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BY THE COMPTROLLER GENERAL  
Report To The Chairman  
Committee On Veterans' Affairs  
United States Senate  
OF THE UNITED STATES

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## New Legislation And Stronger Program Management Needed To Improve Effectiveness Of VA's Vocational Rehabilitation Program

VA's vocational rehabilitation program could be more effective in restoring employability lost due to service-connected disabilities. About half of the potentially eligible veteran population was missed by VA's outreach efforts, and some veterans, particularly those with severe employment handicaps, did not receive the comprehensive range of services necessary for successful rehabilitation and gainful employment.

Several factors contributed to the program's limited effectiveness. The most significant is lack of strong central program management and accountability for program results at the central office level. This problem underlies other problems GAO noted that limit program success.

GAO makes recommendations to the Administrator of Veterans Affairs and the Congress to modernize and strengthen the vocational rehabilitation program.



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FEBRUARY 26, 1980



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-197126

The Honorable Alan Cranston  
Chairman, Committee on Veterans' Affairs  
United States Senate

SEN 03900

AGC00016

Dear Mr. Chairman:

As requested in your March 1, 1979, letter, we have reviewed the Veterans Administration's vocational rehabilitation program. This report describes the problems that have limited the program's success and makes recommendations to the agency and the Congress for strengthening the program.

Copies of this report are being sent to the Chairman, House Committee on Veterans' Affairs, and the Administrator of Veterans Affairs. As arranged with your office, we plan to release the report to interested parties 3 days after its issuance.

Sincerely yours,

*Thomas B. Steitz*  
Comptroller General  
of the United States

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Veterans education  
Vocational rehabilitation training  
Program management  
Management information systems

COMPTROLLER GENERAL'S  
REPORT TO THE SENATE  
COMMITTEE ON  
VETERANS' AFFAIRS

NEW LEGISLATION AND STRONGER  
PROGRAM MANAGEMENT NEEDED TO  
IMPROVE EFFECTIVENESS OF  
VA'S VOCATIONAL REHABILITATION  
PROGRAM

D I G E S T

The Chairman, Senate Committee on Veterans' Affairs, asked GAO to review the Veterans Administration's (VA's) vocational rehabilitation program to determine whether revising the program's authorizing legislation would correct major problems, as claimed by VA, or whether other actions should be taken to improve the program's effectiveness.

The program's statutory purpose is to restore a veteran's employability lost because of a handicap due to a service-connected disability. Although GAO could not make a comprehensive evaluation of the program's effectiveness because of inadequate data, GAO's analysis of available information showed that the program was less effective than it could have been.

Several factors contributed to the program's limited effectiveness. First, and most important, there was a lack of strong central program management and accountability for program results at the central office level. No single organizational unit or individual had been given the authority and management responsibility for overall direction and control of the program; instead, program responsibilities were fragmented. (See p. 13.)

Also, goals and objectives established by the central office, and VA's management information system, were geared to broad functions and processes that encompass all VA programs, rather than focusing on the program's intended and actual results/outcomes. (See p. 15.)

HRD-80-47

The absence of strong central management and accountability for program results is critical because it appears to underlie other problems discussed in this report.

Other factors that limited program effectiveness include

- financial disincentives caused by competition from other VA benefits (see ch. 4),
- problems in program outreach and enrollment practices (see ch. 5), and
- a lack of comprehensive rehabilitative services (see ch. 6).

#### RECOMMENDATIONS TO THE ADMINISTRATOR OF VETERANS AFFAIRS

The Administrator of Veterans Affairs should:

- Revise VA's vocational rehabilitation philosophy by (1) adopting the current professional view that the primary purpose of vocational rehabilitation is to help the client become a satisfactory and satisfied employee, (2) considering a revision of VA's regulations to emphasize the integrative use of diagnostic, medical, social, psychological, vocational, and other services needed to ensure maximum rehabilitation, and (3) giving priority to veterans with serious employment handicaps.
- Establish a single unit at the central office level to manage the vocational rehabilitation program and delegate to the head of this unit the authority and responsibility for overall direction, implementation, and control of the program from outreach to posttraining employment assistance and followup.
- Establish results-oriented goals and objectives that state in precise, measurable terms the specific results/outcomes to be achieved by the program during a specified time frame with a given expenditure of resources.

- Revise VA's automated management information system to include routine collection and reporting of data (including posttraining employment data) the program manager needs to monitor the program's effectiveness in achieving its stated objective of restoring lost employability.
- Develop and implement a comprehensive outreach plan of action to ensure that all service-disabled veterans are contacted and adequately informed of their potential eligibility for the program, with special emphasis on the more seriously disabled veterans.
- Implement the case-manager concept at the regional office level whereby one person is assigned the responsibility and held accountable for a veteran's case from point of application through employment placement, including followup and post-training adjustment counseling. Consider implementing the case-manager concept on a pilot basis in selected regional offices to iron out any organizational or operational difficulties that may arise, before nationwide implementation.
- Revise VA's regulations to require that regional office rehabilitation personnel determine and document the nature and extent of lost employability for each veteran as the primary basis for (1) determining which veterans need special rehabilitation services and (2) developing comprehensive training plans in which the prescribed rehabilitation services are tailored to each veteran's unique needs.
- Revise VA's regulations to require that all disabled veterans applying for a 100-percent "individually unemployable" rating be referred to the vocational rehabilitation unit for a comprehensive

diagnostic evaluation of their rehabilitation and work potential before they are considered for the rating.

#### RECOMMENDATIONS TO THE CONGRESS

The Congress should:

--Amend chapter 31 of title 38 of the U.S. Code to allow service-disabled veterans who need vocational rehabilitation services to enroll under the chapter 31 program with an option of two payment plans:

1. The present chapter 31 payment plan, under which the veteran receives a fixed allowance for subsistence with VA paying all educational expenses (including tuition, fees, books, etc.) directly to the provider.
2. A fixed allowance equal to that available under the chapter 34 GI bill program, with the veteran paying his or her own educational expenses (including tuition, fees, books, etc.).

This would correct the problem of service-disabled veterans choosing to enroll under the regular GI bill program and forego chapter 31 rehabilitative services solely for financial reasons.

--Amend chapter 31, as proposed by VA, to expand the statutory purpose of "vocational rehabilitation" beyond employability to include attainment of gainful employment.

Although GAO believes the present language of chapter 31 is flexible enough to allow VA to provide eligible service-disabled veterans with a comprehensive range of services consistent with the current professional view of vocational rehabilitation, a more specific definition of vocational rehabilitation would clearly establish the

boundaries of the program and prevent problems that might arise from differing interpretations of the present definition.

#### AGENCY COMMENTS

GAO met with VA officials and obtained oral comments on a preliminary draft of this report. These comments were incorporated into the final report where appropriate. The Committee subsequently requested that GAO also obtain VA's written comments on the report. These comments are included as appendix IV. VA generally concurred in the recommendations contained in this report and outlined the actions that have been or will be taken in response to each recommendation. (See p. 53.)

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### ABBREVIATIONS

AMIS	Automated Management Information System
C&R	Counseling and Rehabilitation
DM&S	Department of Medicine and Surgery
DVB	Department of Veterans Benefits
GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare
IU	individually unemployable
VA	Veterans Administration
VRS	vocational rehabilitation specialist

## CHAPTER 1

### INTRODUCTION

On March 1, 1979, the Chairman, Senate Committee on Veterans' Affairs, requested that we review the Veterans Administration's (VA's) vocational rehabilitation program. He asked us to review virtually all aspects of the program--from VA's outreach efforts to the employment assistance provided to veterans who complete training under the program--to determine whether an extensive rewrite of the program's authorizing legislation (chapter 31, title 38, U.S. Code) would correct major program deficiencies, as claimed by VA, or whether other actions should be taken to improve the program's effectiveness.

VA's vocational rehabilitation program was established in 1943 by Public Law 78-16. Although the authorizing legislation has been amended, the amendments have not significantly changed the character of the program--it basically follows the 1943 legislation. According to 38 U.S.C. 1501(2), the program's purpose is to restore employability (to the extent consistent with the degree of disablement) lost because of a handicap due to a service-connected disability. The statutory definition of "vocational rehabilitation" includes training, educational and vocational counseling, all appropriate individualized tutorial assistance, and other necessary incidental services required to accomplish this purpose.

Attention has recently been focused on the vocational rehabilitation program. In 1974, and again in 1976, the Senate Veterans' Affairs Committee urged VA to review its program in light of changes made to modernize the Department of Health, Education, and Welfare's (HEW's) rehabilitation program under the Rehabilitation Act of 1973. The Committee specifically requested VA to compare its provisions for vocational rehabilitation with HEW's to identify inconsistencies in the law and regulations.

In November 1977, the Congress enacted Public Law 95-202, which directed VA to make the review and report the results by March 1, 1978. Pursuant to this legislative mandate, VA's Department of Veterans Benefits (DVB) reviewed its chapter 31 vocational rehabilitation program. The review culminated in a report entitled "A Study of the Provisions for Veterans Vocational Rehabilitation, Chapter 31, Title 38,

United States Code," which was transmitted to the President and the Congress in September 1978.

In July 1979 VA's Office of Planning and Program Evaluation also completed an evaluation of the vocational rehabilitation program pursuant to 38 U.S.C. 219, which directs VA to evaluate all its programs on a continuing basis. On the basis of these two studies, VA has submitted a legislative proposal to the Congress which contains VA's recommendations to improve its vocational rehabilitation program. (VA's legislative proposal is discussed in greater detail in chs. 3 to 6.)

#### PROGRAM ADMINISTRATION AND OPERATIONS

DVB's Education and Rehabilitation Service in VA's central office is responsible for developing the policy and procedures for the vocational rehabilitation program at the national level. (See app. I for organization chart.) The 58 VA regional offices are responsible for the delivery of services to disabled veterans and the program's day-to-day operations. The Counseling and Rehabilitation (C&R) Section in each regional office is responsible for determining whether a veteran needs training and, if so, developing and implementing a rehabilitation plan.

Under chapter 31 of title 38, a veteran must meet several basic eligibility criteria to receive vocational rehabilitation training. The veteran must (1) have a compensable disability arising out of service during or after World War II, (2) apply for program benefits within 9 years of his or her date of discharge (with extensions being granted in certain cases), (3) need training as determined by VA to restore lost employability caused by the disability, and (4) be or going to be discharged, released, or retired from service under other than dishonorable conditions.

Veterans are potentially eligible to receive vocational rehabilitation training under chapter 31 if they have a service-connected disability that entitles them to receive

disability compensation. <sup>1/</sup> The amount of disability compensation that a veteran receives is based on the severity of the service-connected injury. VA assigns disability ratings ranging, in increments of 10, from 10 to 100 percent. In various studies, VA has classified veterans with a rating of less than 30 percent as being slightly disabled, those with a rating of 30 or 40 percent as moderately disabled, and those with a rating of 50 percent or greater as severely disabled. As of September 1979, monthly compensation amounts ranged from \$44 for a 10-percent rating to \$809 for a 100-percent disability. However, the mere existence of a compensable service-connected disability does not necessarily mean that a veteran has lost employability, or needs the special rehabilitative training and services authorized by chapter 31.

Under the program, veterans can receive various services, including (1) education and vocational training, (2) counseling, (3) tutorial assistance, (4) medical treatment, (5) employment assistance and job adjustment assistance, and (6) other incidental services to help reestablish employability. A veteran may receive up to 48 months of education and training to restore lost employability. The Administrator of VA can prescribe a longer period under some circumstances.

VA pays the providers directly for vocational rehabilitation training expenses, including tuition, fees, necessary books, supplies, and equipment, and also provides a monthly subsistence allowance to the veteran. The monthly subsistence allowance varies depending upon the type of training the veteran is pursuing and the number of dependents he or she has. For example, a veteran with no dependents who is training full time in an educational institution would receive \$241 per month in subsistence payments. The veteran also receives a 2-month subsistence allowance after training is completed to help cover expenses while seeking employment.

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<sup>1/</sup>Disability compensation is a direct payment to the disabled veteran intended to help replace earnings lost on account of service-incurred disabilities. The basic amount of compensation paid to a disabled veteran does not depend on the veteran's income or assets; rather, it corresponds only to the VA-determined combined rating for all of the veteran's service-incurred conditions or diseases.

Veterans can train at any VA-approved school or college, take on-the-job training, take institutional on-farm training, or choose any combination of these. Veterans may also train in their own homes or in special facilities, if necessary.

#### VA'S VOCATIONAL REHABILITATION PROCESS

Rehabilitation is a multiple-step process beginning with outreach and ending with employment assistance. Veterans are to be notified of their potential eligibility for vocational rehabilitation program benefits when they receive an initial disability compensation award or an increase in an existing award. Veterans who wish to be considered for vocational rehabilitation training under chapter 31 must file an application with the local VA regional office. Applications are reviewed by the regional office Adjudication Division, and basic eligibility information is gathered. If the basic eligibility criteria are met, a counseling appointment is set up with a VA counseling psychologist in the C&R Section, Veterans Services Division.

The counselor determines whether the veteran needs training to restore employability lost as a result of the service-connected disability. If the veteran is determined to need training, the counseling psychologist, in conjunction with the vocational rehabilitation specialist (VRS) and the veteran, develops a training plan.

The VRS in the C&R Section is then given responsibility for implementing the veteran's vocational rehabilitation plan and assisting the veteran during his or her course of training. This entails securing training at the proper training facility, monitoring the veteran's progress, and helping the veteran obtain any services necessary to ensure successful completion of the program.

Veterans who complete training are automatically considered to be rehabilitated even though they may not have a job. VA regulations state that the VRS will provide employment assistance to veterans who may be expected to encounter difficulty in obtaining suitable employment; however, the VRS is not responsible for actual job placement. He or she is required to follow up on the employment status of "rehabilitated" veterans 1 month and 6 months after completion of their training program to determine whether

further assistance is needed to assure satisfactory adjustment to their new work situation.

