

GAO

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

January 2005

VOCATIONAL REHABILITATION

More VA and DOD Collaboration Needed to Expedite Services for Seriously Injured Servicemembers



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Highlights

Highlights of GAO-05-167, a report to the Ranking Democratic Member, Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

More than 10,000 U.S. military servicemembers, including National Guard and Reserve members, have been injured in the conflicts in Afghanistan and Iraq. Those with serious injuries are likely to be discharged from the military and return to civilian life with disabilities. The Department of Veterans Affairs (VA) offers vocational rehabilitation and employment (VR&E) services to help these injured servicemembers in their transition to civilian employment. GAO has noted that early intervention—the provision of rehabilitation services as soon as possible after the onset of a disability—is a practice that significantly facilitates the return to work. GAO examined how VA expedites VR&E services to seriously injured servicemembers and the challenges VA faces in its efforts to do so.

What GAO Recommends

GAO recommends that:

- VA and the Department of Defense (DOD) collaborate to reach an agreement for VA to have access to information that both agencies agree is needed to promote recovery and return to work for seriously injured servicemembers.
- VA develop a policy and procedures for regional offices to maintain contact with seriously injured servicemembers who do not initially apply for VR&E services.

www.gao.gov/cgi-bin/getrpt?GAO-05-167.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Cynthia Bascetta at (202) 512-7215 or BascettaC@gao.gov.

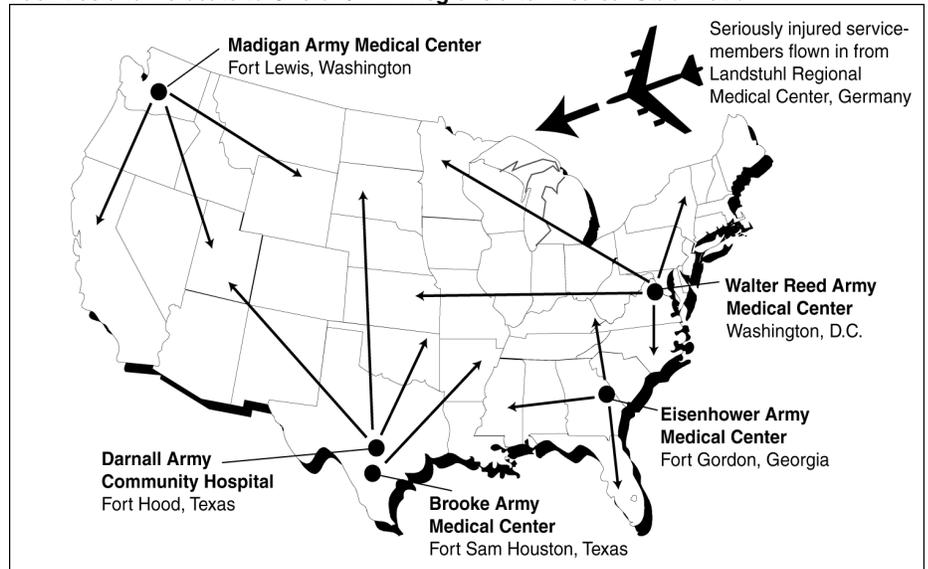
VOCATIONAL REHABILITATION

More VA and DOD Collaboration Needed to Expedite Services for Seriously Injured Servicemembers

What GAO Found

VA has taken steps to expedite vocational rehabilitation and employment services for servicemembers returning from Afghanistan and Iraq with serious injuries. The agency has instructed its regional offices to make seriously injured servicemembers a high priority for all VA assistance, including VR&E services, and has asked DOD to provide data that would help VA identify and monitor this population. It has also deployed additional staff to five major Army military treatment facilities where the majority of the seriously injured are treated. Pending an agreement with DOD for sharing data, VA has relied on its regional offices to learn who the seriously injured are and where they are located. We found that the regional offices we reviewed had developed information that varied in completeness and reliability. We also found that VA does not have a policy for maintaining contact with those with serious injuries who may later be ready for VR&E services but did not initially apply for VR&E. Nevertheless, some regional offices did attempt to maintain contact while other regional offices did not.

Seriously Injured Army Servicemembers Receive Treatment at Five Major Army Medical Facilities and Relocate to One of 57 VA Regions after Medical Stabilization



Source: GAO analysis of DOD and VA data and Art Explosion.

VA faces significant challenges in expediting VR&E services to seriously injured servicemembers. These include: the inherent challenge that individual differences and uncertainties in the recovery process make it difficult to determine when a servicemember will be ready to consider VR&E services; DOD's concerns that VA's outreach, including early intervention with VR&E, could work at cross purposes to military retention goals for servicemembers whose discharge from military service is not yet certain; and the lack of access to data from DOD that would allow VA to readily know which servicemembers are seriously injured and where they are located.

VA and DOD generally concurred with our findings and recommendations.

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Abbreviations

DOD	Department of Defense
MTF	Military Treatment Facility
VR&E	Vocational Rehabilitation and Employment
VA	Department of Veterans Affairs

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United States Government Accountability Office
Washington, DC 20548

January 14, 2005

The Honorable Lane Evans
Ranking Democratic Member
Committee on Veterans' Affairs
House of Representatives

Dear Mr. Evans:

Since the onset of U.S. operations in Afghanistan in October 2001 and Iraq in March 2003, the Department of Defense (DOD) has reported that more than 10,000 service men and women have been injured in combat. While many return to active duty after they are treated, others who are more seriously injured are likely to be discharged from their military obligations and return to civilian life with disabilities. In addition to cash compensation, the Department of Veterans Affairs (VA) offers vocational rehabilitation and employment (VR&E) services to help veterans with disabilities restore their lives and participate in the civilian workforce. We have reported that intervening early after a disabling injury increases the likelihood that an individual will successfully return to work.¹ Moreover, there is growing awareness that people with disabilities can and want to work and that changes in the nature of work and advances in assistive technologies help them to do so. Further, as the U.S. workforce is projected to shrink, the U.S. economy will need all who are able to participate in the paid labor force. Because federal disability programs, including VA's, lack emphasis on the potential for vocational rehabilitation to return people to work and also rely on outmoded assumptions about the relationship between impairment and work, we have designated these as "high-risk" programs.²

In view of the importance of early intervention in returning people who have been disabled to work, you asked that we review how quickly VA is able to provide VR&E services to seriously injured servicemembers from Afghanistan and Iraq who are likely to become veterans with disabilities. We assessed (1) how VA expedites VR&E services to these seriously

¹GAO, *SSA Disability: Return-to-Work Strategies From Other Systems May Improve Federal Programs*, [GAO-96-133](#) (Washington, D.C.: July 11, 1996).

