

**Statement of the Honorable Gordon England
Deputy Secretary of Defense
Before the Senate Armed Services Committee
and the Senate Veterans' Affairs Committee
12 April 2007**

Chairman Levin, Senator McCain, Members of the Senate Armed Services Committee,

Chairman Akaka, Senator Craig, Members of the Senate Veterans Affairs Committee,

Thank you for your strong support for the brave men and women in uniform of the Department of Defense, and their families, who so courageously serve the nation. And thank you for the opportunity to meet with you this morning to discuss two practical issues that directly and profoundly affect their well-being: disability ratings, and the transition of responsibility for servicemembers from the Department of Defense to the Department of Veterans Affairs. These are important issues that merit thoughtful consideration. Dialogue and discussion are helpful and appreciated.

It is a pleasure to appear with colleagues from the Department of Veterans Affairs – Under Secretary Dan Cooper and Dr. Gerald Cross – and with LTG (ret) Terry Scott, Chairman of the Veterans' Disability Benefits Commission, since the complex challenges under discussion require efforts from multiple agencies. With me this morning from the Department of Defense are Acting Secretary of the Army Pete Geren, and Under Secretary of Defense for Personnel and Readiness Dr. David Chu.

Let me assure you that the top priority of the Department of Defense is taking care of our men and women in uniform and their families, and in particular those who have made the greatest sacrifices for the nation. The Administration and the Department are absolutely committed to fixing problems and resolving outstanding issues, and are ready to bring forward to the Congress proposed legislation, if and as required to fix the problems.

The goal is an uninterrupted, seamless continuum of care and support, for servicemembers who are wounded or injured as a result of their service. The population of greatest concern – which

requires the most urgent attention - includes those warriors with war-related injuries or conditions, who account for about 11% of the total workload of the Department's Disability Evaluation System.

Unfortunately, despite good faith efforts by the Services and by our agencies, and despite many significant accomplishments, it is evident that some of our valued servicemen and women, particularly those with war injuries, are not receiving the level of care they deserve. Some of them and their families are caught up in unacceptable bureaucratic delays and frustrations.

To address these issues, a number of efforts have already been initiated. On March 1, 2007, Secretary Gates appointed an independent panel – the Independent Review Group (IRG), co-chaired by the Honorable Togo West, Jr. and the Honorable Jack Marsh – to take a broad look at rehabilitative care, administrative processes, and quality of life, at Walter Reed Army Medical Center and Bethesda National Navy Medical Center. The Group's report is expected very soon.

The President also appointed an independent panel – the Commission on Care for America's Returning Wounded Warriors, co-chaired by Senator Bob Dole and Secretary Donna Shalala – to take a comprehensive look at the full lifecycle of treatment for wounded veterans returning from the battlefield. And the President directed the Department of Veterans Affairs to establish an Interagency Task Force on Returning Global War on Terror Heroes, in which the Department participates.

The results of these efforts will add to the ongoing work by the Veterans' Disability Benefits Commission, chaired by LTG (ret) Terry Scott, and chartered by the National Defense Authorization Act of 2004 to study veterans' benefits, which is due to report out later this year.

As Secretary Gates has clearly stated, the Department will work with the Commissions, the Congress, and partner agencies to clearly identify the problems and fix them.

Meanwhile, the Department has taken a proactive approach. For example, a major internal review of care for our wounded servicemembers was launched immediately after the issues at Walter Reed came to light.

As Acting Secretary of the Army Pete Geren can better attest, the Army is evaluating the installation's infrastructure, upgrading information technology, improving clothing and food services, and creating the Warrior Transition Brigade, to provide wounded Soldiers with a full chain of command.

Where problems are evident and can be fixed immediately, the Department is doing so. The Department requested an adjustment to the Fiscal Year 2007 Emergency Supplemental request, to provide \$50 million to create a Medical Support Fund to implement any findings or recommendations in which the Department can take action before Fiscal Year 2008.

This time of taking stock is a good opportunity to consider the overall joint DoD/ DVA disability and health care system. In fact, what is in place today is not a single "system", but rather several: 1) DoD, itself a system of internal Service systems under a broad umbrella; 2) DVA; and 3) the all-important transition process that links the two Departments. For an individual servicemember looking in from the outside, the division of roles and responsibilities is far less important than a completely transparent process that provides timely adjudication and appropriate results. This should be the end objective of our efforts.