USE OF VOCATIONAL REHABILITATION  
AND GI BILL BENEFITS BY DISABLED  
VETERANS AND PROGRAM EXPENDITURES

Vietnam Era veterans eligible for vocational rehabilitation training under chapter 31 are generally also eligible for regular GI bill educational assistance payments under chapter 34, but they may train under only one program at a time. 1/

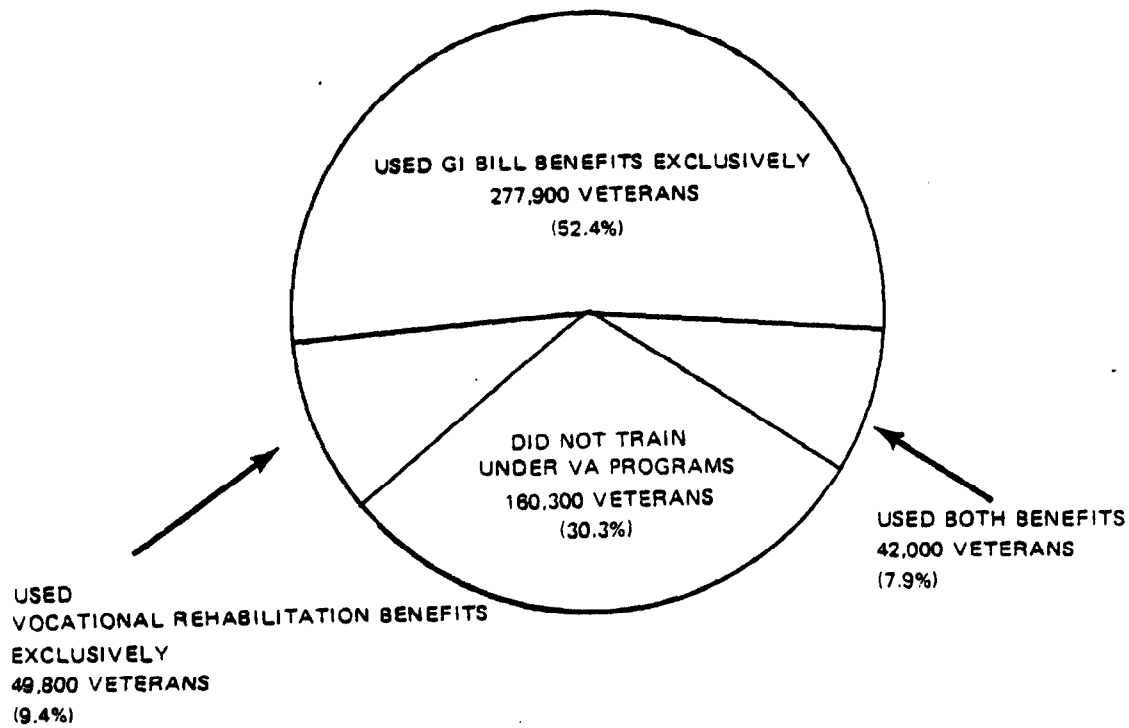
Most disabled veterans train under the regular GI bill rather than under the vocational rehabilitation program. According to VA's statistics as of November 1977, there were about 530,000 service-disabled Vietnam Era veterans on VA's records, including 240 whose primary type of disability was unknown. Of the 529,700 whose primary disability was known, about 119,000 (nearly one out of four) had disability ratings of 50 percent or greater, of which about 32,000 were rated as 100-percent disabled. Of the total receiving disability compensation, about 277,900 (52.4 percent) had used GI bill benefits exclusively, about 49,800 (9.4 percent) had used only vocational rehabilitation, and about 42,000 (7.9 percent) had used both. The graphs on the following page illustrate these relationships.

The number of veterans in vocational rehabilitation training and the types of training taken during fiscal year 1978 are shown in the table on page 7.

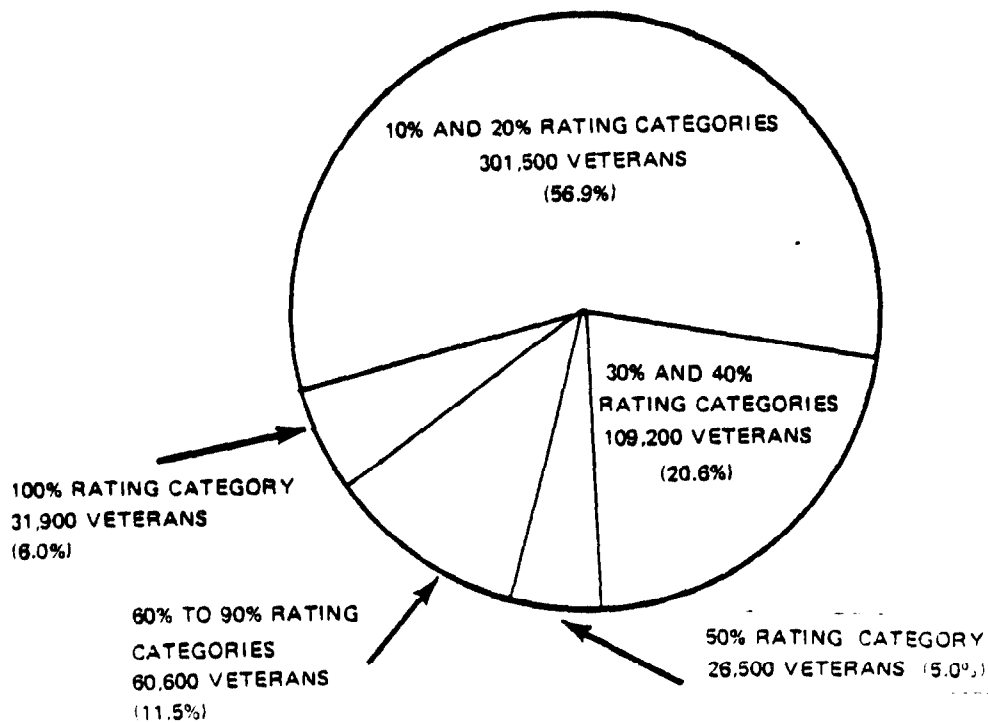
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1/Hereinafter, chapter 34 educational assistance benefits will simply be referred to as the regular GI bill to distinguish them from chapter 31 vocational rehabilitation benefits.

**PARTICIPATION OF DISABLED VETERANS IN VA TRAINING PROGRAMS  
NOVEMBER 1977**



**DISTRIBUTION OF DISABLED VETERANS BY DEGREE OF DISABILITY  
NOVEMBER 1977**





<u>Type of training</u>	<u>Number</u>	<u>Percent</u>
College	23,145	74.6
Schools other than college	6,233	20.1
On-the-job	1,160	3.7
Institutional		
on-farm	173	.6
Unknown	<u>307</u>	<u>1.0</u>
Total	<u>31,018</u>	<u>100.0</u>

Program expenditures were about \$100 million in fiscal year 1978. The projected expenditures for fiscal years 1979 and 1980 are estimated to be \$104 million and \$96 million, respectively.

#### SCOPE OF REVIEW

We examined program policies and procedures and reviewed pertinent records and reports at VA's central office in Washington, D.C.; at VA regional offices in Los Angeles, Denver, and Cleveland; at selected VA medical facilities associated with those regional offices; and at the California State Department of Rehabilitation. We also discussed policies, procedures, and management control matters with officials at all locations.

We reviewed the legislative history of the authorizing and amending legislation, VA's implementing regulations, and VA program studies and activity reports.

In carrying out our review, we randomly sampled 356 applications processed during calendar year 1978 and 288 closed case files of veterans who completed or terminated rehabilitation training during that year at the three VA regional offices. (See app. II for description of statistical samples.) These samples enabled us to analyze and project for these regional offices the various services provided by VA to veterans during 1978.

We also reviewed VA's chapter 31 legislative proposal, which is intended to strengthen and improve delivery of services and correct some problems disclosed in earlier VA studies.

## CHAPTER 2

### VA'S VOCATIONAL REHABILITATION PROGRAM

#### HAS HAD LITTLE IMPACT

#### ON SERVICE-DISABLED VETERANS

We were unable to make a comprehensive evaluation of the effectiveness of VA's vocational rehabilitation program in achieving its congressionally mandated objective of restoring employability lost because of service-connected disabilities, primarily because of a lack of essential data in VA's records. However, our analysis of data that were available showed that the program was much less effective than it could have been.

To a large extent the program has not adequately served and is increasingly not being used by the people in the target population who have the most need for vocational rehabilitation services--veterans with serious service-connected disabilities who are most likely to have lost some employability as a result of their disabilities.

The following observations and statistical data were obtained from various sources, including summary statistical reports published by VA's central office, prior VA studies and evaluations of the program, questionnaire responses received by VA from service-disabled veterans and regional office program officials, as well as our own review of a random sample of vocational rehabilitation applications and case files, interviews with both central and regional office officials, discussions with program participants, personal observations, and an earlier GAO survey of VA's vocational rehabilitation program. Taken individually, none of the points summarized below may constitute sufficient grounds for questioning the effectiveness of the program in achieving its congressionally mandated objective. Collectively, however, we believe the data clearly show that VA's chapter 31 vocational rehabilitation program has had little impact on the target population of service-disabled veterans.

--Based on questionnaire responses VA recently received from a random sample of the 530,000 Vietnam Era veterans with service-connected disabilities, only about 50 percent had been informed by VA of their

potential eligibility for the vocational rehabilitation program at the time they received their disability compensation award notices, and only 37 percent received some type of followup encouraging them to apply for the program.

- As of November 1977, only about 17 percent (91,800) of the 530,000 service-disabled veterans had participated in VA's vocational rehabilitation program, whereas 60 percent (319,900) had used their regular GI bill educational assistance benefits. It should be noted, however, that some of this disparity is due to the fact that before September 1, 1974 (effective date of title I, Public Law 93-508), veterans with disability ratings of less than 30 percent were not eligible for chapter 31 vocational rehabilitation benefits unless the service-connected disability had caused a "pronounced employment handicap."
- Since 1973, there has been a dramatic shift by service-disabled Vietnam Era veterans in their participation rates between chapter 31 and the regular GI bill program. Veterans considered by VA to be only slightly disabled (10- or 20-percent ratings), who would appear to have the least need for special rehabilitation services, have significantly increased their use of the vocational rehabilitation program while decreasing their use of the regular GI bill. In contrast, the more seriously disabled veterans (30- to 90-percent ratings) and totally disabled veterans (100-percent ratings), who would appear to have the most need for special rehabilitation services, have significantly decreased their use of the vocational rehabilitation program and increased their use of the regular GI bill program. The magnitude of this incongruity is shown in the following table.

<u>Type of training</u>	<u>Percentage of total trained (note a)</u>		
	<u>Less than 30%</u> <u>disability</u>	<u>30 - 90%</u> <u>disability</u>	<u>100%</u> <u>disability</u>
August 1964 to April 1973:			
Total trained	123,733	80,647	11,113
Total used GI bill	97%	69%	53%
Total used vocational rehabilitation	5%	45%	58%
April 1973 to November 1977:			
Total trained	94,606	53,037	6,556
Total used GI bill	85%	97%	92%
Total used vocational rehabilitation	27%	28%	38%

a/Percentages do not add to 100 because some veterans used both programs' benefits.

--Few veterans have been denied entry into the program even though many appeared capable of holding gainful employment and their case files contained no evidence of lost employability. An analysis of applications in three regional offices showed that only 9 percent were rejected--5 percent because they did not have an employment handicap, and 4 percent because they did not lack suitable employment. An analysis of 288 case files showed that 83 percent (240) of the program participants had a history of regular employment. In many of these cases, it appeared the veterans enrolled in the program for additional training or education for the purposes of advancement or change of employment, rather than for vocational rehabilitation. The expenditure of vocational rehabilitation dollar and staff resources on individuals who may need only routine education and training assistance available under the regular GI bill undermines the effectiveness of the vocational rehabilitation program and limits the resources available to veterans who need the special rehabilitation services available under chapter 31.

- In the three regional offices we visited, application processing averaged about 2 months. We believe this long processing time contributed to the fact that 23 percent of veterans sampled in the three VA regional offices who applied for vocational rehabilitation did not show up for their initial counseling appointment.
- Because 35 percent (100) of our 288 sampled veterans in vocational rehabilitation training in three VA regional offices had disability ratings of 50 percent or more, we expected that a significant number of veterans would have received some type of special diagnostic evaluations outside those normally provided in a VA counseling office before training. However, only one veteran received an extended medical or psychological evaluation, and only eight veterans (less than 3 percent of our sample) received "work evaluations" and those evaluations were concentrated in one VA regional office.
- For 16 percent (46) of the 288 program participant sample, the counselors, recognizing the severity of the veteran's handicap, requested that the VRS provide special help to these veterans during training. However, less than half of these veterans received the special help prescribed for them.
- Supervisory visits, which serve as a basis for monitoring and providing all necessary services to the veteran during training, frequently were not made by the VRSs. For example, for disabled veterans identified as needing special help, the monitoring criteria for these visits were met in only 32 percent of the cases.
- During training, 35 percent (100) of the participant veterans sampled were identified in the case file as progressing poorly or not at all, yet records indicate that the VRSs did not take any special corrective action in over one-third of these cases.
- Eighty-two percent (14) of the 17 total (rated 100 percent) neuropsychiatrically disabled veterans in our sample did not complete training, yet the files contained no evidence of referral back to the counselor for special "vocational adjustment counseling."

- Overall, 47 percent of the program participants in our sample completed training. However, we estimated that less than one of three program participants both completed training and obtained full-time employment. Of the veterans in our sample rated 50 percent or higher, 41 percent completed training; however, we estimated only one of five of the participants both completed training and found full-time employment.
- Veterans with individually unemployable (IU) classifications 1/ can lose large portions of their compensation payment and other benefits if they demonstrate that they are capable of holding employment. We contacted 19 IU-classified veterans who had completed training under the vocational rehabilitation program. Only one had obtained employment after training.
- Of the veterans in our program participant sample who completed training, only 15 percent were referred to outside employment agencies for assistance in finding work. Only 10 percent received help in preparing resumes or contacting prospective employers.
- We found no documented evidence that any of the "rehabilitated" veterans in our sample were contacted by VA regarding their employment status 1 month after they completed training even though this is required by VA procedures. Consequently, VA could not identify veterans who were unable to adjust to or obtain suitable employment, and who may have needed post-training counseling or employment assistance.
- Only 30 percent of the veterans who completed training received 6-month followup letters from VA to see if they were still employed or in need of assistance. Although some of the veterans who responded indicated they needed further assistance, there was no record in the files that VA provided it.

The following chapters discuss the major factors that have contributed to the limited effectiveness of VA's vocational rehabilitation program.

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1/Veterans with 60- to 90-percent disability ratings who are considered incapable of securing or holding jobs may be classified as IU by VA, which entitles them to disability compensation at the 100-percent level.

### CHAPTER 3

#### LACK OF STRONG CENTRAL MANAGEMENT AND ACCOUNTABILITY FOR PROGRAM RESULTS

The most significant factor contributing to the limited effectiveness of VA's vocational rehabilitation program is a general lack of results-oriented program management at the central office level. We found that:

- No single unit or individual had been given the authority and management responsibility for overall direction and control of the program. Instead, the responsibility for various program activities and functions was fragmented among several VA units.
- The program lacked direction because the goals and objectives established at the central office level were geared to broad functions and processes (such as adjudication and counseling), which encompass all VA programs, rather than anticipated program results/outcomes.
- VA's automated management information system was inadequate because it too was geared toward providing data on broad functions and processes, rather than providing program-specific data needed to measure the effectiveness of the vocational rehabilitation program in terms of intended results/outcomes.