²GAO, *High-Risk Series: An Update*, [GAO-03-119](#) (Washington, D.C.: Jan. 2003).

injured servicemembers and (2) the challenges VA faces in its efforts to do so.

To address these objectives, we reviewed VA's formal and informal procedures for expediting VR&E services to seriously injured servicemembers returning from Afghanistan and Iraq. We reviewed applicable laws and regulations. We interviewed officials at VA's central office and at 12 of VA's 57 regional offices. Five of these offices are located near the five major Army medical treatment facilities treating the majority of the seriously injured Army servicemembers: Brooke Army Medical Center at Fort Sam Houston, Texas; Darnall Army Community Hospital at Fort Hood, Texas; Eisenhower Army Medical Center at Fort Gordon, Georgia; Madigan Army Medical Center at Fort Lewis, Washington; and Walter Reed Army Medical Center in Washington, D.C. The corresponding VA regional offices are Houston and Waco, Texas; Atlanta, Georgia; Seattle, Washington; and Washington, D.C. We selected the other seven regional offices based on Army data indicating that servicemembers injured in Afghanistan and Iraq are being treated at military treatment facilities in their regions. They are Buffalo, New York; Denver, Colorado; Muskogee, Oklahoma; Nashville, Tennessee; New Orleans, Louisiana; Wichita, Kansas; and Winston-Salem, North Carolina. Our findings for these regional offices cannot be generalized to all of VA's regional offices. We focused on Army servicemembers, including activated National Guard and Reserve, because they constituted the majority of servicemembers wounded in Afghanistan and Iraq. In addition, we visited Walter Reed Army Medical Center in Washington, D.C., where most seriously injured Army servicemembers are initially treated. We also interviewed DOD officials about their efforts to work with VA on the transition of injured servicemembers being discharged from active duty. We conducted our work between April 2004 and November 2004 in accordance with generally accepted government auditing standards.

Results in Brief

We found that VA has taken steps to expedite VR&E services for seriously injured servicemembers returning from Iraq and Afghanistan. VA has instructed its regional offices to make seriously injured servicemembers a high priority for all VA assistance and asked DOD to share data that would help VA identify and monitor them. Because most seriously injured servicemembers are initially treated at major military treatment facilities, VA deployed staff to these sites to provide information on VA benefits programs, including VR&E services, to servicemembers injured in the conflicts in Afghanistan and Iraq. To ensure the identification and monitoring of all seriously injured servicemembers, VA initiated a

memorandum of agreement proposing that DOD systematically provide information on them, including their names, location, and medical condition. Pending an agreement with DOD, VA instructed its regional offices to establish local liaison with military medical treatment facilities in their areas to learn who the seriously injured are, where they are located, and the severity of their injuries. Reliance on local relationships, however, has resulted in varying completeness and reliability of information developed by the 12 regional offices in our review. We also found that VA has no policy for VR&E staff to maintain contact with seriously injured servicemembers who do not apply for VR&E services. Nevertheless, some offices reported efforts to maintain contact with these servicemembers, noting that some who are not initially ready to consider employment when contacted about VR&E services may be receptive at a future time.

We found significant challenges to VA's efforts to expedite VR&E services. An inherent challenge is that individual differences and uncertainties in the recovery process make it difficult to determine when a seriously injured service member will be ready to consider VR&E services. Additionally, given that VA is conducting outreach to servicemembers whose discharge from military service is not yet certain, VA is challenged by DOD's concerns that VA's outreach about benefits, including early intervention with VR&E services, could work at cross purposes to the military's retention goals. Finally, VA is currently challenged by a lack of access to DOD data that would, at a minimum, allow the agency to readily identify and locate all seriously injured servicemembers. VA officials we interviewed both in the regional offices and at the central office reported that this information would provide them with a more reliable way to identify and monitor the progress of those servicemembers with serious injuries. However, DOD officials reported that they have privacy concerns about the type of information that VA had requested and the time that VA wants it to be provided.

To improve VA's efforts to expedite VR&E services, we recommend that VA and DOD collaborate to reach agreement about information that VA needs to promote the recovery and return to work of seriously injured servicemembers and that VA develop a policy and procedures for maintaining contact with those who do not initially apply for VR&E services. VA and DOD provided written comments on a draft of this report. Both VA and DOD generally concurred with our findings and recommendations.

Background

VA's VR&E program is designed to ensure that veterans with disabilities find meaningful work and achieve maximum independence in daily living. In 2004, VA estimates that it spent more than \$670 million on its VR&E program to serve about 73,000 participants. This represents about 2 percent of VA's \$37 billion budget for nonmedical benefits, most of which involves cash compensation for veterans with disabilities.

VR&E services include vocational counseling, evaluation, and training that can include payment for tuition and other expenses for education, as well as job placement assistance. Interested veterans generally apply for VR&E services after they have applied and qualified for disability compensation based on a rating of their service-connected disability. This disability rating—ranging from 0 to 100 percent in 10 percent increments—entitles veterans to monthly cash payments based on their average loss in earning capacity resulting from a service-connected injury or combination of injuries. To be entitled to VR&E services, veterans with disabilities generally must have at least a 20 percent disability rating and an employment handicap as determined by a vocational rehabilitation counselor. Although cash compensation is not available to servicemembers until after they separate from the military, they can receive VR&E services prior to separation under certain circumstances.³ To make these services available prior to discharge, VA expedites the determination of eligibility for VR&E by granting a preliminary rating, known as a memorandum rating.

