

**GAO**

Testimony

Before the Subcommittee on Disability Assistance and Memorial Affairs,  
Committee on Veterans' Affairs,  
House of Representatives

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# VETERANS' DISABILITY BENEFITS

## Opportunities Remain for Improving Accountability for and Access to Benefits Delivery at Discharge Program

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



**GAO**

Accountability \* Integrity \* Reliability

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Highlights of [GAO-10-450T](#), a testimony before the Subcommittee on Disability Assistance and Memorial Affairs, Committee on Veterans' Affairs, House of Representatives

## Why GAO Did This Study

Through the Benefits Delivery at Discharge (BDD) program, the Department of Veterans Affairs (VA) collaborates with the Department of Defense (DOD) to streamline access to veterans' disability benefits by allowing some servicemembers to file a claim and undergo a single collaborative exam process prior to discharge. BDD is designed for servicemembers with conditions that, while disabling, do not generally prevent them from performing their military duties. This program can shorten the time it takes for veterans to receive benefits by several months.

GAO was asked to discuss issues surrounding VA's and DOD's BDD program and related Quick Start program, and identify ways VA and DOD could improve these programs for transitioning servicemembers. This statement is based on GAO's September 2008 report ([GAO-08-901](#)) that examined (1) VA efforts to manage the BDD program and (2) how VA and DOD are addressing challenges servicemembers face in accessing the BDD program. GAO updated some information to reflect the current status of claims processing and improvement initiatives in the BDD program.

View [GAO-10-450T](#) or key components. For more information, contact Daniel Bertoni at (202) 512-7215 or [bertonid@gao.gov](mailto:bertonid@gao.gov).

## VETERANS' DISABILITY BENEFITS

### Opportunities Remain for Improving Accountability for and Access to Benefits Delivery at Discharge Program

#### What GAO Found

Although VA awards disability benefits more quickly under BDD than through its traditional disability claims process, gaps in program management and accountability remain. For example, VA does not separately measure the total time its personnel spend developing BDD claims. As a result, VA has limited information on potential problems and improvement opportunities regarding BDD claims. GAO continues to believe that VA should measure BDD development time; however, VA told GAO it has no plans to capture this information. GAO also found that VA implemented two initiatives to improve the BDD program—i.e., consolidating BDD processing in two offices and instituting paperless processing of BDD claims to increase efficiencies and improve security of information—but did not evaluate whether or the extent to which desired improvements resulted. Finally, GAO found that VA was not completely or consistently monitoring BDD operations at all locations. VA has since taken steps to review BDD operations at more sites and has revised its protocols to ensure more consistent reviews of BDD operations.

VA and DOD have taken steps to improve servicemembers' access to the BDD program; however, opportunities remain for further improvement. For servicemembers such as National Guard and Reservists who are generally unable to complete the BDD claims process within the required time frame, VA established an alternative pre-discharge program called Quick Start. Under this program, servicemembers may still initiate a disability application prior to discharge, but can complete the claims process, including medical exams, at another location after discharge. In response to GAO's recommendation, VA has taken steps to collect additional data to determine the extent to which the Quick Start program is helping those with limited or no access to the BDD program. However, as with BDD claims, VA told GAO it has no plans to measure time spent developing these particular claims, and GAO continues to believe it should. VA and DOD have coordinated to increase BDD program awareness through VA benefits briefings for servicemembers, and DOD established a goal that 85 percent of servicemembers attend these non-mandatory briefings. GAO continues to believe that DOD should establish a plan with a specific time frame for meeting this goal, but DOD has not developed such a plan. Finally, GAO found that some bases faced difficulties maintaining local agreements intended to prevent redundancy and inconvenience for servicemembers in obtaining required medical exams. In response to GAO's recommendation, DOD reported that it is working with VA to identify best practices to address local challenges to implementing their cooperative exam process.