Consequently, VA had no basis for routinely assessing whether, or to what extent, the vocational rehabilitation program had been effective in restoring lost employability, and there was little accountability for program results at both the central and regional office levels.

These conditions contributed to other VA problems affecting the vocational rehabilitation program, which are discussed in subsequent chapters of this report.

#### PROGRAM RESPONSIBILITIES ARE FRAGMENTED

VA's vocational rehabilitation process is complex and requires close coordination and integration of various services from a number of individuals and departments within VA and with other organizations. However, the program lacks

the overall management needed to pull these services together and provide effective rehabilitative services to the disabled veteran. This problem is further complicated by the fact that VA is highly decentralized with 58 regional offices across the Nation carrying out the day-to-day program operations. Consequently, program implementation and services varied considerably in the regional offices we visited. (See chs. 5 and 6.)

VA's Department of Veterans Benefits and Department of Medicine and Surgery (DM&S) manage their operations by major functions--such as education and rehabilitation, veterans assistance, compensation and pension activities, prosthetic and sensory aids, social work, and rehabilitation medicine--and not by individual programs. As a result, responsibility for program policy, implementation, and monitoring is fragmented among several groups.

Regarding vocational rehabilitation, the Veterans Assistance Service, the Compensation and Pension Service, and DM&S are responsible for carrying out the outreach and application and award processing functions and for providing medical and psychological services, while the Education and Rehabilitation Service is responsible for carrying out the counseling and rehabilitation functions. The Education and Rehabilitation Service at the central office level is also responsible for developing all chapter 31 program policies and procedures. Thus, several groups are involved in the vocational rehabilitation process, but no one group manages the entire process. Consequently, there is no organizational unit or individual that can be held accountable for the program's overall success or failure in accomplishing its intended objective.

Furthermore, because the vocational rehabilitation program generally represents only a small part of the workload of any VA organizational unit and has to compete with larger programs, service-disabled veterans may not receive the attention and services they need. For example, the rehabilitation program budget was \$103 million for fiscal year 1979; the budget for the GI bill that same year was \$2,378 million, or 23 times greater. One central office official stated that, because of its small size, the rehabilitation program is viewed by some as a "stepchild program" rather than the high-priority program it should be.



## THE PROGRAM LACKS ADEQUATE GOALS AND OBJECTIVES

Because VA manages its work by function rather than by program, the goals and objectives established by VA for monitoring and evaluating regional office performance deal with broad functions and processes that cut across program lines rather than focusing on the intended results/outcomes of specific programs. While this management approach may be satisfactory for general "entitlement-type" programs, such as chapter 34 GI bill educational assistance, we do not believe it provides adequate guidance and direction to persons responsible for managing and implementing "mission-oriented" programs, such as the chapter 31 vocational rehabilitation program.

Historically, VA has considered service-disabled veterans to be "rehabilitated" when they completed a predetermined training objective; however, VA has not established specific goals and objectives in terms of the numbers or percentages of program participants to be "rehabilitated" within a given time frame. We do not believe that merely completing a predetermined training objective is a valid criterion for measuring whether lost employability has been restored.

VA officials generally acknowledge that a better criterion would be the extent to which the participants were able to obtain and maintain substantial employment after completing the program. According to VA officials, this is consistent with the current professional view that the primary objective of vocational rehabilitation is to help the client become a satisfactory and satisfied employee. However, VA officials said such a criterion was not feasible because the statutory definition of vocational rehabilitation in title 38 did not authorize VA to provide all the services necessary for a rehabilitation program which included employment. The officials said that title 38 authorized VA to restore only employability, not employment.

We believe the statutory language is broad enough to permit VA to provide all vocational rehabilitation services necessary for restoring a disabled veteran's employability. (See app. III.) In fact, the VA central office established new policies and procedures in 1975 to include all services for a comprehensive program. Also, while the current legislation does not make VA responsible for the employment placement of service-disabled veterans, it does encourage VA to:

"\* \* \* cooperate with and employ the facilities of other governmental and State employment agencies for the purpose of placing in gainful employment persons who have received vocational rehabilitation."

Accordingly, we do not believe the legislation precludes VA from establishing results-oriented goals and objectives which state in specific, measurable terms the results/outcomes to be achieved by the vocational rehabilitation program within a given time frame. In fact, when VA's Office of Planning and Program Evaluation encountered the absence of results-oriented goals and objectives during its evaluation of the vocational rehabilitation program, it formulated a set of key measures that a program management group could use in day-to-day program management. Some of these measures are:

- To have \_\_\_\_\_ 1/ percent of veterans who have entered training with a disability rating of 50 percent or greater declared rehabilitated; to have \_\_\_\_\_ 1/ percent of all other veterans who enter training declared rehabilitated.
- To ensure that gainful employment, consistent with the veteran's capabilities, has been secured for \_\_\_\_\_ 1/ percent of veterans with a disability of 50 percent or more who have completed training, and \_\_\_\_\_ 1/ percent of all other veterans who have completed training.
- At the 6-month followup, to have 70 percent of rehabilitated recipients satisfied with promptness of service delivery, kinds of services received, benefits of the training received, assistance in seeking a job and finding employment, results of medical rehabilitation services, etc.

INADEQUATE MANAGEMENT INFORMATION  
SYSTEM HAMPERS PROGRAM  
MONITORING AND MANAGEMENT

In keeping with its management-by-function approach, VA's automated management information system focuses on accumulating and disseminating data on broad functions and processes rather than results-oriented data on specific programs. While

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1/VA's Office of Planning and Program Evaluation did not establish percentages for these measures.

this may be acceptable for entitlement-type programs, it does not provide an adequate basis for monitoring and managing mission-oriented programs, such as the chapter 31 vocational rehabilitation program.

Within the Education and Rehabilitation Service, the central office C&R unit and the Operations unit are responsible for monitoring the counseling and rehabilitation function in regional offices. The C&R unit's primary link with rehabilitation activities in the field and with field personnel is VA's Automated Management Information System (AMIS).

However, AMIS is not designed to yield information needed to monitor or evaluate the results of a specific program; it provides information relating to particular functions or organizations. For example, AMIS is designed to give management information on the C&R Section as a whole through reports on statistical quality control, productivity measurement, and counselor and VRS activities. However, the section's work encompasses several programs, such as vocational rehabilitation, the GI bill, and other education programs.

An example of the inadequacy of this information for evaluating a particular program is provided by the Statistical Quality Control report, which one VA study cited as VA's primary means of monitoring vocational rehabilitation. The report is transmitted to VA's central office through AMIS. However, the information on the report has been of little worth in evaluating the effectiveness of the rehabilitation program because:

- It measures the quality of casework for only the C&R function, not the entire rehabilitation program.
- The results of the central office's check on the validity of the regional office's information input often differ greatly from the regional office's self-evaluation, but the central office seldom tries to resolve the differences.
- C&R chiefs in the regional offices visited told us that they rarely get any positive or negative feedback from the central office concerning the information they transmit through AMIS.

In addition to the problem with AMIS discussed above, inaccurate information is being put into the system. VA officials stated that the inaccurate information exists

because AMIS is highly complex and is not easily understood or accepted.

It is essential that VA routinely collect and have ready access to accurate data. Only then can sound management decisions be made about such matters as funding and staff allocations, training needs, and problem areas requiring corrective action. In addition, such data are needed to evaluate program results and measure accomplishments toward achieving the vocational rehabilitation goal of restoring lost employability at all organizational levels having chapter 31 program responsibilities.

VA STUDY RECOGNIZED NEED FOR PROGRAM  
MANAGEMENT AND AN INFORMATION BASE

VA's Office of Planning and Program Evaluation's July 1979 study recognized:

"\* \* \* that the organizational structure for delivery of Chapter 31 services is not appropriate for successful management of field level activities. There has not been a clear focus of management review, responsibility, and accountability for the administration of the Vocational Rehabilitation Program."

It also noted that the work measurement system (which includes statistical quality control) did not reflect new VA priorities in rehabilitation and was not accepted as useful for management purposes by central office C&R staff.

The study recommended that a focus of program management be established at the central office. It also stated:

"Since the management information system will be extensively upgraded in the next year and a half, C&R must have a prominent role in assuring that the system provides adequate information for management purposes."

VA has established a Task Force on Rehabilitation to further investigate and review the results and recommendations of the various VA studies of its rehabilitation program and develop an agencywide rehabilitation plan. A major area for

the task force to consider is program organization and administration, which includes the possible revision of organizational structures, improved management practices, and clarification of roles and responsibilities as they relate to the delivery of rehabilitation services.

As of September 1979, VA was also making a preliminary study to determine if its management information system needed improvement. However, the study's statement of objectives did not address the need for results-oriented data. Regarding C&R's "prominent role," C&R officials told us that they were trying to identify data elements for the TARGET system 1/ that could be used to evaluate the rehabilitation program. C&R officials felt their efforts would meet stiff resistance because VA considered program management too far removed from TARGET's main purpose--payment processing.

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1/An advanced computer-based system intended to automate claims processing.

## CHAPTER 4

### COMPETITION FROM OTHER VA BENEFITS

Other VA benefits--the GI bill and disability compensation--affect the vocational rehabilitation program's success. We believe financial considerations (1) cause some veterans who need rehabilitation services to opt for regular GI bill educational assistance, and others, who need only educational assistance and not rehabilitation, to opt for the vocational rehabilitation program--in both cases because they can realize more cash in hand--and (2) may cause some veterans not to accept jobs after completing training because this would substantially reduce their disability compensation payments. In the former case, Federal funds are being misdirected because veterans who need rehabilitation may forego the services they need to help restore lost employability, while veterans who may not need rehabilitative services are consuming the program's resources. In the latter case, Federal funds are, in effect, subsidizing continued unemployment. In both cases, the effectiveness of the vocational rehabilitation program is being limited.

#### FINANCIAL CONSIDERATIONS INFLUENCE MANY VETERANS' CHOICE BETWEEN GI BILL AND VOCATIONAL REHABILITATION

Differences in the level of benefit payments between the regular GI bill and the vocational rehabilitation program may encourage veterans to select their educational program for the financial benefits rather than for the services they need. We believe that financial differences contribute to the fact that:

--As of November 1977, only about 17 percent of the disabled Vietnam Era veterans had trained under the vocational rehabilitation program, while 60 percent had trained under the regular GI bill. 1/

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1/As noted in chapter 2, some of this disparity is due to the fact that before September 1, 1974, veterans with disability ratings of less than 30 percent were not eligible for chapter 31 benefits unless the service-connected disability had caused a "pronounced employment handicap."

--In recent years, the more seriously disabled veterans have significantly increased their use of GI bill benefits while decreasing their use of vocational rehabilitation benefits. (See p. 10.)

The benefit payments of the two programs are structured so that the regular GI bill pays directly to the veteran a fixed monthly allowance to cover both subsistence and educational expenses (tuition, fees, books, and equipment), while vocational rehabilitation pays directly to the veteran a fixed amount for subsistence and to the training facility all educational expenses.

Although the monthly rates vary by type of training taken and number of dependents, the fixed amount paid directly to the veteran is much higher under the regular GI bill than under vocational rehabilitation for the same type of training. For example, a veteran who has no dependents and is training full time in an institutional setting would receive a monthly payment of \$311 under the regular GI bill, compared to \$241 under vocational rehabilitation. Accordingly, veterans who train at low-tuition facilities could realize more money in hand if they enrolled under the GI bill even though they had to pay their own educational expenses. Conversely, it would financially benefit veterans choosing high-tuition facilities to enroll under vocational rehabilitation.

One would expect the percentage of service-disabled veterans enrolled in public schools under the GI bill to be greater in States where tuition in such schools was low than in States where tuition was high. Conversely, it would be expected that the percentage of veterans enrolled in public schools under the vocational rehabilitation program would be lower in States with low-tuition public schools than in high-tuition States. Our analysis of November 1977 VA data supports this hypothesis. In the Nation's 10 highest tuition States (based on 1974-75 average tuition in public schools), 57 percent of the disabled Vietnam Era veterans in training attended public schools, of which 33 percent were enrolled under the vocational rehabilitation program. By contrast, in the Nation's 10 lowest tuition States, 78 percent of the disabled veterans in training attended public schools, of which 22 percent were training under the vocational rehabilitation program. Coincidentally, according to a May 1979 VA study, the opportunities for training at low-tuition schools have also increased.

A 1978 VA questionnaire also showed the influence of financial considerations. In response to this questionnaire, 15 percent of the service-disabled Vietnam Era veterans who trained under the GI bill, rather than, or in addition to, training under the vocational rehabilitation program, stated they did so because it was more financially advantageous to do so.

We believe the VA rehabilitation program's entry criteria, as discussed in chapter 5, are lenient enough to permit counselors to allow veterans into the program who may not need rehabilitation. Consequently, service-disabled veterans are virtually free to choose, on the basis of short-term monetary gains, which program they wish to enter.

FINANCIAL DISINCENTIVES MAY CAUSE  
MANY SERIOUSLY DISABLED VETERANS  
TO AVOID EMPLOYMENT AFTER TRAINING

Financial disincentives can discourage certain veterans from seeking employment after training because they can lose large proportions of their disability compensation payment and other benefits if they obtain gainful employment. By being employed these veterans demonstrate to VA that their condition has improved, and their high disability ratings and resulting compensation payments are no longer warranted.

VA assigns individually unemployable classifications to veterans with 60- to 90-percent service-connected disabilities who are considered incapable of securing or holding jobs. IU classifications allow VA to pay these veterans at the 100-percent compensation level. Under VA disability compensation rates in effect at the time of our fieldwork, a single veteran with a 100-percent disability rating or an IU classification was entitled to monthly compensation of at least \$809. In contrast, a single veteran with a 90-percent disability rating and no IU classification would have received much less--\$450 per month.

Veterans with IU classifications who accept employment lose the IU classifications and revert to their original disability rating, thereby losing a large proportion of their disability compensation. In addition, veterans classified IU are eligible for social security disability benefits, VA educational and medical benefits for their dependents, free life insurance, exchange and commissary privileges



on military bases, and other fringe benefits available in some States. These benefits can also be lost if the veteran accepts employment. Based on a survey we made in 1976, we estimated that this loss would have amounted, in that year, to at least \$11,300 annually per veteran (\$4,300 social security disability benefits and \$7,000 in VA benefits).