VA's outreach to servicemembers who plan to apply for veterans' disability compensation has been part of its transition assistance program, which was established in 1990.⁴ Either in group sessions or in one-on-one encounters, VA provides servicemembers with information about disability benefits and services, which includes the VR&E program, and offers assistance in applying for them. In addition, VA administers a pre-discharge program that expedites the disability compensation claims processing for servicemembers who are pending discharge. This program also helps VR&E staff identify those who could benefit from vocational

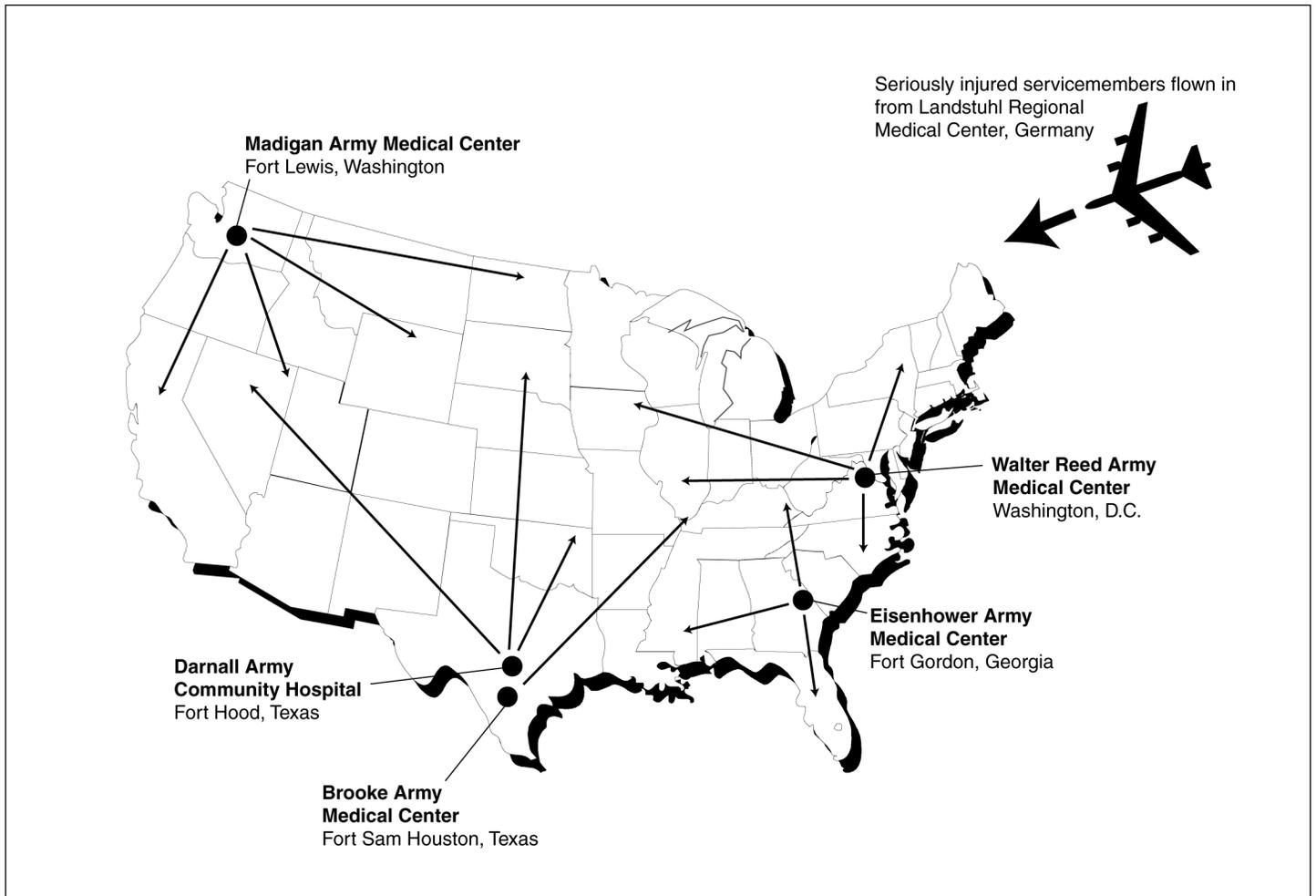
³Hospitalized military personnel pending discharge may receive all vocational rehabilitation and employment benefits—such as counseling, evaluation, and training—except for the monthly subsistence allowance. 38 U.S.C. §§ 3102, 3104, and 3113.

⁴GAO, *Military and Veterans' Benefits: Observations on the Transition Assistance Program*, [GAO-02-914T](#) (Washington, D.C.: July 18, 2002).

rehabilitation and employment services. VA has recently included activated National Guard and Reserve members in its outreach efforts.

Servicemembers injured in Iraq and Afghanistan are surviving injuries that would have been fatal in past conflicts, due, in part, to advanced protective equipment and medical treatment. However, the severity of their injuries can result in a lengthy transition from injured servicemember to veteran. Initially, most seriously injured servicemembers, including activated National Guard and Reserve members, are brought to Landstuhl Regional Medical Center in Germany for treatment. From there, they are transported to the appropriate U.S. medical facilities, which are usually major military treatment facilities (MTFs) but may also be VA medical centers. According to DOD officials, once stabilized and discharged from the hospital, servicemembers usually relocate to be closer to their homes or military bases and are treated as outpatients by the closest VA or military hospital. (See fig. 1.) At this point, the military generally begins to assess whether the servicemember will be able to remain in the military, a process that could take months to complete. The process can take even longer if the servicemember appeals the military's initial disability decision.

Figure 1: Seriously Injured Army Servicemembers Receive Treatment at Five Major Army Medical Facilities and Relocate to One of 57 VA Regions after Medical Stabilization



Source: GAO analysis of DOD and VA data and Art Explosion.

In response to recommendations made by the VA Vocational Rehabilitation and Employment Task Force, VA is beginning to change its approach to VR&E to better reflect contemporary views of disability. The Secretary of Veterans Affairs established this external task force in 2003 to conduct a comprehensive review of VA's VR&E program.⁵ In addition,

⁵VA Vocational Rehabilitation and Employment Task Force. *Report to the Secretary of Veterans Affairs: The Vocational Rehabilitation and Employment Program for the 21st Century Veteran* (Washington, D.C.: March 2004).

faced with the immediate need to provide benefits and services to a new generation of veterans with disabilities, VA in August 2003 formed an internal task force to develop and implement policies to improve the transition of injured servicemembers back to civilian life. Known as the Seamless Transition Task Force, it included ad hoc participation from DOD.⁶ Although this task force's initial priority was to ensure the continuity of medical care for injured servicemembers as they transition from military to VA health care, it has also coordinated efforts to ensure access to all other VA benefits, including VR&E services.

We have previously reported on the importance of early intervention to maximize the work potential of individuals with disabilities. We have also reported, however, that current federal disability programs offer little opportunity for early intervention with individuals who apply for compensation. These programs require lengthy assessments in which applicants must focus on demonstrating their work limitations rather than their abilities and potential to work.⁷ Consequently, vocational rehabilitation is typically introduced late in the process. Furthermore, we have designated federal disability programs, including VA's, as high-risk programs because they lack emphasis on the potential for vocational rehabilitation to return people to work and also rely on outmoded assumptions about the relationship between impairment and work.