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Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to comment on the Benefits Delivery at Discharge (BDD) program and related Quick Start program, which are administered by the Department of Veterans Affairs (VA) in collaboration with the Department of Defense (DOD). Both programs are intended to help servicemembers transition from military service to life as civilians and veterans by allowing them to initiate their VA disability benefits applications while they are still in the military. The BDD program further allows servicemembers to go through one collaborative examination process that satisfies DOD's requirement to determine their general health and VA's requirement to assess any claimed disabilities, instead of separate exam processes for both DOD and VA. Under BDD and Quick Start, veterans should begin receiving benefits sooner than the 6 to 7 months it would typically take if they had applied after discharge under the traditional disability claims process. Both programs are designed for servicemembers with conditions that, while disabling, do not generally prevent them from performing their military duties.<sup>1</sup>

You asked us to discuss issues surrounding VA's and DOD's BDD program and related Quick Start program, and identify ways VA and DOD could improve these programs for transitioning servicemembers. My statement draws on our prior work, which examined (1) VA efforts to manage the BDD program and (2) how VA and DOD are addressing challenges that servicemembers face accessing the BDD program,<sup>2</sup> and was conducted in accordance with generally accepted government auditing standards. We have updated some information to reflect the current status of VA claims processing and improvement initiatives in the BDD program.

In summary, we found that although VA awards compensation more quickly under BDD than through its traditional disability claims process, there are gaps in program management, accountability, and access. For example, VA does not track time spent developing a BDD claim prior to the servicemember's discharge and therefore lacks information on how efficiently its personnel are developing BDD claims. In addition, although

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<sup>1</sup>The military has a separate disability evaluation process for servicemembers who are being discharged because they can no longer perform their duties because of a disabling condition.

<sup>2</sup>GAO, *Veterans' Disability Benefits: Better Accountability and Access Would Improve the Benefits Delivery at Discharge Program*, [GAO-08-901](#). (Washington, D.C.: Sept. 9, 2008).

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VA and DOD have made efforts to improve all servicemembers' access to the BDD program, we identified additional opportunities to help improve access. For example, VA established the Quick Start program whereby servicemembers unable to complete exams within BDD's required time frames—such as National Guard and Reserves—may at least initiate a disability application prior to discharge.<sup>3</sup> However, VA lacked sufficient data to determine whether the Quick Start program was helping those with no or limited access to the BDD program. In response to our recommendation, VA has updated its data system to track participation by National Guard/Reserves. We also found that efforts to raise awareness about the BDD program may not reach all those who are eligible. DOD has set a goal that 85 percent of servicemembers attend Transition Assistance Program (TAP) sessions, but it has not implemented our recommendation to establish a plan with a specific time frame to meet this goal, and we continue to believe that it should.

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## Background

Through its disability compensation program, VA pays monthly benefits to veterans with service-connected disabilities.<sup>4</sup> Under VA's BDD program, any member of the armed forces who has seen active duty—including those in the National Guard or Reserves—may apply for VA disability benefits prior to discharge. The program allows veterans to file for and potentially receive benefits earlier and faster than under the traditional claim process because medical records are more readily accessible and key forms needed to process the claim can be signed immediately. Establishing that the claim is related to the member's military service may also be easier under the BDD program because the member is still on active duty status. In 2008, VA and DOD offered the program at 142 bases,<sup>5</sup> providing access to over 70 percent of servicemembers who were discharged in fiscal year 2007.<sup>6</sup> In July 2008, VA issued policy guidance allowing servicemembers being discharged from any military base to

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<sup>3</sup>At the time of our review, VA referred to this program as its new, alternative predischarge program. Today, this program is referred to as the Quick Start program.

<sup>4</sup>The amount of disability compensation depends largely on the severity of the disability, which VA measures in 10 percent increments on a scale of 0 percent to 100 percent. In 2010, basic monthly payments for veterans with no dependents have ranged from \$123 for 10 percent disability to \$2,673 for 100 percent disability.

<sup>5</sup>BDD is also present at an additional 11 Coast Guard bases, which are administered by the Department of Homeland Security.

<sup>6</sup>This percentage does not include members of the National Guard or Reserve forces.

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initiate BDD claims at other locations where VA personnel were located, such as at all of its 57 regional offices. VA also established an alternative predischarge program, now called Quick Start, to provide members who cannot participate in the BDD program an opportunity to initiate claims before discharge. Last year, over 51,000 claims were filed through the BDD and Quick Start programs.

To participate in the BDD program, servicemembers generally must meet six requirements: (1) be in the process of being honorably discharged from military service, (2) initiate their application for VA disability benefits between 60 and 180 days prior to their discharge date, (3) sign a Veterans Claims Assistance Act (VCAA) form,<sup>7</sup> (4) obtain and provide copies of their service medical records to local VA personnel, (5) complete a VA medical exam, and (6) remain near the base until the exam process is done. The 60- to 180-day time frame is intended to provide sufficient time prior to discharge for local VA personnel at BDD intake sites to assist members with their disability applications, including scheduling exams.