This disincentive to employment applies to all IU-classified veterans. As of November 1977, according to a recent VA study, about 24,000 Vietnam Era veterans had IU classifications--about 40 percent of all veterans rated 60- to 90-percent disabled.

Veterans classified IU are not deterred from entering or completing vocational rehabilitation training. Of the Vietnam Era veterans with IU classifications, 30 percent entered vocational rehabilitation, compared to 33 percent of the Vietnam Era veterans with 60- to 90-percent disability ratings without IU classifications. Of the 19 veterans having IU classifications in our sample of 288 program participants, 9 completed training--about the same proportion as "employable" veterans.

We contacted seven of the nine IU veterans who completed training and found that only one was employed. As a result of his finding work, VA reduced his disability rating from 100 to 90 percent. This is similar to what we found in our 1976 survey, when we contacted 12 IU veterans who completed training and found that none had obtained employment.

Several factors might contribute to this low employment rate. Conceivably, the veteran's condition may have worsened to a point where employment was not realistic after training. Also, as discussed in chapter 6, VA's limited employment assistance and followup procedures after training may have contributed to the low rate. However, we believe that financial disincentives also play a significant role in these veterans not being employed. One IU veteran, who completed training in 1978, made the following candid statement to us about his unemployed status:

"Employment would not be feasible. I would lose all of my social security payments and about \$400 in VA benefits. In total, I would lose about \$900 each month in tax free money."

VA HAS RECOGNIZED THESE PROBLEMS AND  
PROPOSED SOME CORRECTIVE ACTION

VA has recognized these problems and proposed solutions to reduce the extent to which financial considerations (1) cause some disabled veterans in low-tuition areas to choose the regular GI bill over vocational rehabilitation and (2) discourage veterans with IU classifications from obtaining employment.

Regarding veterans' incentive to use GI bill benefits rather than vocational rehabilitation, VA has proposed amendments to chapter 34 to allow disabled veterans training under the regular GI bill, because it is financially advantageous to do so, to receive vocational rehabilitation services under the chapter 31 program if they are found to need such services and have an approved vocational rehabilitation plan.

There are two problems with VA's proposal. First, under VA's proposed revision to the GI bill, these veterans would not receive certain important rehabilitative services--personal adjustment and work adjustment training--that are available under the vocational rehabilitation program. Second, the proposed amendment meshes the two programs in a way that will make it difficult for program management to monitor and evaluate program operations. Veterans who enroll under the regular GI bill will be counted in VA's management information system as chapter 34 GI bill beneficiaries even though they may need and receive chapter 31 rehabilitation services.

A simpler, more effective, and more manageable solution would be to enroll disabled veterans under the chapter 31 vocational rehabilitation program and allow them to choose between (1) monetary benefits equal to the chapter 34 GI bill allowance, with the veterans paying for their own tuition and other educational expenses, and (2) existing chapter 31 subsistence payments, with VA taking care of tuition costs and other educational expenses. Given this option, veterans with a need for rehabilitation services will have an incentive to train under the vocational rehabilitation program. Use of GI bill benefits solely for financial reasons should cease, and chapter 31 participants would not be buried in chapter 34 GI bill statistics. Program management and oversight would not be confused by reporting vocational rehabilitation trainees as GI bill trainees.

Although VA has addressed the issue of veterans choosing the regular GI bill over vocational rehabilitation, it has not addressed the problem of veterans receiving services under vocational rehabilitation who may need only the educational assistance available under the GI bill. Tighter procedures are necessary to prevent this.

Regarding disincentives to veterans classified as IU, VA's 1979 program evaluation study report proposed to:

"\* \* \* hold in abeyance any rating changes based on the disabled veteran's entry into training. Changes would not occur until the veteran had completed training and had actually begun stable work. Secondly, the disincentive to work could be overcome by permitting compensation to be reduced only at a specified amount for additional income earned through work, so that the veteran would always achieve a higher total income through any part-time or full-time job."

The report stated that allowances must always be made for rating changes based on real, permanent improvements of a veteran's condition.

The problem with VA's proposal is that it does not address the underlying problem of subjective ratings that create a disincentive to rehabilitation before introducing the veteran to the possibility of rehabilitation training. According to VA rating board officials, rating boards lack objective means for determining whether a veteran could, in fact, find and hold a job (the primary reason for assigning IU classifications). Consequently, many decisions are made subjectively.

A more logical approach would be to present veterans applying for an IU rating to the rehabilitation program counselors for a comprehensive diagnostic work evaluation. The C&R Sections in each VA office should have access to community service organizations that can objectively evaluate the veteran's work potential. Referring veterans to C&R would not only act as an effective outreach mechanism for the rehabilitation program, but also lessen the subjectivity of the IU rating process.

## CHAPTER 5

### PROBLEMS IN OUTREACH

#### AND ENROLLMENT PRACTICES

VA's vocational rehabilitation program outreach efforts miss half of the potentially eligible veteran population. Further, when veterans do apply for the program, VA takes too long to process their applications. Also, VA's lenient entry criteria permit veterans into the program who are capable of holding gainful employment. Consequently, many potentially eligible veterans--including many seriously disabled veterans--are not benefiting from vocational rehabilitation services, while others who do not need such services are using program resources.

#### VA IS NOT CONTACTING ALL POTENTIALLY ELIGIBLE VETERANS THROUGH OUTREACH

VA's procedures manual requires that "prompt, personalized, sustained and systematic followup" be provided to service-disabled veterans who might benefit from vocational rehabilitation services. However, many of these veterans may not be aware of VA's vocational rehabilitation program because of a fragmented and disjointed outreach effort.

The procedures manual outlines two methods to inform service-disabled veterans about the vocational rehabilitation program: (1) mail applications to all potentially eligible veterans when they are awarded disability compensation and then follow up with a personal contact if they do not apply for the program and (2) as part of an effort to target the program to the most severely disabled, counsel hospitalized veterans about the availability of vocational rehabilitation.

#### The outreach process that is initiated when a veteran receives a disability compensation award is not being properly implemented

The Adjudication Division is required by VA's procedures manual to send to all veterans receiving "an initial or increased grant of disability compensation" information about, and an application for, the vocational rehabilitation program.

Adjudicators are, at the same time, required to input a special "tickler" code into VA's data processing center in Hines, Illinois. If the veteran does not submit an application within 60 days, the data processing center is supposed to send a tickler card to the regional office instructing the C&R Section to initiate a "motivation" contact with the veteran by telephone or direct personal visit. If neither of these means of contact is feasible, a personalized letter may be used. VA's procedures manual also requires that the contact be documented. If the veteran does apply within the 60-day period, Adjudication is supposed to cancel the computer tickler code.

Statistics on VA's outreach effort were not available. Neither the adjudication officials in the three regional offices nor any central office officials we spoke with knew how many applications had been sent to veterans during 1978 or how many tickler codes Adjudication had input to the data processing center. Furthermore, C&R staff in only one of the regional offices kept statistics on the number of tickler cards they received and on the number of veterans they contacted.

Therefore, there was no way of reconciling the number of applications sent to veterans with the number of messages received by C&R. To determine the number of applications that should have been sent and the number of tickler cards C&R should have received, we obtained estimates from individual adjudicators and used productivity measurement data kept on the number of disability claims processed for 1978.

Our estimates of initial awards indicate that, during 1978 in the Los Angeles, Denver, and Cleveland VA regional offices, adjudicators should have input tickler codes to the data processing center for about 4,000, 1,000, and 2,000 veterans, respectively.

VA officials could not provide us with firm data on the number or percentage of veterans receiving initial disability compensation awards that apply for vocational rehabilitation within 60 days of the original mailing. However, most officials interviewed estimated that only about 10 to 15 percent apply within the 60-day period. Adjudication is supposed to cancel the tickler codes for these applicants. Consequently, C&R officials in the three regional offices should have received tickler cards to contact and "motivate" most of the

veterans who received disability awards in 1978. However, C&R officials in the regional offices estimated that they had received only about 300 cards each.

Also, in two of the regional offices, the tickler cards did not arrive from the data processing center consistently throughout the year; most arrived around the beginning of 1979. C&R staff stated that they did not realize that they should have been receiving more tickler cards to contact veterans during the year. Therefore, only a small portion of the veterans were contacted during 1978. Discussions with VA central office officials revealed that no one was aware of these discrepancies and time lags, nor could anyone explain why they existed.

VA's 1978 survey of Vietnam Era veterans also revealed that the outreach effort was not working. It indicated that 49 percent of the veterans did not receive an application and information about vocational rehabilitation when they received their disability compensation awards. According to the survey, 62 percent were not contacted by VA 60 days after their disability award to encourage them to enroll in the program.

Further, VA's July 1979 program evaluation found that, when the C&R staff did contact veterans, it relied heavily on standard form letters rather than on telephone calls or personal visits. The evaluation's

"\* \* \* unavoidable conclusion is that the outreach information provided eligible veterans has not had the desired impact, and greater emphasis should be placed on personal motivation contacts that would leave a more permanent impression on the veteran--especially the severely disabled veteran."

In addition, adjudicators in all three regional offices, contrary to VA's procedures manual, initiate outreach only when veterans receive their first disability compensation award. The VA manual requires that adjudicators contact veterans who receive increases in their disability ratings as well as those who receive their initial awards.

Moreover, C&R and Adjudication staff in the three regional offices visited indicated that neither group was

informed of the other's outreach responsibilities, and no effort had been made to communicate or share information with each other although their outreach responsibilities were interrelated.

VA is not reaching many  
hospitalized veterans

Similarly, VA's special efforts to reach some of the more severely disabled veterans--those in VA medical centers--are ineffective because no one individual or organization within VA oversees these efforts.

Responsibility for outreach to hospitalized veterans rests with three groups:

- DVB benefits counselors at local VA medical centers.
- DM&S psychologists at local VA medical centers.
- C&R counseling psychologists (counselors) at VA regional offices.

According to VA's procedures manual, DVB benefits counselors are required to "interview only those patients at bedside when available information indicates a substantive service may be furnished"; DM&S psychologists are required to provide "vocational counseling services as an integral part of medical treatment and rehabilitation" and to coordinate these services with C&R; and finally, C&R counselors are required to coordinate with benefits counselors and DM&S psychologists and to contact disabled veterans in the medical centers.

These procedures have not been sufficient to ensure maximum contact with hospitalized service-disabled veterans. A VA survey of 38 C&R chiefs revealed that almost 50 percent had a weak or no relationship with their local VA medical centers. We found that benefits counselors did not systematically inform veterans about vocational rehabilitation in any of the 12 VA medical centers associated with the three regional offices. In 7 of the 12 medical centers, DM&S psychologists did not systematically initiate vocational counseling, and in 5 of the 12, the psychologists had referred an average of less than one veteran a month to C&R counselors during 1978. Although the C&R unit in each of the three regional offices had assigned counselors to each of the

VA medical centers, 5 of the 12 counselors visited VA medical centers less than once a month.

VA's 1978 survey of Vietnam Era veterans also disclosed that outreach to veterans in VA medical centers was inadequate. Sixty-three percent of the disabled Vietnam Era veterans that were hospitalized in a VA medical center indicated that they were not given information about the VA vocational rehabilitation program by benefits counselors, 78 percent were not contacted by DM&S psychologists to begin formulating future training plans, and 71 percent were not referred to a local VA office when they left the medical center to obtain further information about training or jobs.

One reason benefits counselors had not systematically informed service-disabled veterans about vocational rehabilitation was that VA policy guidelines did not explicitly require them to do so. One VA field section chief told us that, because VA's procedures manual did not specifically require them to do so, benefits counselors were not supposed to talk to all hospitalized veterans about vocational rehabilitation or refer them for counseling.

#### APPLICATION AND AWARD PROCESSING TAKE TOO LONG

VA has long delays in scheduling veterans for their first counseling appointments and in issuing their subsistence checks. Processing, from VA's receipt of the veteran's application to the initial counseling appointment, averaged about 2 months. We believe this contributes to the fact that one in four applicants to the program did not show up for their initial counseling appointment.

Once the veteran has applied for the vocational rehabilitation program, VA processes the application and schedules him or her for counseling. Upon receipt of the application from the mailroom, Adjudication activates the veteran's case file and determines basic program eligibility, such as whether the veteran has a service-related disability. If basic eligibility is established, C&R activates the appropriate counseling files for the case and schedules the veteran for a counseling appointment to establish the need for program services. If the veteran is found in need of rehabilitation training, Adjudication then processes his or her subsistence allowance.



We analyzed the processing time for a statistically valid sample of 356 applications processed during 1978 in the three regional offices we visited. Our analysis showed that

- the average time elapsed for processing applications was 32 days,
- the first counseling appointment occurred an average of 34 days after the application was processed,
- awards were processed an average of 11 days after the first appointment, and
- the veteran received his or her first subsistence check an average of 38 days after the award was processed.

Furthermore, the processing times to the veteran's first counseling appointment varied greatly among the three regional offices. For example, both the Los Angeles and Denver C&R Sections took twice as long as the Cleveland Section to schedule veterans for their first counseling appointments.

One reason for lengthy processing is the low priority given to vocational rehabilitation applications by regional office adjudicators. The low priority results because (1) such applications make up a relatively small portion of the work and (2) the processing routine is somewhat different from other applications, such as those for the regular GI bill training allowance. For example, for the three regional offices reviewed, the 1978 workload relating to vocational rehabilitation applications in the Adjudication Divisions made up about 1 percent of the adjudicator's workload. Although not any more difficult to process, vocational rehabilitation applications are slightly different from most applications adjudicators handle. Some adjudicators said these applications were therefore given low priority. One adjudicator told us that vocational rehabilitation applications were often "lost in stacks of paper and could get backlogged for several weeks at a time."

Processing guidelines are vague and do not specify precise time frames for most stages to ensure timely processing. For example, VA's procedures manual requires "prompt"

processing by adjudicators. C&R is required to "promptly" schedule counseling appointments for the veterans--"in most instances the appointment date should be within 15 workdays of the receipt of the case in the C&R section." VA policy guidance for processing awards after counseling is completed tells adjudicators only how to fill out necessary forms.

Judging from the experience of the Los Angeles regional office, priority and strict time frames do not, in themselves, result in timely processing. To improve processing times DVB, in November 1978, issued a circular that called for "priority" application processing, setting up counseling appointments in 15 calendar days instead of 15 workdays, and 1-day award processing. That same month the Los Angeles office expanded on this circular by issuing time-frame guidelines for every processing stage, as strict as (or stricter than) the central office's. However, an April 1979 study by Los Angeles' management analysts showed little improvement in processing times.