⁶DOD has supported transition assistance in various ways. For example, the VA/DOD Joint Executive Committee was established in February 2002 to further promote collaboration between the two agencies, including resolving obstacles to information sharing. The committee is chaired by the Deputy Secretary of Veterans Affairs and the Under Secretary of Defense for Personnel and Readiness. In addition, the Army—in cooperation with VA—established the Disabled Soldier Support System (DS3) in April 2004 as an advocacy group and information clearinghouse to clarify the services available to disabled soldiers as they transition to civilian life.

⁷GAO, *SSA Disability: Program Redesign Necessary to Encourage Return to Work*, [GAO/HEHS-96-62](#) (Washington, D.C.: Apr. 24, 1996).

VA Has Taken Steps to Expedite Vocational Rehabilitation and Employment Services for Seriously Injured Servicemembers

VA has instructed its regional offices to make seriously injured servicemembers a high priority for all VA assistance and asked DOD to provide data that would ensure VA's ability to identify and monitor this population. Because many seriously injured servicemembers are initially treated at major military treatment facilities, VA has deployed staff to these sites to provide information on all veterans' benefits, including VR&E services. To ensure the identification and monitoring of all seriously injured servicemembers, VA initiated a memorandum of agreement proposing that DOD share a range of information, including the names of those with serious injuries, their medical condition, and their military status. As of December 2004, a formal agreement with DOD had not been reached. In the meantime, VA has instructed its regional offices to develop local liaison with DOD in order to identify and assist seriously injured servicemembers. The 12 regional offices we reviewed have developed information of varying completeness and reliability. However, once regional offices have identified and contacted seriously injured servicemembers, VA has no policy for VR&E staff to maintain contact with those individuals who do not apply for VR&E services while in the hospital or after they return home. Nevertheless, some regional offices reported maintaining contact with these servicemembers while others did not.

VA Has Instructed Its Regional Offices to Make Seriously Injured Servicemembers a High Priority and Asked DOD for Data to Help Identify Them

In a September 2003 letter, VA instructed its regional offices to provide priority consideration and assistance to seriously injured servicemembers returning from Afghanistan and Iraq. VA specifically instructed regional offices to focus on servicemembers whose disabilities are definitely or likely to result in military separation. Minimally, this includes servicemembers with injuries DOD has classified as "very serious," "serious," or in a "special category."⁸ In this letter, VA instructed its regional offices to assign a case manager to each seriously injured servicemember who applies for disability compensation. In addition, VA noted the particular importance of early intervention for those who are seriously injured and emphasized that seriously injured servicemembers applying for VR&E should receive the fastest possible service. Moreover, VA reminded VR&E staff that they can initiate evaluation and counseling

⁸Army regulations classify illness and injuries as "very serious" when life is imminently endangered; as "serious" when there is a cause for immediate concern but there is no imminent danger to life; and as "special category" when the patient has a particular condition, such as loss of limb or sight, a psychiatric condition, paralysis, or a permanent disfigurement.

and, in some cases, authorize training before a servicemember is discharged.

Since most seriously injured servicemembers are initially treated at major MTFs, VA has detailed staff to these facilities.⁹ These staff have included VA social workers and disability compensation benefits counselors. In addition to these staff, at Walter Reed, where the largest number of seriously injured servicemembers has been treated, VA's Washington D.C. regional office has since 2001 provided a vocational rehabilitation counselor to work with hospitalized patients.

To identify and monitor those whose injuries may result in a need for VA services, including vocational rehabilitation, VA has asked DOD to share data about injured servicemembers. VA has been working to develop a formal agreement with DOD on what specific information to share. In the spring of 2004, VA submitted a draft memorandum of agreement to DOD's Office of the Assistant Secretary of Defense for Health Affairs proposing that DOD provide lists of all injured servicemembers admitted to MTFs. In addition, VA requested personal identifying information, medical information, and DOD's injury classification for each listed servicemember. VA also requested monthly lists of servicemembers being evaluated for medical separation from military service. Several VA officials and regional office staff we interviewed said that systematic information from DOD would provide them with a way to more reliably identify and monitor seriously injured servicemembers. As of December 2004, a formal agreement with DOD was still pending.

VA Regional Offices Have Relied on Local Liaisons with MTFs In Order to Identify Seriously Injured Servicemembers Who May Need Assistance

In the absence of a formal arrangement to ensure that DOD provides data on seriously injured servicemembers, VA has relied on its regional offices to obtain information about them. In its September 2003 letter, the agency asked the regional offices to coordinate with staff at MTFs and VA medical centers in their areas to ascertain the identities, medical conditions, and military status of the seriously injured. While VA officials reported to us that they had provided veterans' benefits information to injured

⁹These six facilities are Brooke Army Medical Center in Texas; Walter Reed Army Medical Center in Washington, D.C.; Madigan Army Medical Center in Washington; Darnall Army Community Hospital in Texas; Eisenhower Army Medical Center in Georgia; and the Bethesda Naval Medical Center in Maryland. We focused on the five Army medical treatment facilities.

servicemembers, they did not have complete and reliable data as to how many of these were seriously injured.

In response to guidance by VA's central office, every regional office has designated a coordinator to serve as a point of contact with MTFs and VA medical centers, as well as other VA regional offices, in order to monitor injured servicemembers as they relocate across the country. When servicemembers are discharged from an MTF, VA officials told us that the affiliated VA regional office coordinator notifies the coordinator in the region to which the person relocates. The new coordinator contacts the seriously injured servicemember to discuss any claims that have been filed and to provide those who have not already done so an opportunity to apply for other benefits, including VR&E services. Regional officials we interviewed reported that they have followed VA's instructions to keep updated logs of all contacts they have with seriously injured servicemembers. Regional offices are required to send these logs to VA's central office, which uses them to monitor outreach.

In our review of 12 regional offices, we found that they have developed different information sources resulting in varying levels of information on seriously injured servicemembers. The nature of the local relationships between VA staff and military staff at MTFs was a key factor in the completeness and reliability of the information that the military provided. For example, the military MTF staff at one regional office provided VA staff with only the names of new patients with no indication of the severity of their condition or the theater from which they were returning. Another regional office reported receiving lists of servicemembers for whom the Army has initiated a medical separation in addition to lists of patients with information on the severity of their injuries. Some regional offices were able to capitalize on longstanding informal relationships. For example, the VA coordinator responsible for identifying and monitoring the seriously injured at one regional office had served as an Army nurse at the local MTF and was provided all pertinent information. In contrast, staff at another regional office reported that local military staff did not until recently provide them with information on seriously injured servicemembers admitted to the MTF.