While VA has examination requirements for those applying for disability compensation, DOD also has examination requirements for those leaving military service. For all servicemembers leaving the military, the military services generally require health assessments that consist of a questionnaire about the member's general health and medical history, among other topics. In some cases, members who are separating from the military may receive a physical exam to obtain evidence for a particular medical problem or problems that might exist. The purpose of the exam is to obtain information on the individual's medical history, and includes diagnostic and clinical tests, depending on the types of disabilities being claimed. VA's exam for disability compensation is more comprehensive and detailed than the military services' separation exams, which are intended to document continued fitness for duty, whereas the purpose of the VA exam is to document disability or loss of function.<sup>8</sup>

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<sup>7</sup>The Veterans Claims Assistance Act of 2000 (VCAA) (Pub. L. No. 106-475) assigns VA the duty to assist veterans in obtaining any records relevant to their claims, provided the veterans adequately identify such records so that VA is able to request them.

<sup>8</sup>See GAO, *VA and DOD Health Care: Efforts to Coordinate a Single Physical Exam Process for Servicemembers Leaving the Military*, GAO-05-64 (Washington, D.C.: Nov. 12, 2004).

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Under the BDD program, DOD and VA coordinate efforts to perform exams for servicemembers being discharged that satisfy requirements of both the military and VA. Because of variation in the availability of local resources, such as physicians trained to use VA's exam protocols, DOD and VA agreed that local military bases should have flexibility to determine whether VA or military physicians or some combination of both will conduct the exam. In 2004, the agencies signed a memorandum of agreement (MOA) delineating their roles and responsibilities. The national agreement delegates authority to VA regional offices and individual military bases to create memorandums of understanding (MOU) that detail how the exam process will be implemented at the local level.

VA's Veterans Benefits Administration (VBA) is responsible for administering and monitoring the BDD program.<sup>9</sup> VBA personnel assemble claims-related information and send the claims to be processed at one of two regional offices.<sup>10</sup> VBA is also responsible for the paperless BDD claims process, an initiative intended to improve efficiency by converting claims-related information stored in paper folders into electronic format, as part of VA's effort to have all claims processed electronically by the end of 2012.

VA has established a performance goal to increase the percentage of first-time disability claims filed through the BDD program. Servicemembers generally learn of the BDD program through VA-sponsored benefits briefings conducted at military bases as part of TAP sessions. Led primarily by the Department of Labor, TAP consists of about 3 to 4 days of briefings on a variety of topics related to benefits and services available to servicemembers as they are discharged and begin life as veterans. Generally, servicemembers are required to attend a short introductory briefing, while all other sessions—including the VA benefits segment in which members learn about BDD—are optional.

In addition to its participation goal for the BDD program, VA has three general goals for the timeliness and accuracy of all disability claims:

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<sup>9</sup>While VA administers the BDD program, VA and DOD's Joint Executive Council (JEC) oversees joint efforts to eliminate barriers that servicemembers may face as they leave the military. Under the JEC, the Benefits Executive Council is focused on improving information sharing between the agencies and the transition process for servicemembers.

<sup>10</sup>In 2006 VA completed its consolidation of BDD processing activities into two regional offices—Salt Lake City, Utah, and Winston-Salem, North Carolina—to increase the consistency of BDD claims.

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average days pending (i.e., waiting for a final decision), average days to complete all work to reach a final decision, and average accuracy rate (percentage of claims with no processing errors).<sup>11</sup> In 2009, VA reached its performance goal for one measure, i.e., average days to complete claims was 161 days compared with a goal of 168 days. However VA fell short of two goals last year: Average days pending was 117 days compared with a goal of 116 days, and national accuracy rates were 83 percent compared with a goal of 90 percent.<sup>12</sup>

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## VA's Management of the BDD Program Provides Limited Accountability for Results, although Recent Improvements Have Been Made

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### VA Has a Performance Measure for BDD Participation, but Lacks Adequate Measures for Timeliness of BDD Claims

VA has established one performance measure for the BDD program that tracks participation in the program. Since fiscal year 2005, VA has tracked the percentage of all disability claims filed through the BDD program within 1 year of discharge. VA's most recent data for fiscal year 2008 indicate that 59 percent of claims filed within 1 year of discharge were filed through the BDD program—9 percentage points higher than its fiscal year 2008 goal of 50 percent. VA recently revised this measure so that it accounts only for claims filed by members who are discharging from bases covered by the BDD program.<sup>13</sup>

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<sup>11</sup>VA has several other measures for claims overall, including measures of satisfaction and how well VA keeps veterans informed of benefits.