The vocational rehabilitation application, case files, and award of each veteran are handled by up to 11 different people (from the mail clerks who receive the application to the payment processing clerk at the U.S. Treasury). No one individual or organizational unit at the central office or regional office level oversees the entire process to ensure that it is coordinated and operating efficiently.

LENIENT ENTRY CRITERIA HAVE ALLOWED  
VETERANS INTO THE PROGRAM WHO DO  
NOT NEED VOCATIONAL REHABILITATION

Veterans who are capable of holding gainful employment, and whose files contain no evidence that their service-connected disabilities impair their ability to prepare for, obtain, or retain substantial employment, are allowed to enter VA's vocational rehabilitation program. This is contrary to congressional intent and consumes program resources that could better be spent on veterans who need special rehabilitative services. This situation exists because (1) VA's entry criteria do not adequately stress "lost employability" in determining whether an applicant needs program services and (2) VA does not emphasize serving veterans with serious disabilities.

According to central office officials, VA's regulations and procedures manual require that regional office counselors use a two-step process for determining need for program services after Adjudication has determined that the applicant has met certain basic eligibility criteria (e.g., has a compensable service-connected disability, etc.). First, the counselor must determine whether the service-connected disability has resulted in "lost employability." If the counselor determines that the service-connected disability has not resulted in lost employability, the veteran will be declared ineligible for chapter 31 benefits. If a determination is made that the disability has resulted in lost employability, the counselor must determine whether the veteran lacks "suitable" employment. If the veteran does not lack suitable employment, he or she will be declared ineligible for chapter 31 benefits. If a determination is made that the veteran does lack suitable employment, he or she will be eligible for chapter 31 benefits and the counselor will proceed to help the veteran choose an appropriate vocational objective and determine what rehabilitative services will be needed to help him or her achieve this objective.

However, regarding the first step in the needs determination process, C&R officials in two of the three regional offices visited told us that VA's entry criteria are based on such a broad interpretation of employability that few applicants are denied access to the program. Under VA's criteria, a veteran is presumed to need vocational rehabilitation if he or she has a service-connected disability. The veteran will be found not to need training only if the counselor rebuts this presumption by showing that the disability does not limit employability. Not only is the burden of proving that the veteran is ineligible placed on the counselor, but VA's procedures manual states that any reasonable doubts about the limiting effect of the disability are to be resolved in favor of the veteran.

Our analysis of a sample of chapter 31 applications in the three regional offices showed that only 5 percent (14) out of 275 applicants 1/ were determined to be ineligible

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1/Although we selected a random sample of 356 applications for review, an eligibility determination was made only on the 275 applicants who showed up for their initial counseling interview.

for chapter 31 benefits because they did not have an employment handicap.

VA's criteria for determining whether an applicant lacks suitable employment are also quite broad, and are seldom used for denying access to chapter 31 benefits. For example, if a veteran's occupation is determined to be inconsistent with his or her "aptitudes, interests, and abilities," or requires no more than "vestibule" training, the veteran is considered to be not suitably employed.

Although the concept of suitable employment is a valid one, it appears to have been misused in VA. Only 4 percent (11) of the 275 applicants were determined to be ineligible for chapter 31 benefits because they did not lack suitable employment.

Our analysis of a random sample of 288 case files of chapter 31 program participants disclosed many examples of veterans with prior job histories and no documented evidence of employment handicaps. For example, 83 percent (240) of the program participants had a history of regular employment, while only about 10 percent (27) had no employment history and 7 percent (21) had no record that a needs determination was even made. Although we did not make a detailed analysis of the nature of the employment, the jobs were full time and held within a year of acceptance into the program. In fact, 44 percent of the 240 with job histories had regularly worked for 2 or more years.

For those veterans with job histories, many case files contained no documentation showing whether or how their disabilities had resulted in an employment handicap. In 47 percent (112) of the 240 cases with prior employment histories, lack of suitable employment was the only reason noted in the files for allowing the veterans into the program. In many of these cases, it appears that the veterans did not need vocational rehabilitation, but had applied for the program for additional training or education for the purposes of advancement or change of employment.

Finally, the entry criteria have made it very difficult for counselors to prevent veterans from entering vocational rehabilitation if they were primarily interested in taking advantage of the program because the financial benefits might exceed those available under the regular GI bill. We found

that 61 percent (175) of the 288 veterans in our sample trained under the regular GI bill an average of 12 months before entering vocational rehabilitation. At least 35 percent (61) of the 175 switched programs and received greater benefits by attending a higher-tuition training facility.

Following are examples of veterans we believe did not need vocational rehabilitation but were allowed into the program because they "lacked suitable employment."

#### Example 1

This 38-year-old veteran retired as a chief warrant officer after 21 years in the Army. At the time of his retirement, he had a 10-percent disability rating for chronic lumbosacral strain (low back pain). When he was admitted to VA's rehabilitation program, he was employed full time as a compressor repairman. He was enrolled in a gunsmithing program under the GI bill and had used 5 months of entitlement before switching to vocational rehabilitation to pursue the same program.

The veteran was allowed into the program by the counselor on the basis that he was not suitably employed because his employment as a compressor repairman was not consistent with his aptitudes, interests, and abilities. However, the veteran remained employed full time as a compressor repairman throughout his rehabilitation training.

One month after the veteran had been determined eligible for training, the VRS assigned to the case wrote a somewhat sarcastic note to the C&R chief stating that, if the veteran's disability was serious enough to justify a determination of need for the program's services, it logically followed that 8 hours of work plus full-time training could only aggravate his disability and that valid rehabilitation could not be accomplished. The veteran, however, was allowed to continue his 16-hour work/school program, completed his training program, and was classified as "successfully rehabilitated."

### Example 2

This 26-year-old veteran had a 10-percent disability rating for a pilonidal cystectomy (recurring cyst). When he applied for VA's program, he had been a chemical salesman for about 2 years. He was determined eligible for the program by the counselor because his current employment was unsuitable and not consistent with his aptitudes, interests, and abilities.

The veteran was approved to attend college and work toward a degree in public administration, which he began under the GI bill. The veteran had previously trained 21 months under the GI bill. He completed his training program in 1978 and was classified as successfully rehabilitated.

### Example 3

This 30-year-old veteran had a 40-percent disability rating for a combination of damage to muscles in his left leg and right foot. He was admitted to the vocational rehabilitation program and had used the program to secure a bachelor's degree in secondary education. Upon finishing his undergraduate program he was not, however, classified as successfully rehabilitated by the VRS. Rather, he wanted to consider graduate training. Meanwhile, he secured a full-time teaching position. Later, he was allowed to re-enter the vocational rehabilitation program even though he had already taught 1 year.

When evaluating the veteran's eligibility for further training, the counselor wrote: "I think that in light of the veteran's intense interest in administration, and in view of his capabilities in that direction \* \* \* that the undergraduate degree that makes him eligible to be a teacher is not really adequate for this particular veteran. He needs a Masters Degree in order to be suitably employed or employable."

By contrast, the entry criteria for HEW's Rehabilitation Services Administration's rehabilitation program require that the program first service the seriously disabled. Clients are not automatically presumed to be in need of services, and the counselor must gather sufficient evidence to determine whether "the individual has a physical or mental disability which constitutes or results in a substantial handicap to employment." Also, under HEW's program, "suitable" employment is only a factor when it appears that the individual is underemployed. HEW's Rehabilitation Services Manual states:

"A substantial employment handicap may also exist when a disabled person is employed but cannot obtain a gainful occupation consistent with his capacities and abilities \* \* \* This does not mean that disabled people would be found eligible simply to make it possible to gain a promotion. It does mean that \* \* \* Disabled individuals who are working substantially below their potentialities may be provided with vocational rehabilitation services to help them engage in occupations more consistent with their capacities and abilities."

VA HAS PROPOSED SOLUTIONS TO SOME  
OUTREACH AND PROCESSING PROBLEMS AND HAS  
NOT VIEWED ENTRY CRITERIA AS A PROBLEM

VA's 1979 program evaluation did not address any of the problems we identified with the (1) initial outreach efforts to provide vocational rehabilitation information to newly eligible veterans, (2) subsequent ticklers to C&R for followup contact of veterans who did not respond to this information, and (3) the lack of communication between Adjudication and C&R. Consequently, VA has not taken any action with regard to these problems.

VA's program evaluation identified problems with the C&R followup on veterans who were contacted. In response to this finding, VA is working on procedures to require C&R staff to make personal contacts rather than sending standard form letters to newly eligible veterans with serious disabilities.

VA's 1979 program evaluation also recognized problems with medical center outreach, and VA has taken some steps

to improve it. For example, DVB has rewritten the policy for benefits counselors to require that they discuss vocational rehabilitation with all service-disabled veterans within 5 days of admission to the medical center, and that they coordinate with C&R. DM&S has emphasized to its medical center staff their responsibility to counsel service-disabled veterans and coordinate with C&R. VA has also begun to develop a medical center outreach policy whereby C&R counselors would assume full responsibility for counseling veterans in VA medical centers about the vocational rehabilitation program.

VA has recognized that its application processing takes too long. As previously mentioned, in November 1978 DVB issued a circular which called for "priority" application processing, setting up counseling appointments in 15 calendar days instead of 15 workdays, and 1-day award processing.

According to VA officials, the Task Force on Rehabilitation will investigate and review the results and recommendations of the various VA studies related to the provision of services under its rehabilitation program. The task force will also review departmental actions taken as a result of these studies.

VA needs to establish a focus of responsibility at the regional office level over outreach and application processing. One possibility would be for C&R to systematically gather information on the number of newly eligible veterans and veterans whose disability ratings have increased and track these veterans to insure that all outreach services are promptly provided as required by VA procedures. If this were done, the problems that cause most veterans not to be contacted could be identified for corrective action.

Similarly, once the veteran applies to the program, one person in C&R could be responsible for the case from receipt of application through job placement. This could help alleviate problems in processing vocational rehabilitation applications and awards, because this function requires someone at the regional office level to coordinate the efforts of several organizational units. However, we believe strong centralized program management (as described in ch. 3) must be initiated before this or any system for coordinating and integrating enrollment services at the regional level will have any sustained effect.



Furthermore, VA's steps to improve its outreach and processing efforts may not improve program effectiveness if the entry criteria remain unchanged. VA has not viewed entry criteria as a problem. However, if VA continues to allow veterans who do not need rehabilitative services into its program, improved outreach efforts would most likely result in (1) an increased number of participants who do not need the services and (2) the program retaining its education and training assistance orientation. (See ch. 6.)

## CHAPTER 6

### LACK OF COMPREHENSIVE REHABILITATIVE SERVICES

Another major reason VA's vocational rehabilitation program has been less effective than it could have been is that VA has not made a concerted effort to provide service-disabled veterans, particularly those with severe employment handicaps, with a comprehensive range of rehabilitative services. Instead, the program has tended to function more as a financial assistance program than the rehabilitation program intended by the Congress. Furthermore, even when special needs had been identified and rehabilitative services prescribed, VA had not established an effective means of monitoring program implementation to hold counselors and VRSS accountable for the type, quality, and quantity of special services that should be provided.

This chapter describes services provided to program participants in three VA regional offices. These services varied considerably depending on the emphasis--or lack of emphasis--placed on certain services by the rehabilitation staff in each office.

Although the rehabilitation process is a continuum of services needed to help the veteran obtain gainful, stable employment, the following discussion is separated into the pretraining, training, and posttraining services available to the veteran under VA's rehabilitation program.

#### VA'S PRETRAINING SERVICES

Comprehensive diagnostic and evaluation services during pretraining were not being provided. As a result, counselors did not have an adequate basis for establishing realistic training and employment goals for veterans--particularly those with serious disabilities.

Seriously disabled veterans did not receive comprehensive diagnosis and evaluation

HEW's Rehabilitation Services Administration's rehabilitation program provides for comprehensive medical and psychological evaluations; work evaluations; and evaluations of educational, cultural, social, and environmental factors

to diagnose a client's rehabilitation potential and establish realistic rehabilitation goals. HEW's program also emphasizes serving the needs of the most severely handicapped. When it is difficult to determine whether these clients will benefit from vocational rehabilitation services, HEW's program can place them in an extended evaluation program for up to 18 months.

VA's procedures manual provides for such services during pretraining; however, these services were rarely provided. Since 35 percent of our 288 sampled veterans in training had disability ratings of 50 percent or more, we anticipated that many had received some comprehensive diagnostic and evaluative assistance before training. However, only one veteran was put in an extended psychological evaluation program. Only eight veterans (less than 3 percent of our sample) received "work evaluations," and those were concentrated in one VA regional office.

Several of the C&R rehabilitative staff told us they were not really sure what their pretraining responsibilities were toward the veteran and/or did not know whether such services were readily available. Based on our observations, unless individual counselors had a personal interest in pretraining, such services were usually not provided. For example, of the eight work evaluations (a comprehensive assessment of work tolerance for severely disabled individuals), six were provided by Cleveland and the other two by Denver. Cleveland officials said they were aware of the value of pretraining services, such as work evaluations, because some key staff members had experience working in community rehabilitation facilities.

Following are two examples of veterans from our sample who, in our opinion, could have benefited from work evaluations or other extended diagnostic evaluative assistance.

#### Example 1

This 24-year-old veteran has a 60-percent disability. Information in his case file identified his chronically depressed state as a potential early stage of paranoid schizophrenia, requiring continuous therapy, and alluded to future difficulties adjusting to employment.

He was accepted into the vocational rehabilitation program with a difficult academic vocational objective of "Faculty Member." The veteran was not recognized as needing evaluative assistance. He dropped out of training after about 4 months and later appeared for reevaluation.

After several sporadic counseling sessions, the counselor approved the veteran for science courses under a "deferred objective." Again, no evaluative services were provided, and once again the veteran dropped out of training after 4 months. This time he was dropped from the program.

#### Example 2

This 41-year-old veteran has a combined rating of 80 percent for physical and mental disorders. He was accepted into the vocational rehabilitation program after he had attended two colleges for 10 months under the GI bill and had failed to receive any credits.

According to the counselor, the veteran stated that he has had suicidal thoughts--he was extremely impulsive and tended to become fearful and withdrew from stressful situations, such as employment or schooling.

Despite these signs, the veteran was approved for another college program without the benefit of a work evaluation or other evaluative assistance. After 18 months, the VRS discontinued the veteran's program because of "severe medical problems" related to his disabilities.

#### VA's Vocational Rehabilitation Board could better serve seriously disabled veterans

One resource available to counselors in identifying and meeting the pretraining needs of seriously disabled veterans is VA's Vocational Rehabilitation Board. This board is designed specifically to bring all applicable specialized resources effectively to bear upon the vocational

rehabilitation of seriously handicapped veterans. The board may request an extensive diagnostic evaluation, such as a work evaluation, in its determination of a veteran's feasibility to train..