Once they have identified the seriously injured servicemembers, regional office staff reported that they are largely following outreach, coordination, and case management procedures outlined in VA's September 2003 guidance. Under these procedures, disability compensation benefit counselors usually conduct VA's initial outreach by contacting hospitalized servicemembers to provide information on all veterans'

benefits, including VR&E. Traditionally responsible for taking applications and processing disability compensation claims, these staff members are neither vocational rehabilitation experts nor are they generally trained to work with persons who have serious injuries. Accordingly, VA reported that it has begun requiring all staff members who provide in-person or telephone outreach to receive training on how to interact with seriously injured servicemembers. VR&E staff reported that they generally rely on the benefits counselors to notify them of injured servicemembers at MTFs who are interested in or who apply for VR&E. Only then would a vocational rehabilitation counselor or counseling psychologist usually contact the hospitalized servicemember to begin counseling and evaluation. In one regional office, VR&E staff said that they do not contact injured servicemembers until they apply for services and obtain a memorandum rating establishing their eligibility.

The Washington, D.C. regional office has assigned a vocational rehabilitation counselor to be available on site at Walter Reed Army Medical Center, where a large number of seriously injured servicemembers are treated. Although VA also deployed benefits counselors to Walter Reed who are responsible for outreach activities and the provision of information on all VA benefits, the VR&E counselor works with hospitalized patients specifically to offer and provide vocational counseling and evaluation. She reported attempting to contact all patients within 48 hours of their arrival and visiting them routinely thereafter to establish rapport. Her primary mission is to work with servicemembers who will need to prepare for civilian employment, although she told us that her early intervention efforts could also help servicemembers who are able to remain in the military.

According to VA staff, many seriously injured servicemembers are not ready or able to consider VR&E services when they are first contacted. Yet, we found that VA has no policy for maintaining contact with those servicemembers who do not apply for VR&E services when they were in the hospital or when they returned to a home base or to their residence. Several regional offices reported that they do not stay in contact with these individuals while others attempt to do so in various ways. One office said it is considering contacting them after one year. Another regional VR&E officer reported that staff ask the servicemembers to specify when they would like to be contacted for further information or to begin program participation. Staff at this regional office noted that they are strong advocates of early intervention. They said that they try to contact servicemembers as soon as possible to establish rapport and provide VR&E program information even before the servicemembers are

physically ready to begin developing a vocational rehabilitation plan. At the same time, they noted that readiness to participate in VR&E varies by individual and that professional judgment is required to balance effective outreach with an approach that could be viewed as intrusive.

VR&E program officials noted the potential value of maintaining contact with seriously injured servicemembers who may not initially be ready to participate when initially contacted by VA, but they also recognized the need to focus resources on those who do participate. Nevertheless, officials from a veterans service organization told us that it is critical to maintain contact with seriously injured veterans who do not initially apply for VR&E because they may need months or even years before they are ready. In our prior work, we have also noted that maintaining contact with individuals who have disabilities may help encourage their return to work.¹⁰

VA Faces Significant Challenges in Expediting Services to Seriously Injured Servicemembers

While experts and advocates for individuals with disabilities attest to the value of early intervention for returning people to work, VA is challenged to reach injured servicemembers early for several reasons. First, determining the best time to approach recently injured servicemembers and gauge their personal receptivity to consider employment in the civilian sector is inherently difficult. The nature of the recovery process is highly individualized and requires professional judgment to determine the appropriate time to begin vocational rehabilitation. Further, because VA is trying to prepare servicemembers who are still on active duty for a transition to civilian life, DOD is concerned that VA's efforts may be working at cross purposes to the military's retention goals. Finally, because VA lacks systematic information from DOD on seriously injured servicemembers, VA cannot ensure that all servicemembers and veterans who could benefit from the VR&E program have the opportunity to receive services at the appropriate time.

¹⁰GAO, *SSA Disability: Return-to-Work Strategies From Other Systems May Improve Federal Programs*, GAO/HEHS-96-133 (Washington, D.C.: July 11, 1996).

Individual Differences in the Recovery Process Complicate the Timing of Early Intervention

Individual differences and uncertainties in the recovery process make it inherently difficult to determine when a seriously injured servicemember will be ready to consider vocational rehabilitation. Since the appropriate time to intervene depends to a large extent on the individual's medical condition and personal readiness, the time to broach the subject of a return to work, whether in the military or the civilian labor force, will vary. Regional office staff reported that many servicemembers are eager to return to military duty and do not intend to consider a career outside military service. They also reported that many injured servicemembers need time to recover and adjust to the likelihood that they may have to leave the military and prepare for civilian employment.

Because of the individual differences in receptivity to VR&E, VA staff reported needing to monitor the condition of seriously injured servicemembers and to engage them more than once during their recovery to be able to gauge their readiness for VR&E. One regional VR&E official told us that VA could benefit from more collaboration with DOD medical staff in order to make decisions on the appropriate timing of VR&E intervention. The vocational rehabilitation counselor at Walter Reed reported visiting servicemembers routinely, including evenings and weekends, so that she would be available when they were ready to discuss their need for vocational rehabilitation. For one patient, she reported visiting him 12 times before he expressed interest in VR&E. In some locations, VA staff reported participating in pre-discharge planning meetings with military and medical staff, which they said helped them stay informed about the servicemember's condition and likely discharge and provided an opportunity to include VR&E in their discharge planning.

VA Is Challenged by DOD's Concern that Early Intervention Could Work at Cross Purposes to Military Retention