<sup>12</sup>National accuracy rate data are through July 2009.

<sup>13</sup>Previously, VA had included in the denominator claims from members who were discharged from non-BDD locations. Using those data, in fiscal year 2007, only 43 percent of first-year claims were filed through BDD, significantly short of VA's goal. VA will come closer to its goal by excluding servicemembers who, being from non-BDD locations, will generally be unable to meet BDD program requirements.

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Although VA fine-tuned its measure for BDD program participation, VA does not adequately measure timeliness of BDD claims. VA tracks the days it takes to process traditional claims starting with the date a veteran first files a claim, whereas it tracks days to process BDD claims starting with the date a servicemember is discharged.<sup>14</sup> This approach highlights a key advantage of the BDD program—that it takes less time for the veteran to receive benefits after discharge. However, the time VA spends developing a claim before a servicemember's discharge—at least 60 days according to VA—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.<sup>15</sup>

VA officials told us the agency does not measure the timeliness of BDD claims development for three reasons: (1) VA lacks legal authority to provide compensation until a servicemember is discharged and becomes a veteran; (2) VA officials perceive most development activities, such as obtaining the separation exam and medical records, to be outside of their control; and (3) VA officials said that a primary objective of the program was to shorten the time from which the member was entitled to benefits—by definition, after discharge—to the time he or she actually received them.

While it is useful to know how soon after discharge servicemembers begin receiving benefits, excluding the time VA personnel spend on developing BDD claims limits VA's information on challenges in this stage of the process and may inhibit VA from taking action to address them. Personnel in 12 of the 14 BDD intake bases we reviewed indicated significant challenges with claims development activities, such as scheduling and completing sometimes multiple exams for servicemembers who leave an area. Challenges such as these may delay the development of servicemembers' claims, putting them at risk of having to drop out of the BDD program. The fact that the servicemember is not yet a veteran does not absolve VA from tracking the time and resources spent developing

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<sup>14</sup>While VA lacks a separate performance measure on BDD timeliness, VA officials reported the agency does track the average days BDD claims are pending a decision and the average days it takes VA to complete work on BDD claims separately from traditional claims. However, VA includes only the time after servicemember discharge when tracking BDD timeliness.

<sup>15</sup>By not including the time it takes to develop BDD claims, VA underestimates its overall processing time. However the impact is not large because predischarge (BDD and Quick Start) claims represent a small portion of all claims processed—about 5 percent in 2009.



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BDD claims, which could ultimately help VA identify and mitigate program challenges. As for lack of control over the claims development process, VA also faces similar limitations with traditional disability claims, because VA must rely on veterans to submit their applications and on other agencies or medical providers for records associated with the claim. Nevertheless, VA tracks time spent developing these claims and could also do this for BDD claims.

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**VA Has Not Fully Evaluated Initiatives to Improve the BDD Program**

VA implemented two initiatives to improve the BDD program but did not fully evaluate either. In 2006, VA finished consolidating claims processing activities for BDD into two regional offices—Salt Lake City, Utah, and Winston-Salem, North Carolina—to improve the consistency and timeliness of BDD ratings.<sup>16</sup> In fiscal year 2007, each office completed about 11,000 BDD claims. Although VA reported to us that it monitors claims workloads between these offices and, in one case, sent claims from one office to the other so that claims could be processed more quickly, VA had not conducted an evaluation to determine whether consistency improved compared with prior practices.

VA also has not evaluated a second BDD initiative, known as the paperless claims processing initiative, which is intended to increase the timeliness of claims processing and security of BDD claims information. Since our report, VA told us that all BDD claims have been processed in the paperless environment since August 2008, and that it continues to monitor the BDD paperless initiative by hosting monthly teleconference calls with all 57 regional offices, intake sites, and area offices to provide ongoing guidance and training, as well as address any issues or problems the field may be experiencing. However, VA has not evaluated the extent to which this initiative improved overall timeliness or security.

