran was alive as of the April 1989 payment date. We selected a random sample of 180 of these 1,750 cases for a detailed review.

We included 160 of the 180 selected cases in our detailed review. VA could not provide the claims files for 4 of the 180 cases sampled when we needed them for review. In reviewing the remaining 176 case files, we found that in 16 cases the initial award had been made before January 1, 1988. The estimates presented in this report are generalizable to all of the estimated 29,600 veterans who were initially awarded disability compensation between January 1, 1988, and April 24, 1989, and who were alive as of the April 1989 payment date. Because our estimates are based on a sample, each estimate is subject to a sampling error. The sampling errors for estimates cited in this report are computed at a 95-percent confidence level. They are noted where appropriate.

In keeping with the objectives of this request, we looked only at the medical reports submitted to rating boards used as a basis for the disability determination. We did not review the rating board's determination of whether a specific diagnosed condition was service connected. We reviewed the adequacy of medical reports with respect to all conditions determined to be service connected, even if the disability rating given was 0 percent. We did not, however, examine the accuracy or appropriateness of the disability rating percentage because this determination can be influenced by evidence contained not in the medical report but elsewhere in the veteran's file.

Major Contributors to This Report

Human Resources Division, Washington, D.C.

James F. Walsh, Assistant Director, (202) 233-5281
John C. Boyd, Assignment Manager
Murray Grant, M.D., D.P.H., Chief Medical Advisor
Clarita A. Mrena, Social Science Analyst
Irma E. Arispe, Social Science Analyst

Philadelphia Regional Office

Margaret A. McGregor, Evaluator-in-Charge
John Kirstein, Site Senior
Frank Foley, Technical Advisor

Requests for copies of GAO reports should be sent to:

**U.S. General Accounting Office
Post Office Box 6015
Gaithersburg, Maryland 20877**

Telephone 202-275-6241

The first five copies of each report are free. Additional copies are \$2.00 each.

There is a 25% discount on orders for 100 or more copies mailed to a single address.

Orders must be prepaid by cash or by check or money order made out to the Superintendent of Documents.

United States
General Accounting Office
Washington, D.C. 20548

First-Class Mail
Postage & Fees Paid
GAO
Permit No. G100

Official Business
Penalty for Private Use \$300