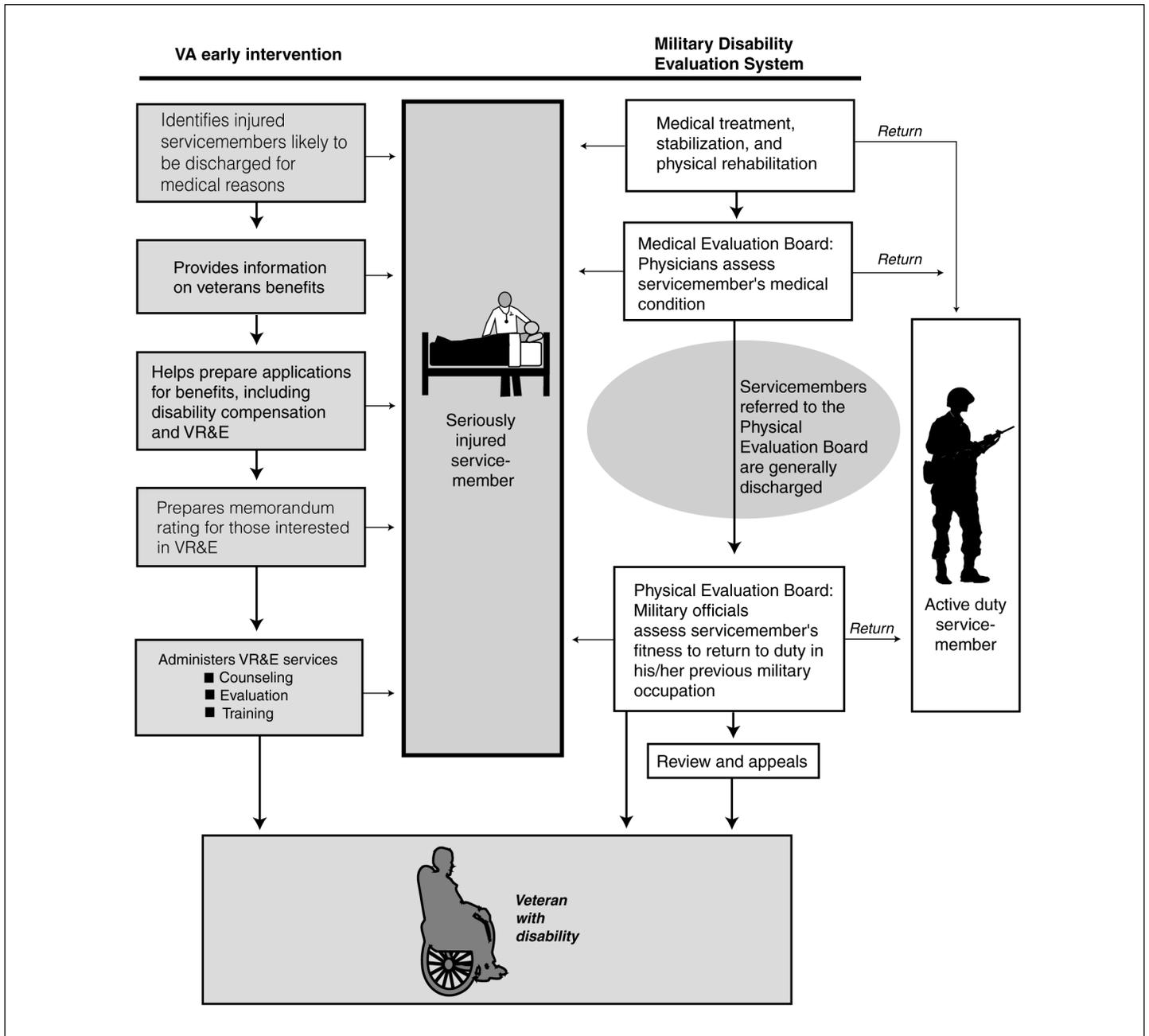
VA is also challenged by DOD's concern that outreach about VA benefits, including disability compensation and VR&E services, could work at cross purposes to military retention goals. In particular, DOD expressed concern about the timing of VA's outreach to servicemembers whose discharge from military service is not yet certain. To expedite VR&E services, VA's outreach process may overlap with the military's process for evaluating servicemembers for a possible return to duty. According to DOD officials, it may be premature for VA to begin working with injured servicemembers who may eventually return to active duty. (See fig. 2.) With advances in medicine and prosthetic devices, many serious injuries no longer result in work-related impairments. Army officials who track injured

servicemembers told us that many seriously injured servicemembers overcome their injuries and return to active duty. Recognizing this potential, both Congress¹¹ and the President have recently expressed interest in seeing the military provide the retraining needed to support the return of injured servicemembers to their military occupations or other occupations within the military if possible. In an attempt to enable more amputees to return to active duty, Walter Reed Army Medical Center plans to open a new rehabilitation center in 2005.

Both VA and DOD officials suggested that the earliest appropriate time for VA to intervene for regular active duty servicemembers would be when it is clear that the servicemember will not be retained by the military. Currently, VA can only provide VR&E services to active duty servicemembers who are pending discharge due to a disability. VR&E services could begin earlier for injured members of the National Guard and Reserve since these individuals usually expect to return to their previous civilian employment. They may need VR&E services to return to their prior employment or to prepare for a different occupation in the civilian economy.

¹¹Congress expressed its sense that the Secretary of Defense should develop protocols that include options for injured servicemembers who are highly motivated to return to active duty service and for them to be retrained to perform military missions for which they are fully capable. Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, Pub. L. No. 108-375, § 588, Oct. 28, 2004, the “Sense of Congress Regarding Return of Members to Active Duty Service upon Rehabilitation from Service-Related Injuries.”

Figure 2: VA's Early Intervention Could Work at Cross Purposes to DOD's Retention Evaluation Process



Source: GAO analysis of DOD and VA data and Art Explosion.

VA Is Also Challenged by the Lack of Access to Systematic Data Regarding Seriously Injured Servicemembers

In the absence of a formal information sharing agreement with DOD, VA does not have systematic access to DOD data about the population who may need its services. Specifically, VA cannot reliably identify all seriously injured servicemembers or know with certainty when they are medically stabilized, when they are undergoing evaluation for a medical discharge, or when they are actually medically discharged from the military. VA has instead had to rely on ad hoc regional office arrangements at the local level to identify and obtain specific data about seriously injured servicemembers. While regional office staff generally expressed confidence that the information sources they developed enabled them to identify most seriously injured servicemembers, they have no official data source from DOD with which to confirm the completeness and reliability of their data nor can they provide reasonable assurance that some seriously injured servicemembers have not been overlooked. In addition, informal data sharing relationships could break down with changes in personnel at either the MTF or the regional office.

DOD officials expressed their concerns about the type of information to be shared and when the information would be shared. DOD noted that it needed to comply with legal privacy rules on sharing individual patient information.¹² DOD officials told us that information could be made available to VA “upon separation” from military service, that is, when a servicemember enters the separation process. At this time, servicemembers would undergo assessment by a physical evaluation board, which DOD officials said typically takes between 30 to 90 days and usually results in a medical discharge from the military. However, prior to separation, information can only be provided under certain circumstances, such as when a patient’s authorization is obtained.¹³

Conclusions

VA has taken steps to help the nation’s newest generation of veterans move forward with their lives, particularly those who return from combat with disabling injuries. VA has made seriously injured servicemembers a priority and, among other measures, deployed staff to major MTFs to conduct outreach to them prior to separation. However, VA benefits counselors are usually the first VA representatives to contact injured servicemembers. While they may provide an overview of all VA benefits,

¹²Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule, 45 C.F.R. Parts 160 and 164.