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**VA's Review of BDD Operations Has Been Inconsistent, although VA Has Recently Taken Steps to Improve Monitoring**

We identified gaps related to VA's monitoring of the BDD program, but VA has since taken some steps to address those gaps. For example, we found that between September 2002 and May 2008, VA conducted reviews of BDD operations in only 16 of the 40 offices it visited. Further, in 10 of the offices that were reviewed, VA personnel did not document the extent to which BDD claims were fully developed before being passed on to the

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<sup>16</sup>These two regional offices complete development, rating, award actions, and notification actions for BDD claims.

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processing office, pursuant to VA policy.<sup>17</sup> We also found that the review protocol did not prompt reviewers to verify the extent to which claims were being fully developed before being sent to the processing office. In addition, for 14 offices, reviewers did not address whether agreements related to processing BDD claims existed between the processing office and relevant regional office, even though VA's BDD operations review protocol specifically prompts reviewers to check for such agreements. In response to our recommendations, VA officials reported that they have increased the number of BDD oversight visits, including visits to sites that had not been reviewed in several years, such as Honolulu, Hawaii, and Louisville, Kentucky. Furthermore, VA revised its protocol to require a review of BDD operations as part of its site visits to monitor regional offices.

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## VA and DOD Took Steps to Increase Access to the BDD Program, but Some Servicemembers May Still Face Barriers to Participation

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### Some Servicemembers Have Limited Access to the BDD Program, but May Participate in the Alternative Quick Start Program

Although the BDD program is designed to provide most servicemembers with access, some members may be unable to initiate a claim 60 to 180 days prior to discharge or remain within the vicinity of the base long enough to complete their exams. According to VA officials, this is a challenge particularly for demobilizing servicemembers of the National Guard and Reserves, who typically remain at a base for only 2 to 5 days before returning home, and are generally unable in this brief time to complete requisite exams or obtain required copies of their service medical records. Servicemembers located in remote locations until just a few days prior to discharge may also be unable to participate. Finally, we

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<sup>17</sup>VA policy directs the processing offices to have agreements with all of the regional offices in their jurisdiction to define roles and responsibilities for processing BDD claims.

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were told that servicemembers going through the DOD Medical Board process are ineligible for the BDD program because they typically are not given a firm discharge date in advance of the 60- to 180-day discharge window, and a firm date is required to avoid servicemembers returning to active duty after completing the claims process.<sup>18</sup>

In April 2007, VA established an alternative predischARGE program, now known as Quick Start, to provide members who cannot participate in the BDD program an opportunity to initiate disability claims before they are discharged. Under this program, local VA personnel typically develop servicemembers' claims as much as possible prior to discharge and then send the claims to the San Diego or Winston-Salem regional offices, which were designated as consolidated processing sites for Quick Start claims in August 2009.<sup>19</sup> In addition, in 2009, VA also created a predischARGE Web site, which allows servicemembers to initiate either a BDD or Quick Start claim electronically, although exams must still be completed in person.

We found VA lacked data to assess the extent to which servicemembers benefit from the alternative predischARGE program. Specifically, we found that VA was unable to assess participation in the Quick Start program by National Guard and Reserve servicemembers because they could not be distinguished from other servicemembers.<sup>20</sup> In response to our recommendation, the agency reported that it has updated its data system to distinguish between National Guard/Reserves and full-time active duty servicemembers who file such claims.

We also found that, like BDD claims, timeliness measures for Quick Start claims do not include days spent developing the claim prior to discharge. According to VA officials, the timeliness of Quick Start claims may vary substantially from both BDD and traditional claims. For example, servicemembers who are on base only a few days prior to discharge, such as members of the National Guard and Reserves, may have enough time only to fill out the application before returning home and may need to

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<sup>18</sup>DOD and VA are piloting a program whereby the assessment used to determine a wounded soldier's fitness for duty can be used to determine VA disability benefits for those ultimately deemed unfit.

<sup>19</sup>These designated processing sites complete development, rating, award actions, and notification actions for Quick Start claims.

<sup>20</sup>At the time of our review, VA also expressed concern that early Quick Start program data might not be accurate because of to the newness of the program.