However, veterans in the vocational rehabilitation program were seldom referred to the board. We estimate that one-third of the 4,890 program applicants during 1978 in the three regional offices had disability ratings of 50 percent or more; however, the boards in the Los Angeles, Denver, and Cleveland regional offices received only 16, 17, and 42 cases, respectively, during the year.

In addition, while the boards found eight veterans in Los Angeles and four veterans in Denver capable of training during 1978, only two in each regional office were actually referred for services that would help them plan their training. In contrast, the Cleveland board referred 18 out of 42 cases for further evaluations or therapy. The Cleveland board also helped plan the veterans' training programs, whereas the Los Angeles and Denver boards did not. In addition, the Cleveland board took the responsibility of following up with each case to make sure the evaluative services were received, whereas the Los Angeles and Denver boards did not.

A related problem we identified in two of the three regional offices was the makeup of the board. According to VA's procedures manual, boards are to consist of a mix of professionals from DVB and VA medical centers. In Los Angeles and Denver, however, no one from outside DVB participated. In contrast, Cleveland's board had active representatives from VA medical centers and DVB.

#### VA'S TRAINING SERVICES

Vocational rehabilitation specialists did not provide many veterans--particularly seriously disabled veterans--with adequate services during training.

Vocational rehabilitation specialists  
did not provide special help  
to many seriously disabled veterans

As was the case during pretraining, veterans, particularly those with serious disabilities, may need special

help to complete their training. Among various special services prescribed by VA's procedures manual, we believe the key ones are (1) adjustment counseling, (2) concurrent medical treatment, and (3) close monitoring. If the VRS does not identify the need for these services and see that they are provided, the probability that the veteran may drop out of the program is increased.

However, our analysis of sample cases showed that many veterans who needed special services did not receive them. We identified 35 percent of the veterans as progressing poorly or not at all during training, yet the VRS did not provide special services or take other corrective action in over one-third of these cases. One reason the VRSs did not refer veterans for special services may be that they were not aware that the veterans needed such services.

The primary way that the VRS aids the veteran in training is through periodic supervisory visits to the veteran's training facility. These visits are the basis for monitoring the veteran through training and providing other necessary services and getting firsthand information on the veteran's problems. This is particularly true for severely handicapped veterans, who often have a more difficult time adjusting to their disability and to the demands of a work or training environment. However, we found VRSs were not making the minimum number of visits required by VA regulations.

The minimum number of visits depends on the seriousness of the veteran's disability and the type of training. For instance, the VRS should visit individuals who supposedly have the most serious handicaps and have been placed in specially designated programs (e.g., work evaluation, sheltered workshops, and homebound training) at least every month for the first 6 months and six times a year thereafter.

Our sample showed the VRSs were not meeting this criterion. In specially designated programs, they met the criterion in only 32 percent of the cases; in cases where veterans were in trade programs, 66 percent; and in cases where veterans were in college programs, 72 percent. Thus, many veterans, particularly those with serious disabilities in special programs, were not being adequately monitored or receiving needed help during training.

Vocational rehabilitation specialists did not coordinate with the counselor to help plan the veteran's rehabilitation

VA's rehabilitation program is set up so that counseling is separate from monitoring--the counselor is responsible for the former, and the VRS is responsible for the latter.

According to VA's procedures manual, the advice of the VRS is necessary in developing the veteran's rehabilitation plan. The VRS's knowledge of training facilities, employment opportunities, and special services should be available in helping the veteran and the counselor select an appropriate training program--i.e., one that is going to result in the veteran obtaining substantial, continuing employment.

Even more important, in our opinion, is that the VRS have a comprehensive understanding of the veteran's special needs during training. This is particularly true when the counselor identifies the veteran as being severely disabled and recommends special help, such as close and frequent supervision by the VRS during training.

Our review showed, however, that pretraining collaboration between counselors and VRSs was rare. For example, counselors recommended that the VRS provide special services (such as concurrent medical treatment or close supervision) in 16 percent of the sample cases; however, less than half of these veterans received these services from the VRS during training.

VA's procedures manual also requires that VRSs and counselors collaborate to provide veterans with additional counseling during training. For example, the VRS should refer veterans back to the counselor if they are experiencing personal or training-related difficulties for vocational adjustment counseling. Since 33 (11 percent of our sample) had severe neuropsychiatric problems (rated 50 percent or greater), we anticipated numerous referrals for adjustment counseling. However, our analysis of sample cases showed that the VRS rarely referred veterans to the counselor for adjustment counseling. When veterans were referred back to the counselor during training, it was to alter the veteran's training program. Seventy percent of these veterans did not complete training.

Veterans may not receive concurrent  
medical treatment because coordination  
with VA medical centers is weak

VA's procedures manual requires the VRS to refer veterans to VA medical centers for hospital or outpatient treatment as needed. However, as pointed out in chapter 5, almost half of the 38 C&R chiefs surveyed by VA stated that their units have weak or no relationships with local medical centers for providing such assistance.

For instance, in Denver, VA medical centers were not readily accessible to some veterans in outlying areas. VA authorizes its medical centers to reimburse veterans for treatment at private health care facilities when the distance to the center is too great. Denver officials stated, however, that, when VRSs referred veterans for medical treatment at private facilities, many veterans were either not getting treatment or not being reimbursed for treatment because medical center procedures for approving such care were too rigid. In a letter to the Chief Benefits Director in January 1979, one Denver official described the problem this way:

"We frequently pass the same bill back and forth from Regional Office to VA Hospital 5-6 times in an effort to get it paid. In several cases, payment took such a long period of time, or even worse, no payment was made, which resulted in collection agencies hounding the disabled veteran.

"We have had 3 formal meetings with VA Hospital staff attempting to resolve these problems, but no such luck. Numerous phone calls and informal face to face discussions between my staff and VA Hospital staff have not resolved the problem."

One Denver official believes these types of problems will continue because the central office's C&R unit has no influence with the medical centers, which are under a separate department.



## VA'S POSTTRAINING SERVICES

Regional offices provided little employment and followup assistance during posttraining. Many veterans who needed help in finding and adjusting to jobs once training was completed were not helped by VA in the final and most critical step of their rehabilitation.

### Vocational rehabilitation specialists were not helping veterans find jobs

While existing legislation limits VA's authority in the area of direct employment placement, it does provide for other kinds of employment assistance. VA's procedures manual directs the VRS to help the veteran (1) prepare resumes, (2) contact prospective employers, and (3) make referrals to the State employment security agency and other public and private agencies.

However, VRSs have not been fulfilling their responsibilities in this area. VRSs seldom provided employment assistance to veterans in our sample who completed training and were unemployed when they left the program:

- Only 15 percent of these veterans received employment referral.
- Only 10 percent received help in resume preparation or employer contacts.

These percentages are only slightly higher for seriously disabled veterans.

Although involvement varied among the regional offices visited, none had a systematic approach to employment assistance. Referrals to the State's employment agency were sporadic and infrequent. VRSs told us that in many cases they did not make employment referrals because they were not familiar with the State agency or other placement services available in their community.

### Vocational rehabilitation specialists seldom follow up with veterans after training

In addition to providing employment assistance, the VRS is responsible for posttraining followup to document and

assure that veterans adjust to their new work situation. VA's procedures manual requires VRSs to contact veterans 1 month after they complete training to determine and document their employment status in the case file. If a veteran is employed, VA procedures require the VRSs to contact the veteran 6 months later to assure adequate adjustment to the new work environment. If the veteran is unemployed or working in an unsuitable job, the VRS is to maintain followup contacts until the veteran has achieved satisfactory job adjustment. If this adjustment is not achieved, the VRS should consider the need for additional training.

VRSs, however, are not meeting these requirements. Our sample showed that:

- None of the veterans who completed training had any documentation in their case files as to their employment status 1 month after they completed training.
- Less than one of every three veterans (30 percent) who were employed before leaving training received followup letters after 6 months.
- Of the 30 percent who were contacted, about one in four responded to followup contacts, and although some indicated a need for further assistance, there was no record showing that assistance was provided.
- There was no record showing that any of the veterans who were unemployed after training received the sustained followup required by VA's procedures manual.

Discussions with VRSs in each regional office showed much confusion over followup procedures. Two VRSs did not do any followup. Another contacted all veterans 6 months after they completed training. One contacted all veterans 3 months after they completed training. Another VRS said he performed both the 1-month and 6-month followup contacts.

The following example is typical of veterans in our sample who did not receive any employment or followup assistance. The veteran was 40 years old with a schizophrenia disability rated at 50 percent and no significant training or work experience during the prior 16 years. He completed an automotive diagnostic program under vocational rehabilitation. When the VRS finally contacted him by letter about

10 months after training, the veteran wrote back that he had applied to numerous companies for a job without success stating that "I am badly in need of employment." However, there was no record in the case file showing that the VRS took any action to help the veteran. According to VA's definition, this veteran had been rehabilitated. Yet we suspect that the veteran would disagree.

#### VA PROPOSAL TO IMPROVE REHABILITATION SERVICES

VA's September 1978 and July 1979 studies recognize that its rehabilitation process needs substantial improvement. The studies say that the statutory definition of vocational rehabilitation limits VA's ability to stress more comprehensive, wide-ranging services.

VA has proposed new legislation to the Congress which would make clear that all the veterans' needs, not just educational or vocational needs, should be considered under the vocational rehabilitation program. The proposed legislation authorizes VA to

"\* \* \* provide all \* \* \* diagnostic, medical, social, psychological, economic and vocational services \* \* \* needed to render a veteran \* \* \* employable and employed and to enable the veteran to achieve maximum independence."

The proposed legislation also addresses the need to upgrade the professional skills of the rehabilitation staff.

We believe that, although existing legislation limits VA's responsibility for direct employment placement, VA could have chosen to provide more (1) comprehensive medical, psychological, and social rehabilitation services during pretraining and training and (2) employment assistance and followup services during posttraining.

## CHAPTER 7

### CONCLUSIONS, RECOMMENDATIONS,

### AND AGENCY COMMENTS

#### CONCLUSIONS

Because of inadequate data in VA's records, we were unable to make a comprehensive evaluation of the effectiveness of VA's vocational rehabilitation program in restoring lost employability. Our analysis of data that were available, however, showed that the program was less effective than it could have been. Several factors contributed to the program's limited effectiveness.

First, there was a lack of strong central program management and accountability for program results at the central office level. No single organizational unit or individual had authority and management responsibility for overall direction and control of the program. Also, the goals and objectives established at the central office level and VA's automated management information system were geared to broad functions and processes that encompass all VA programs, rather than focusing on the intended and actual results/outcomes of the vocational rehabilitation program. We believe the absence of strong central program management and accountability for program results is critical because it appears to be the underlying cause of other problems discussed in this report.

Second, financial considerations, including VA's benefit structure, contributed to the limited effectiveness of the vocational rehabilitation program. Some service-disabled veterans who appeared to need rehabilitative services elected to forego these services and enroll under the regular GI bill educational assistance program because they could net more cash in hand after paying their educational expenses. Others who did not appear to need special rehabilitative services chose to enroll under the vocational rehabilitation program rather than the regular GI bill educational assistance program because they could net more cash in hand by having their educational expenses paid directly by VA. These persons used program resources that could better be spent on veterans who need special rehabilitative services. Also, some persons, primarily those with 100-percent disability ratings, may not accept jobs after completing training because their disability compensation payments and other benefits would be substantially cut.

Third, program effectiveness has been limited by VA's fragmented outreach efforts, which miss half of the potentially eligible veteran population, and by VA's lenient entry criteria, which permit veterans to participate in the program who are capable of holding gainful employment and have no demonstrated need for special rehabilitative services.

Finally, VA has not made a concerted effort to provide service-disabled veterans, particularly those with severe employment handicaps, with a comprehensive range of rehabilitative services.

As a result, the program has tended to function more as a financial assistance program than a comprehensive vocational rehabilitation program.

#### RECOMMENDATIONS

We recommend that the Administrator of Veterans Affairs:

- Revise VA's vocational rehabilitation philosophy by (1) adopting the current professional view that the primary purpose of vocational rehabilitation is to help the client become a satisfactory and satisfied employee, (2) considering a revision of VA's regulations to emphasize the integrative use of diagnostic, medical, social, psychological, vocational, and other services needed to ensure maximum rehabilitation, and (3) giving priority to veterans with serious employment handicaps.
- Establish a single unit at the central office level to manage the vocational rehabilitation program and delegate to the head of this unit the authority and responsibility for overall direction, implementation, and control of the program from outreach to post-training employment assistance and followup.
- Establish results-oriented goals and objectives for the program. These goals and objectives should state in precise, measurable terms the specific results/outcomes to be achieved by the program during a specified time frame with a given expenditure of resources.

- Revise VA's automated management information system to include routine collection and reporting of data (including posttraining employment data) the program manager needs to monitor and evaluate the program's effectiveness in achieving its stated objective of restoring lost employability.
- Develop and implement a comprehensive outreach plan of action to ensure that all service-disabled veterans are contacted and adequately informed of their potential eligibility for the program, with special emphasis on the more seriously disabled veterans.
- Implement the case-manager concept at the regional office level whereby one person is assigned the responsibility and held accountable for a veteran's case from point of application through employment placement, including followup and posttraining adjustment counseling. Consider implementing the case-manager concept on a pilot basis in selected regional offices to iron out any organizational or operational difficulties that may arise, before nationwide implementation.
- Revise VA's regulations to require that regional office rehabilitation personnel determine and document the nature and extent of lost employability for each veteran as the primary basis for (1) determining which veterans need special rehabilitation services and (2) developing comprehensive training plans in which the prescribed rehabilitation services are tailored to each veteran's unique needs.
- Revise VA's regulations to require that all disabled veterans applying for a 100-percent "individually unemployable" rating be referred to the vocational rehabilitation unit for a comprehensive diagnostic evaluation of their rehabilitation and work potential before they are considered for the rating.

We recommend that the Congress:

- Amend chapter 31 of title 38 of the U.S. Code to allow service-disabled veterans who need vocational rehabilitation services to enroll under the chapter 31 program with an option of two payment plans:

1. The present chapter 31 payment plan, under which the veteran receives a fixed allowance for subsistence with VA paying all educational expenses (including tuition, fees, books, etc.) directly to the provider.
2. A fixed allowance equal to that available under the chapter 34 GI bill program, with the veteran paying his or her own educational expenses (including tuition, fees, books, etc.).