¹³45 C.F.R. § 164.508(a).

they may not emphasize vocational rehabilitation and employment services.

The importance of early intervention for returning individuals with disabilities to the workforce is well documented in the vocational rehabilitation literature. However, the lack of an agreement with DOD for systematic data sharing impedes VA's attempt to identify all seriously injured servicemembers who might benefit from such intervention. It also poses the risk that some who are discharged with disabilities may be overlooked and not afforded the opportunity for VR&E. As VA recognizes, the current ad hoc approach of their regional offices for obtaining information is not the most efficient way to proceed. Furthermore, because individuals with disabilities vary in their readiness and need for VR&E services, maintaining contact with them would better ensure that VR&E staff know when the person is ready to participate. Because VA has no policy for maintaining contact with those who do not apply for VR&E, opportunities to rehabilitate veterans who have sustained serious injuries in Afghanistan and Iraq may be lost.

At a time when the U.S. labor force is projected to shrink, it is imperative that those who can work, whether in military or civilian jobs, are well supported in their efforts to do so. VA's early VR&E efforts, rather than working at cross purposes to DOD goals, could facilitate servicemembers' return to the same or different military occupation, or to a civilian occupation, if they were not able to remain in the military. In this regard, the prospect for early intervention with VR&E services presents both a challenge and an opportunity for VA and DOD to collaborate to provide better outcomes for this new generation of seriously injured servicemembers.

Recommendations

To improve VA's efforts to expedite VR&E services to seriously injured servicemembers, we recommend that VA and DOD collaborate to reach an agreement for VA to have access to information that both agencies agree is needed to promote servicemembers' recovery and return to work.

We also recommend that the Secretary of Veterans Affairs direct the Under Secretary for Benefits to develop a policy and procedures for regional offices to maintain contact with seriously injured servicemembers who do not initially apply for VR&E services, in order to ensure that they have the opportunity to participate in the program when they are ready.

Agency Comments

In commenting on a draft of this report, VA concurred with our findings and recommendations. VA emphasized that access to DOD information is crucial to promoting servicemembers' recovery and return to work and, to that end, is currently negotiating an agreement to allow VA to obtain protected medical information on servicemembers prior to their discharge for VA benefits purposes. In addition, VA noted that its follow-up policies and procedures include sending veterans information on VR&E benefits upon notification of a disability compensation award and 60 days later. However, we believe a more individualized approach, such as maintaining personal contact, could better ensure the opportunity for veterans to participate in the program when they are ready. VA noted that it is currently reviewing its outreach and follow-up procedures for injured servicemembers and will make any appropriate revisions. VA's written comments are reprinted in appendix I.

DOD also concurred with our findings and recommendations. DOD stated its commitment to retaining seriously injured servicemembers who are able and willing to return to duty. DOD also noted that a draft memorandum of agreement for information sharing between VA and DOD is under consideration by the two departments and the military services. DOD's written comments are reprinted in appendix II.

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution of this report until 30 days after the date of this letter. We will then send copies of this report to the Secretary of Veterans Affairs, the Secretary of Defense, appropriate congressional committees, and other interested parties. The report will also be available on GAO's Web site at <http://www.gao.gov>.

If you or your staff have any questions regarding this report, please call me at (202) 512-7215 or Irene Chu, Assistant Director, at (202) 512-7102.

Susan Bernstein, Connie Peebles Barrow, Margaret Boeckmann, William R. Chatlos, Clarette Kim, Joseph J. Natalicchio, and Roger Thomas also made key contributions to this report.

Sincerely yours,

A handwritten signature in cursive script that reads "Cynthia Bascetta".

Cynthia A. Bascetta
Director, Education, Workforce,
and Income Security Issues

Appendix I: Comments from the Department of Veterans Affairs



THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

January 7, 2005

Ms. Cynthia Bascetta
Director
Education, Workforce, and Income Security Issues
U. S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Bascetta:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office's (GAO) draft report, **VOCATIONAL REHABILITATION: More VA and DOD Collaboration Needed to Expedite Services for Seriously Injured Servicemembers**, (GAO-05-167). VA concurs with GAO's findings and recommendations. Further discussion is included in the enclosure.

VA appreciates the opportunity to comment on your draft report.

Sincerely yours,

A handwritten signature in cursive script that reads "Anthony J. Principi".

Anthony J. Principi

Enclosure

Enclosure

DEPARTMENT OF VETERANS AFFAIRS (VA)
COMMENTS TO
GOVERNMENT ACCOUNTABILITY OFFICE (GAO) DRAFT REPORT,
**VOCATIONAL REHABILITATION: More VA and DOD
Collaboration Needed to Expedite Services
for Seriously Injured Servicemembers**
(GAO-05-167)

To improve VA's efforts to expedite VR&E services to seriously injured servicemembers, we recommend that VA and DOD collaborate to reach an agreement for VA to have access to information that both agencies agree is needed to promote servicemembers' recovery and return to work.

Concur – The Department of Veterans Affairs (VA) concurs with this finding and recommendation. VA recognizes that access to DoD information is crucial to promote servicemembers' recovery and return to work. VA has been working closely with DoD with a goal of providing a seamless transition to all servicemembers who will enter the VA system. To that end, a Memorandum of Understanding is currently being negotiated that will allow VA to obtain from DoD the servicemembers' protected medical information prior to discharge from service. VA's Office of General Counsel is confident that there are exceptions in the Privacy Rule that permit service medical information to be disclosed for VA benefits purposes and has pressed the case with DoD's General Counsel.

We also recommend that the Secretary of Veterans Affairs direct the Under Secretary for Benefits to develop a policy and procedures for regional offices to maintain contact with seriously injured servicemembers who do not initially apply for VR&E services, in order to ensure that they have the opportunity to participate in the program when they are ready.

Concur – VA concurs with this finding and recommendation. VBA has developed specific policies and procedures that address outreach and follow-up activities for injured servicemembers, including those that do not file a claim for Vocational Rehabilitation and Employment (VR&E) benefits during their initial contacts with VA. That guidance is contained in Veterans Benefits Administration (VBA) Letter 20-03-36. A brief outline of those activities follows.