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schedule the VA exam necessary to fully develop their claim after discharge. Overall, this will most likely result in less timely receipt of VA disability compensation than through the BDD program, but more timely than traditional claims. On the other hand, servicemembers with more time before discharge may be able to complete more or all of the claim development process, including the VA exam. Because VA does not adequately track timeliness of Quick Start, it may be unable to identify trends and potential challenges associated with developing and processing these claims. However, as with BDD claims, VA told us it has no plans to measure time spent developing these particular claims, and we continue to believe it should.

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### VA and DOD Have Coordinated to Provide Briefings with Information about BDD, but Military Duties and Other Factors May Hinder Attendance

VA and DOD have coordinated to provide servicemembers with information about the BDD program through VA benefits briefings and other initiatives, but attending these briefings is optional for most servicemembers. According to DOD and VA personnel, most servicemembers learn about the program through VA benefits briefings conducted as part of TAP sessions, although some may also learn about BDD through base television spots, papers, and word of mouth.<sup>21</sup> However, the Marine Corps is the only service branch to require servicemembers to attend VA benefits briefings. For the other service branches, participation requirements may vary by base and command.

We found that commanders' and supervisors' support for transition services, such as VA-sponsored benefits briefings, can vary by base.<sup>22</sup> Even though DOD policy requires commanders to allow servicemembers to attend TAP sessions upon the member's request, we were told at one base that servicemembers have on occasion not been released from their duties to attend the briefings, resulting in VA personnel going up the chain of command to obtain permission for the members to attend. At two bases, VA officials considered outreach to be difficult—because of conflicting missions between VA and DOD and lack of support from some base

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<sup>21</sup>In addition, the Benefits Executive Council's BDD Working Group has also developed a BDD and Quick Start pamphlet to be distributed at all VA intake sites, and VA's recently developed predischarge Web site also includes links to the TAP Web site and information.

<sup>22</sup>GAO, *Military and Veterans' Benefits: Enhanced Services Could Improve Transition Assistance for Reserves and National Guard*, [GAO-05-544](#) (Washington, D.C.: May 20, 2005).

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commanders—resulting often in servicemembers being called away from the briefings.

Although some military officials recommended that servicemembers be required to attend TAP sessions, rather than mandate attendance, DOD decided in August 2007 to establish a goal that 85 percent of separating servicemembers and demobilizing National Guard and Reserve members participate in TAP sessions, including VA benefits briefings. We recommended that DOD establish a plan with a specific time frame for meeting this goal, but DOD has not developed such a plan. We continue to believe that DOD should establish a plan for meeting its goal. In the course of our review, we also learned that TAP participation data may be inaccurate or overstated because unique identifiers were not used to document servicemembers' attendance and servicemembers who attend more than one briefing could be double-counted. Currently, the Department of Labor (DOL), VA, and DOD track participation in their respective TAP sessions separately. We recommended that DOD establish an accurate measure of servicemembers' participation in TAP, including VA benefits briefings. DOD recently reported it is working in collaboration with DOL and VA to determine what improvements can be made in measuring servicemembers' participation in all components of TAP.

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### Most BDD Sites Have Local Memorandums of Understanding to Provide a Cooperative Exam Process, but Maintaining Them Has Been a Challenge for Some Bases

Most BDD sites employ local MOUs to establish a cooperative exam process, and implementation of the exam process varies significantly.<sup>23</sup> According to data provided by VA during our review, more than 60 percent of bases offering the BDD program had local MOUs that called for the exclusive use of VA physicians, 30 percent used VA contractors to conduct exams, and 7 percent used a sequential process involving resources and exams from both VA and DOD.<sup>24</sup> At bases offering the BDD program

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<sup>23</sup>At the time of our review, 130 of the 142 DOD bases that offered the BDD program had a local MOU in place; the remaining 12 bases were newer and had not yet established local MOUs. VA noted that its policy guidance (Fast Letter 08-20), signed July 2, 2008, eliminated the requirement for a local MOU to be in place in order for VA to accept a BDD claim. In this guidance, VA expanded the definition of a BDD claim, removing the criterion that BDD claims may be accepted only at military bases where local MOUs are in place.

<sup>24</sup>For example, at 2 bases, DOD officials started the exam process by conducting diagnostic testing, such as hearing and vision tests; a VA physician or contractor conducted the remainder of the exam, which was then incorporated to meet both VA and DOD separation requirements.