This would correct the problem of service-disabled veterans choosing to enroll under the regular GI bill program and forego chapter 31 rehabilitative services solely for financial reasons.

--Amend chapter 31, as proposed by VA, to expand the statutory purpose of "vocational rehabilitation" beyond employability to include attainment of gainful employment.

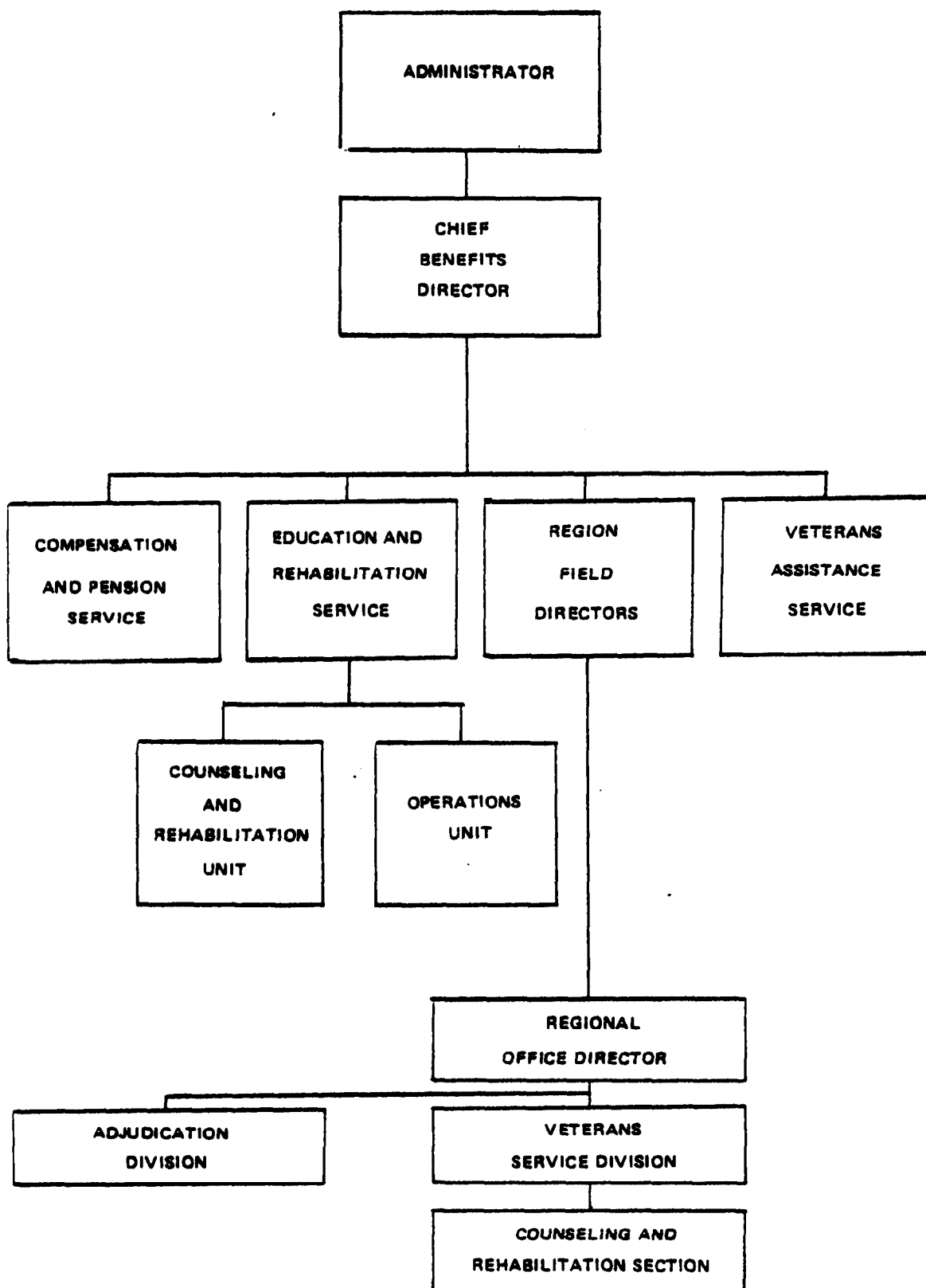
Although we believe the present language of chapter 31 is flexible enough to allow VA to provide eligible service-disabled veterans with a comprehensive range of services consistent with the current professional view of vocational rehabilitation, a more specific definition of vocational rehabilitation would clearly establish the boundaries of the program and prevent problems that might arise from differing interpretations of the present definition.

#### AGENCY COMMENTS

At the request of the Committee, we provided VA with a preliminary draft of this report for its review and oral comments. These comments were incorporated into the final report where appropriate. The Committee subsequently requested that we obtain VA's written comments on the report.

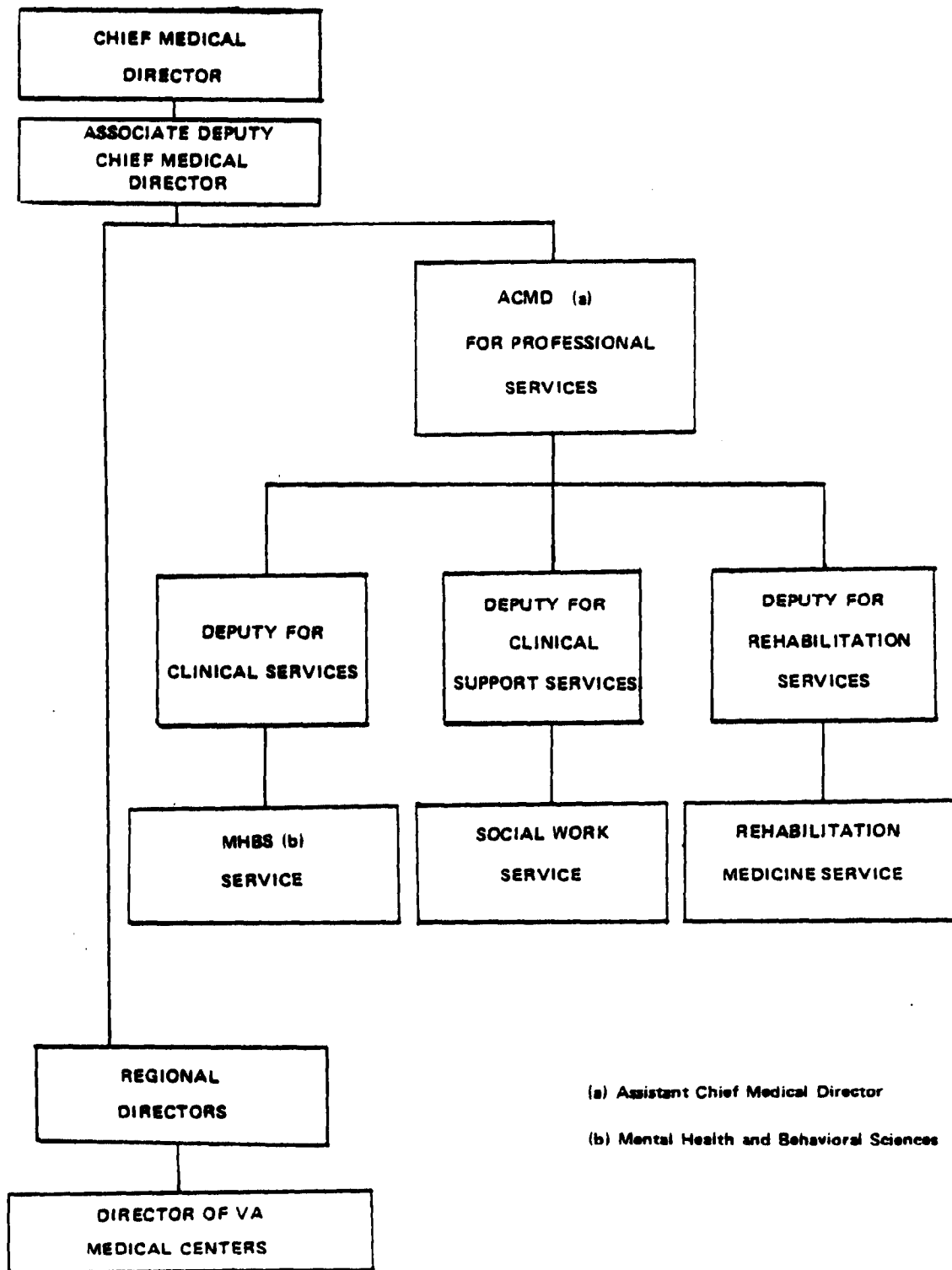
In a February 15, 1980, letter, the Administrator generally concurred in the recommendations contained in this report and outlined the actions that have been or will be taken by VA in response to each recommendation. The Administrator noted that many of our recommendations were consistent with VA's own internal reviews and evaluations of the vocational rehabilitation program over the past 2 years. VA's comments are included as appendix IV.

MANAGEMENT STRUCTURE OF THE VA VOCATIONAL REHABILITATION PROGRAM  
DEPARTMENT OF VETERANS BENEFITS





MANAGEMENT STRUCTURE OF THE VA VOCATIONAL REHABILITATION PROGRAM  
DEPARTMENT OF MEDICINE AND SURGERY



### DESCRIPTION OF STATISTICAL SAMPLES

To review VA's services to disabled veterans and the effectiveness of its vocational rehabilitation program and to analyze program processing times, we selected two samples of veterans' cases from each of three VA regional offices: Los Angeles, Denver, and Cleveland. We chose these offices to comply with the Senate Committee on Veterans' Affairs' request that the regional offices be geographically separated and represent areas with differing overall levels of school tuition.

### SELECTION OF SAMPLE SIZE AND CASES FOR EVALUATING C&R FUNCTIONS

We identified the universe of veterans who completed or discontinued their training programs (closed cases) during 1978 in the sample regional offices. A sample size of 288 cases was selected to provide a 95-percent confidence level over the population. The sample size was prorated to each regional office, based on the incidence of closed cases, and resulted in the following breakdown: Los Angeles--55, Denver--98, and Cleveland--135. We then numbered the universe of completed and discontinued cases in each regional office and selected our sample using random numbers.

In our case file review, we looked at the following issues: (1) the counselor's role in determining eligibility, selecting the veteran's training program, and coordinating with the VRS and (2) the VRS's role in guiding the veteran through training, providing for necessary support services, and doing a followup.

### STATISTICAL SAMPLING TO DETERMINE PROCESSING TIMES

To review program processing times, we chose a sample from the universe of veterans whose applications were processed in 1978. We selected a sample size of 356 cases, large enough to give us 95-percent confidence in our results with a 5-percent error rate. The sample size was prorated to the three regional offices in proportion to the total number of applications processed.

This resulted in the following breakdown by regional office: Los Angeles--89 cases, Denver--89 cases, and Cleveland--178 cases.

To analyze the cases, we calculated the number of days between key points in applications and awards processing, based on dated forms in each case file. These key points are:

- Receipt of applications in Adjudication.
- Receipt of eligibility statement in C&R.
- First counseling appointment.
- Award notice prepared by Adjudication.
- Check mailed from the Department of Treasury.

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GAO OFFICE OF GENERAL COUNSEL'S ANALYSIS  
OF THE STATUTORY DEFINITION  
OF VOCATIONAL REHABILITATION

Digest:

Because vocational rehabilitation includes "other necessary incidental services," definition is broad enough to encompass collateral services which are necessary to render handicapped veterans employable. This Office does not object to efforts by VA and others to clarify present vague language of statute.

The Veterans Administration's authority to establish vocational rehabilitation programs for disabled veterans is set out in chapter 31 of title 38 of the U.S. Code. "Vocational rehabilitation" is statutorily defined as:

"training (including educational and vocational counseling, all appropriate individualized tutorial assistance, and other necessary incidental services) for the purpose of restoring employability, to the extent consistent with the degree of disablement, lost by virtue of a handicap due to service-connected disability." 38 U.S.C. §1501(2).

This legislation authorizes a vocational rehabilitation program, emphasizing training or education, as opposed to a total rehabilitation program, to help an individual to live with his or her disability. The goal of the program, "restoring employability," is to place the disabled veteran in a position where he or she is available for employment; he or she must be physically and mentally capable of employment and he or she must have attained the requisite skills of his or her chosen vocation. Because the term "training" includes "other necessary incidental services," the definition of vocational rehabilitation is broad enough to encompass collateral services in addition to education or training.

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However, the emphasis being on training, such other services are authorized only when necessary and incidental to the restoration of a disabled veteran's employability.

While the definition does not specify the particular services which must be provided as part of the vocational rehabilitation process, chapter 31 statutorily authorizes the provision of some collateral services--subsistence allowances, loans, medical care, books, supplies and equipment. 38 U.S.C. §1504, 1506, 1507, 1509. These and other support services are dealt with in greater detail in VA's internal procedures manual and in its regulations. 38 C.F.R. §21 (1978).

The present statute can be traced to Pub. L. No. 78-16, March 24, 1943. This law provided for the rehabilitation of disabled veterans with the stated purpose of restoring employability lost by virtue of a handicap due to service-connected disability. This was to be accomplished by prescribing a suitable training program for the disabled veteran. In 1958, all veterans affairs laws were consolidated under Pub. L. No. 85-857. At that time, the definition of vocational rehabilitation was expanded. Recognizing that certain collateral services are involved as an integral part of the vocational rehabilitation process, the word "training" was clarified by including in that term counseling services and other necessary incidental services. H. R. Rep. No. 85-1298, p. 46 (January 27, 1958). This demonstrates a movement away from a philosophy equating vocational rehabilitation with vocational education. The goal of the program is to restore a disabled veteran's employability. Often, education alone will not achieve this. For example, merely teaching a blind person a skill will not restore his or her employability; training and counseling to help him or her deal with his or her blindness in an occupational environment are also necessary. The statutory definition is broad enough to encompass such services.

In its report to the Senate Committee on Veterans' Affairs, "A Study of the Provisions for Veterans Vocational Rehabilitation," VA pointed out several problems in the provision of vocational rehabilitation services which it attributed to the statutory definition of vocational rehabilitation. VA sees the definition as limiting its ability to offer a program consistent with the accepted professional view. According to VA, the definition encourages a segmented approach to vocational rehabilitation whereas a unitary process involving

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integrated, multidisciplinary services (medical, psychological, social, economic support and vocational) is the current professional practice. Restricting vocational rehabilitation to training "rules out certain essential vocational services that cannot be subsumed under this rubric." Thus, VA claims there are gaps with respect to certain needed services that the statute does not authorize it to provide.