Within the Department, the Disability Evaluation System is run primarily by the Secretaries of the Military Departments. Since the "fitness to serve" standard must and does vary by Service, military specialty, and grade, there is variance among the approaches. In a system that processes 20,000 cases annually, there are also real, and likely unwarranted, variances in execution.

In the transition from the Department of Defense to the DVA, our agencies do benefit from a strong basis for partnership. DoD and DVA share the mission of taking care of those who serve, and making sure cooperation is as seamless as possible. Our agencies have put in place a responsive organizational structure – the VA/ DOD Joint Executive Council, co-chaired by DVA

Deputy Secretary Gordon Mansfield and Under Secretary of Defense David Chu, which provides guidance and establishes policy for the full spectrum of collaborative initiatives. To provide broad vision for ongoing collaboration, DoD and the VA developed a Joint Strategic Plan, which will be updated over time. Secretary Nicholson and I do meet and confer, when issues need to be addressed at our level. However, there are still challenges in meeting our shared goal of seamless transition between DoD and the VA.

However, seams between our agencies remain.

A fundamental challenge is that the Department of Defense and the Department of Veterans Affairs use two different disability ratings systems, which both produce end products expressed in terms of “percentages” – but the percentages refer to different things. DoD’s Military Departments rate fitness, at a fixed point in time, for continued military service, while the DVA rates civilian employability, based on any changes in health status that can be linked to time in service – and the DVA’s ratings may change over time, if the medical condition changes. This imperfect integration produces undue confusion for servicemembers and their families.

Another problem with the transition from DoD to the DVA is that the disability ratings process is “one size fits all” – the same basic procedures are followed inside the Department and during the transition to the DVA, for all individuals. The 11% of cases that are those wounded or severely wounded in war are funneled through exactly the same system as the other 89%, the career Servicemembers transitioning to retirement.

Many of the wounded have combat injuries that are readily understood. These should be the most straightforward cases in terms of disposition. The system should be able to process these individuals very expeditiously.

Other wounded warriors have conditions – particularly those resulting from new forms of warfare – that present new challenges to the medical profession, and stretch the abilities of the current system. For example, one of the most difficult conditions a Servicemember can struggle through is traumatic brain injury (TBI), and much more needs to be done to leverage national

capabilities, both civilian and military, to apply the most advanced technology and medicine to this condition. And while the Department is working to improve its ability to identify and treat mental health issues, including Post Traumatic Stress Disorder, this is another war-related challenge that needs further attention.

Another serious challenge is that DoD and DVA still operate largely on the basis of two different sets of information, based on two different vocabularies, without a single, accessible electronic database of information. While this is being addressed, a full solution is still several years away.

In the transition from DoD to the DVA, even when the system “works”, it still fails in the eyes of too many servicemembers, due to bureaucracy and delays, and the anxiety, confusion and frustration they cause, even for those who pass “successfully” through the system. Because the process is complex and lengthy, and its results have such profound effects on servicemembers, it is understandably viewed by some as “adversarial”. The system needs to be timely, and at the same time deliberate enough to produce fair, accurate and consistent results. Despite its complexities, it must be clear and transparent to its customers.

There is no single silver-bullet solution, but it might make sense to consider the following:

- As a first step, focus on and seek innovative solutions for the wounded and severely wounded cases, and then turn to the general population of servicemembers.
- Move beyond stovepiped data-storage systems to create a central data base of information to expedite full electronic information exchange.
- Make existing benefits more accessible through common terminologies and a fully integrated process.

Lastly, it may be useful to re-evaluate the entire national system for disability determination and compensation. The nation has diverse approaches in the public sector to problems that have much in common. Social Security's disability payments, the Department of Labor, Workmen's

Compensation, the Department of Veterans Affairs' and the Department of Defense's Disability Evaluation Systems are carried out in different ways, against different standards, to achieve different ends. The complexity and variance in outcomes and numerous program offsets and tax exempt statuses often confuse benefit recipients. The purposes of the various programs also vary widely. These diverse approaches regarding compensation for disabled workers suggest the need for a new paradigm for the nation.

The Department remains committed to working in closest partnership with the Department of Veterans Affairs, with the Commissions and Task Forces, and with the Congress, as we go forward.

I do thank the Members for your care and concern for our heroes – the brave men and women in uniform who serve the nation.