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overseas, VA exams were conducted by physicians under contract with DOD because VA does not have physicians at these bases.

At several bases we visited, we identified resource constraints and communication challenges that have affected servicemembers' access to the program. Resource challenges we identified at five bases included no designated VA exam provider for more than 7 months, difficulties hiring physicians, and displaced staff because of construction. At seven bases, we identified communication challenges or a lack of awareness of the local cooperative exam MOU caused by uncertainties generally resulting from deployment of a key DOD local official or changes in command leadership. In one case, communication between DOD and VA personnel was conducted on an inconsistent basis, if at all. Such constraints and challenges have caused delays in servicemembers' exams or otherwise made it difficult to meet time frames required by the BDD program.

At the time of our review, DOD and VA had provided some guidance on implementing and maintaining local MOUs; however, personnel in some sites we visited were interested in learning about promising practices at other bases. We recommended that VA and DOD identify and disseminate information on promising practices that address challenges local officials commonly face in ensuring servicemembers have full access to a cooperative exam. DOD officials recently reported collaborating with VA on a September 2009 conference focusing on seamless transition. DOD officials planned to work with conference sponsors to identify best practices for dealing with the cooperative exam process as it relates to the challenges local personnel commonly face.

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## Conclusion

The BDD program appears to be an effective means for thousands of separating servicemembers to receive their disability benefits faster than if they had filed a claim under VA's traditional process. Despite BDD's inherent advantages, VA has not followed through on opportunities to ensure accountability and to optimize results. Similarly, although DOD and VA have made significant progress in increasing servicemembers' access to the BDD and Quick Start programs, opportunities to further ensure or improve access remain. At a time when so many servicemembers are being discharged with injuries, it is more important than ever to process benefits as efficiently and effectively as possible. BDD and Quick Start programs have great potential to achieve these goals, as long as VA maintains a sharp focus on accountability, and both DOD and VA follow through on recommended actions.

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Mr. Chairman, this concludes my prepared statement. I would be pleased to answer any questions that you or other Members of the Subcommittee may have.

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# Related Products

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*Veterans' Disability Benefits: Further Evaluation of Ongoing Initiatives Could Help Identify Effective Approaches for Improving Claims Processing.* [GAO-10-213](#). Washington, D.C.: January 29, 2010.

*Veterans' Disability Benefits: Preliminary Findings on Claims Processing Trends and Improvement Efforts.* [GAO-09-910T](#). Washington, D.C.: July 29, 2009.

*Military Disability System: Increased Supports for Servicemembers and Better Pilot Planning Could Improve the Disability Evaluation Process.* [GAO-08-1137](#). Washington, D.C.: September 24, 2008.

*Veterans' Benefits: Increased Focus on Evaluation and Accountability Would Enhance Training and Performance Management for Claims Processors.* [GAO-08-561](#). Washington, D.C.: May 27, 2008.

*Federal Disability Programs: More Strategic Coordination Could Help Overcome Challenges to Needed Transformation.* [GAO-08-635](#). Washington, D.C.: May 20, 2008.

*VA and DOD Health Care: Progress Made on Implementation of 2003 President's Task Force Recommendations on Collaboration and Coordination, but More Remains to Be Done.* [GAO-08-495R](#). Washington, D.C.: April 30, 2008.

*VA Health Care: Additional Efforts to Better Assess Joint Ventures Needed.* [GAO-08-399](#). Washington, D.C.: March 28, 2008.

*DOD and VA: Preliminary Observations on Efforts to Improve Care Management and Disability Evaluations for Servicemembers.* [GAO-08-514T](#). Washington, D.C.: February 27, 2008.

*Information Technology: VA and DOD Continue to Expand Sharing of Medical Information, but Still Lack Comprehensive Electronic Medical Records.* [GAO-08-207T](#). Washington, D.C.: October 24, 2007.

*DOD and VA: Preliminary Observations on Efforts to Improve Health Care and Disability Evaluations for Returning Servicemembers.* [GAO-07-1256T](#). Washington, D.C.: September 26, 2007.

*GAO Findings and Recommendations Regarding DOD and VA Disability Systems.* [GAO-07-906R](#). Washington, D.C.: May 25, 2007.



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