As VA correctly points out, the definition of vocational rehabilitation does not list particular services which should be provided as part of a vocational rehabilitation process. However, the authorization for needed collateral services can be implied from the law's statement of purpose, to restore a disabled veteran's employability, and from the inclusion of "necessary incidental services" in the statutory definition of vocational rehabilitation. Therefore, despite VA's statement that the present statutory language encourages a segmented approach, a unified approach to vocational rehabilitation, involving an integrated, multidisciplinary program, would appear to be possible. Medical, psychological, social, economic support and vocational/educational services can and should be provided as needed for the accomplishment of the stated purpose. VA has, in fact, established a framework for providing those services which are necessary and incidental to a successful training program and to restoring a disabled veteran's employability. In the report, VA outlines the following services which are available:

- specialized restorative training, such as braille reading and writing and training in lip reading, to help the veteran overcome or minimize his or her disability in an occupational environment;
- medical care, treatment, hospitalization and prosthetic treatment;
- educational and vocational counseling, including personal adjustment counseling regarding personal problems that may interfere with the achievement of maximum benefit from vocational rehabilitation;
- occupational licensing examination fees, tools and equipment as necessary for the purpose of training;

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- books, supplies, equipment, tuition;
- subsistence allowances, loans;
- reader services for the blind, interpreter services for the deaf.

VA cites the statute as the cause for a major deficiency in its provision of pretraining services. There are some veterans whose disabilities currently preclude their participation in a training or educational program. But, with proper medical, psychological or other treatment their conditions could be improved so that entry into a training or education course would become possible. Under present procedure, these veterans must first seek assistance from some other source (for example, VA's Department of Medicine and Surgery, a State rehabilitation agency, or a community agency). VA argues that it is unable to provide such services under the vocational rehabilitation program because the definition of vocational rehabilitation is limited to training. However, the goal of the vocational rehabilitation process is to restore employability. If it is feasible that a disabled veteran could be restored to an employable condition, the fact that his or her disability currently precludes training should not make him or her ineligible for the vocational rehabilitation program in view of the statutory authorization for incidental services, in our opinion. If some medical, psychological or other treatment is necessary before he or she is in a condition to undertake a training course, that treatment reasonably could be considered necessary to the restoration of his or her employability. Of course, if the veteran's disability would preclude employment entirely, such treatment would have to be provided from some other source. It must be remembered that the chapter 31 program is a vocational rehabilitation program with an objective of restoring employability. Those services necessary to help a disabled veteran adjust to his or her handicap in an occupational environment should be provided as incidental to the veteran's vocational rehabilitation. However, the program is not designed to assist a veteran in adjusting his or her lifestyle to his or her handicap to the extent such adjustment would not be related to employability.

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The statute does, however, clearly limit VA's authority in the area of employment placement. The statute speaks of employability rather than employment. While there is a fine line between employability and employment, the distinction is great enough to create a major gap in VA's vocational rehabilitation services. The statute directs VA to establish a program to restore a disabled veteran's employability; it does not direct VA to place the veteran in employment. To restore employability is to place the veteran in a position where he or she is available for employment, i.e., physically and mentally capable of working and skilled to the extent required of workers in the occupation he or she seeks. To restore employment is one step further in the process--to find a suitable job for the veteran in his or her chosen field. The current legislation does not make VA responsible for the employment placement of disabled veterans. It only encourages VA to "cooperate with and employ the facilities of other governmental and State employment agencies for the purpose of placing in gainful employment persons who have received vocational rehabilitation." 38 U.S.C. §1511(5).

As pointed out by the Senate Committee on Veterans' Affairs in 1974, the language of the veterans affairs statutes is difficult to understand and often appears to be archaic. S. Rep. No. 93-907, p. 52 (June 10, 1974). Also, not withstanding our reading of the law as flexible enough to allow the provision of necessary incidental services without statutory amendment, the more restrictive reading detailed in the VA study should not be characterized as clearly erroneous or without merit. For these reasons, a report recommendation that the statutory definition of vocational rehabilitation be clarified and updated would seem to be appropriate. A more specific definition would clearly establish the boundaries of the vocational rehabilitation process. This would prevent problems which might arise from differing interpretations of the present vague definition.



Office of the  
Administrator  
of Veterans Affairs

Washington, D.C. 20420



FEBRUARY 15 1980



Mr. Gregory J. Ahart  
Director, Human Resources Division  
U. S. General Accounting Office  
Washington, DC 20548

Dear Mr. Ahart:

Your January 31, 1980 draft report, "New Legislation and Stronger Program Management Needed to Improve Effectiveness of VA's Vocational Rehabilitation Program," has been reviewed by my staff. Your report confirms the findings of our own internal reviews conducted in the past two years. These reviews revealed a number of areas where improvement can be achieved by a change in Veterans Administration's (VA) administrative procedures or in legislation. However, the VA's efforts to assist the disabled veteran, both service-connected and nonservice-connected, involve far more than Chapter 31 training. The entire subject of rehabilitation has undergone extensive review and many steps have been taken, and are being contemplated, to correct shortcomings in the rehabilitation process.

Within the last two years, we have moved rehabilitation to a position of high priority and we are currently reevaluating our approaches for providing rehabilitation services. The VA conducted a Chapter 31 program study entitled, "A Study of the Provisions for Veterans Vocational Rehabilitation," which was submitted to the Congress on September 26, 1978. On April 9, 1979, I approved a new VA Rehabilitation Concept. Its purpose is to provide a "framework for the continuous development, improvement, and delivery of rehabilitation services throughout the VA," thus leading to continuing modernization. In addition, the Office of Planning and Program Evaluation conducted a study, "Vocational Rehabilitation--A Program Evaluation," which was completed in July 1979 and submitted to the Congress.

To launch the new concept, beginning on July 9, 1979, the VA held a National Rehabilitation Conference to take a close look at VA's existing programs and to identify problems. The Conference cited more than 300 Agency issues. Following the conference, I convened a Rehabilitation Task Force to address the information, recommendations, and problems. This Task Force has prepared a preliminary report and we are now reviewing their recommendations. Some improvements are already under way.

We have considered the report recommendations and our comments follow. GAO recommends that I:

- Revise VA's vocational rehabilitation philosophy by (1) adopting the current professional view that the primary purpose of vocational rehabilitation is to help the client become a satisfactory and satisfied employee, (2) revising VA's regulations to emphasize the integrative use of diagnostic, medical, social, psychological, vocational, and other services needed to insure maximum rehabilitation, and (3) giving priority to veterans with serious employment handicaps.

We concur. Satisfactory employment is a goal which we have adopted, to the extent possible under existing legislation. We believe a change in law would be required to enable us to provide full employment placement assistance. We have sponsored such legislation and it is presently pending before the Congress. This legislation is designed to expand the current goal of training service-disabled veterans to employability, to actually obtaining employment, and assuring that they maintain employment. In addition, VA regulations are being revised and will be issued in the near future. These revised regulations should clarify and emphasize parts of the vocational rehabilitation program needing attention. Priority treatment for veterans with service-connected handicaps was addressed in DVB Circular 22-78-13, dated November 17, 1978. Another Circular now being developed addresses the special needs of the more seriously disabled.

- Establish a single unit at the central office level to manage the chapter 31 vocational rehabilitation program and delegate to the head of this unit the authority and responsibility for overall direction, implementation, and control of the program from outreach to posttraining employment assistance and followup.

We agree that changes are needed and are considering a new systems-matrix approach with a far greater degree of central management control than presently exists. The Department of Veterans Benefits (DVB) and the Department of Medicine and Surgery (DM&S) have worked jointly during the last two years, evaluating their current programs and developing new approaches which will significantly enhance communications and the delivery of vocational rehabilitation services for disabled veterans.

- Establish results-oriented goals and objectives for the program. These goals and objectives should state in precise, measurable terms the specific results/outcomes to be achieved by the program during a specified time-frame with a given expenditure of resources.

We concur, but recognize that the success of a rehabilitation program is a matter of degree. Certainly we ought to be accountable for doing the most we can for each individual. VA's goal of total rehabilitation, including maintaining employment, may be difficult to achieve for a particular veteran. An alternate goal for such a veteran is to achieve maximum independence.

The Counseling and Rehabilitation activity in DVB has established a Work Measurement Task Force to define goals and objectives in precise terms so the quality and quantity of rehabilitation outcomes can be accurately measured.

- Revise VA's automated management information system to include routine collection and reporting of data (including posttraining employment data) the program manager needs to monitor and evaluate the program's effectiveness in achieving its stated objective of restoring lost employability.

We recognize the need for improvements in our Automated Management Information System (AMIS). A DVB Management Information Study Team is presently evaluating AMIS but the goals, objectives, functions, and tasks have to be analyzed for all of our benefits programs, not just for Vocational Rehabilitation. Efforts are underway to include present and future AMIS data in DVB's Target system. This is expected to improve the quality of the data and its accessibility.

- Develop and implement a comprehensive outreach plan of action to ensure that all service-disabled veterans are contacted and adequately informed of their potential eligibility for the program, with special emphasis on the more seriously disabled veterans.

The need to emphasize and more fully implement a comprehensive outreach program has been cited in several of our own evaluation studies. A review of present manuals and other administrative issues indicates that mechanisms are in place to accomplish the intent of this recommendation. Therefore, increased emphasis has been placed on staff visits, reporting requirements, and training agenda. DVB is also developing procedures to specifically address our commitment to a comprehensive outreach plan of action for disabled veterans with multiple problems.

- Implement the case-manager concept at the regional office level whereby one person is assigned the responsibility and held accountable for a veteran's case from point of

application through employment placement, including follow-up and posttraining adjustment counseling. Consider implementing the case-manager concept on a pilot basis in selected regional offices to iron out any organizational or operational difficulties that may arise, before nationwide implementation.

We agree that the case-manager concept is one that has much promise for better management of the rehabilitation process. An October 29, 1979 VA Circular 00-79-55, "An Integrated Approach to Rehabilitation in the Veterans Administration," implemented the case-manager concept in DVB and DM&S. DVB Circular 22-78-13, Appendix C, dated December 3, 1979, "New Vocational Rehabilitation Specialist Job Description and Staff Development Program," expanded the duties of the vocational rehabilitation specialists in our regional offices to include problem-solving counseling assistance, case management responsibilities, Career Development Center coordination, and other duties and responsibilities.

- Revise VA's regulations to require that regional office rehabilitation personnel determine and document the nature and extent of lost employability for each veteran as the primary basis for (1) determining which veterans need special rehabilitation services and (2) developing comprehensive training plans in which the prescribed rehabilitation services are tailored to each veteran's unique needs.

The applicable VA regulations are being redrafted, and results of VA studies are being incorporated where possible, to address this recommendation. A review of DVB administrative issues indicates that the Counseling and Rehabilitation manuals require the recommended determinations. The proposed regulatory changes concerning needs determination stipulate more substantial consideration of disability limitations as they relate to employability. Inservice training will be conducted to insure full understanding and application of these revised provisions. It will also stress the need for adequate documentation for each determination. We agree that comprehensive training plans are necessary and have integrated this approach in the rehabilitation program.

- Revise VA's regulations to require that all disabled veterans applying for a 100 percent "individually unemployable" rating be referred to the vocational rehabilitation unit for a comprehensive diagnostic evaluation of their rehabilitation and work potential before they are considered for the rating.

We believe this recommendation has merit. It was already part of the Rehabilitation Task Force draft recommendations. We have no objections to studying the feasibility of requiring that all disabled veterans applying for a 100 percent "individually unemployable" rating be referred to the vocational rehabilitation unit for an evaluation as recommended. However, such referrals should not impede prompt claim processing.

We have reservations about the conclusions in Appendix III because they indicate that statutory authority may exist, providing for all of the incidental services required to achieve full rehabilitation. It is true that some of the services have been provided in the past by an interpretation of the existing statutory language, but we believe that the full range of services required cannot be legally provided unless the statutory language is clarified. The Appendix states that an individual should be eligible for vocational rehabilitation even if the disability precludes training. Our interpretation of the statute is that, unless the individual is capable of training, he or she may not be eligible for the program. However, our legislative proposals would amend title 38 to give us the authority to provide rehabilitation services to veterans who are unable to train. The services would enable those veterans to reach maximum independence.

The GAO report is based on 1977-1978 statistics and data drawn from a sample of completed or discontinued training, and another sample used to examine processing time. Only 3 of 58 VA Regional Offices were represented in the sample. We believe it is questionable if this technique, whatever the absolute size of the sample, can be projected to represent the nationwide Chapter 31 program. For example, GAO found only 30 percent of veterans received followup letters after leaving training, while our Planning and Program Evaluation team found a considerably higher percentage of followup in a spot check of a much larger sample of regional offices.

Chapter VI, in part, of the report addresses coordination between DVB and DM&S on the matter of reimbursement for treatment at private health care facilities. Overall fee basis coordination between DVB and DM&S has been considerably improved during the past year. Billing documents are processed promptly and payment actions completed in thirty days or less, which coincides favorably with prevailing practices in the private sector. Our instructions to all field facilities on this facet of the program are clear and information available indicates that procedures are implemented uniformly throughout the system.

Regarding the specific problem cited in Colorado, a case manager has been designated at the VA Medical Center (VAMC), Denver, to improve coordination between DM&S and DVB. The Chief, Medical Administration Service, at

our Denver facility works closely with the case manager to facilitate the authorizing and payment process. Information received from VAMC Denver on January 28, 1980, shows that the problems identified in your report have been fully resolved.

The Veterans Administration has a strong commitment to the concept of a fully integrated rehabilitation program. Our goal is to provide the best possible rehabilitation services to all veterans who would benefit. The GAO report confirms our findings during studies and evaluations, and lends support to our continuing implementation of program improvements.

Sincerely,



Associate Deputy Administrator - in the absence of  
MAX CLELAND  
Administrator



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

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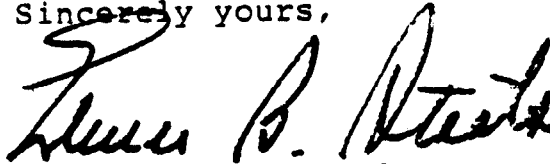
The Honorable Alan Cranston  
Chairman, Committee on Veterans' Affairs  
United States Senate

Dear Mr. Chairman:

As requested in your March 1, 1979, letter, we have reviewed the Veterans Administration's vocational rehabilitation program. This report describes the problems that have limited the program's success and makes recommendations to the agency and the Congress for strengthening the program.

Copies of this report are being sent to the Chairman, House Committee on Veterans' Affairs, and the Administrator of Veterans Affairs. As arranged with your office, we plan to release the report to interested parties 3 days after its issuance.

Sincerely yours,

  
Thomas B. Steitz  
Comptroller General  
of the United States

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