Enclosure

DEPARTMENT OF VETERANS AFFAIRS (VA)
COMMENTS TO
GOVERNMENT ACCOUNTABILITY OFFICE (GAO) DRAFT REPORT,
**VOCATIONAL REHABILITATION: More VA and DOD
Collaboration Needed to Expedite Services
for Seriously Injured Servicemembers**
(GAO-05-167)

First, the regional office director will contact the servicemember when he or she arrives in the regional office's jurisdiction. Regional offices have Operation Enduring Freedom/Operation Iraqi Freedom coordinators and case managers. The coordinator ensures that the injured servicemember is personally provided information on all VA benefits and services. The coordinator enters information on the servicemember into a tracking log and establishes a diary for follow-up activity.

When a claim for compensation is received, a Veterans Service Center case manager is assigned to that case. The case manager contacts the veteran and again reviews all benefits and services available through VA, including VR&E benefits. Compensation is awarded after the servicemember is discharged from the military. When the veteran receives his or her first disability compensation award, VA sends another application for VR&E benefits along with information explaining the program. The case is diaried for follow-up in 60 days. If no application for vocational rehabilitation and employment benefits is received by the end of the 60 days, VR&E sends a motivation packet to the veteran.

VBA is currently reviewing all policies and procedures contained in VBA Letter 20-03-36, and will revise them as determined appropriate.

Appendix II: Comments from the Department of Defense



HEALTH AFFAIRS

THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D C 20301-1200

JAN 04 2005

Ms. Cynthia A. Bascetta
Director, Health Care-Veterans'
Health and Benefits Issues
U.S. Government Accountability Office
441 G Street, N.W
Washington, DC 20548

Dear Ms. Bascetta:

This is the Department of Defense (DoD) response to the Government Accountability Office (GAO) draft report, "VOCATIONAL REHABILITATION: More VA and DoD Collaboration Needed to Expedite Services for Seriously Injured Servicemembers," dated January 2004 (GAO Code 130370/GAO-05-167).

DoD appreciates the opportunity to comment on the draft report and concurs with the GAO findings and recommendations with the attached comments.

Please direct any questions to my points of contact on this matter, Mr. Kenneth Cox (functional) at (703) 681-0039, ext. 3602 and Mr. Gunther J. Zimmerman (Audit Liaison) at (703) 681-3492 ext 4065.

Sincerely,

A handwritten signature in black ink that reads "William Winkenwerder, Jr.".

William Winkenwerder, Jr., MD

Enclosures.

1. Overall Comments
2. Technical Comments

GAO DRAFT REPORT – DATED DECEMBER 14, 2004
(GAO CODE- 130370/GAO-05-167)

**“VOCATIONAL REHABILITATION: More VA and DoD Collaboration Needed
to Expedite Services for Seriously Injured Servicemembers**

DEPARTMENT OF DEFENSE COMMENTS

This draft report provides a review of the Department of Veterans’ Affairs efforts to provide rehabilitative services and employment retraining to active duty members injured in Operation Enduring Freedom/Operation Iraqi Freedom.

Overall Comments:

- The Government Accountability Office (GAO) report accurately depicts the Department of Defense’s (DoD) commitment to retaining seriously injured servicemembers who have the potential and the desire to be returned to duty whenever possible.
- The GAO reports that the Department of Veterans Affairs (VA) is also challenged by lack of access to systematic data regarding seriously injured Service members. GAO recommends that the two departments “collaborate to reach an agreement for VA to have access to information that both agencies agree is needed to promote recovery and return to work for seriously injured Service members.”

DoD is collaborating with VA to develop a Memorandum of Agreement (MOA) establishing responsibilities for each department regarding the sharing of personal health information data in such a manner that it supports the seamless transition of Service members and is in compliance with applicable Health Insurance Portability and Accountability Act privacy requirements. At the time of this draft report, a draft of the MOA has been developed and is being coordinated with relevant subject matter experts in both departments and the military services.

- DoD offers the technical comments on the following page.

**GAO DRAFT REPORT – DATED DECMEBER 14, 2004
(GAO CODE- 130370/GAO-05-167)**

**“VOCATIONAL REHABILITATION: More VA and DoD Collaboration Needed
to Expedite Services for Seriously Injured Servicemembers**

DEPARTMENT OF DEFENSE COMMENTS

Technical Comments:

No technical comments received from the Services to date.

Related GAO Products

VA and Defense Health Care: More Information Needed to Determine if VA Can Meet an Increase in Demand for Post-Traumatic Stress Disorder Services. [GAO-04-1069](#). Washington, D.C.: September 20, 2004.

VA Vocational Rehabilitation and Employment Program: GAO Comments on Key Task Force Findings and Recommendations. [GAO-04-853](#). Washington, D.C.: June 15, 2004.

VA Benefits: Fundamental Changes to VA's Disability Criteria Need Careful Consideration. [GAO-03-1172T](#). Washington, D.C.: September 23, 2003.

High-Risk Series: An Update. [GAO-03-119](#). Washington, D.C.: January 2003.

Major Management Challenges and Program Risks: Department of Veterans Affairs. [GAO-03-110](#). Washington, D.C.: January 2003.

SSA and VA Disability Programs: Re-Examination of Disability Criteria Needed to Help Ensure Program Integrity. [GAO-02-597](#). Washington, D.C.: August 9, 2002.

Military and Veterans' Benefits: Observations on the Transition Assistance Program. [GAO-02-914T](#). Washington, D.C.: July 18, 2002.

SSA Disability: Other Programs May Provide Lessons from Improving Return-to-Work Efforts. [GAO-01-153](#). Washington, D.C.: January 12, 2001.

Vocational Rehabilitation: Opportunities to Improve Program Effectiveness. [GAO/T-HEHS-98-87](#). Washington, D.C.: February 4, 1998.

Veterans Benefits Administration: Focusing on Results in Vocational Rehabilitation and Education Programs. [GAO/T-HEHS-97-148](#). Washington, D.C.: June 5, 1997.

Vocational Rehabilitation: VA Continues to Place Few Disabled Veterans in Jobs. [GAO/HEHS-96-155](#). Washington, D.C.: September 3, 1996.

SSA Disability: Return-to-Work Strategies From Other Systems May Improve Federal Programs. [GAO/HEHS-96-133](#). Washington, D.C.: July 11, 1996.

Related GAO Products

SSA Disability: Program Redesign Necessary to Encourage Return to Work. [GAO/HEHS-96-62](#). Washington, D.C.: April 24, 1996.

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