Department of Defense policy, as reflected in DoD Directive 1332.18 and DoD Instruction 1332.38, asserts that the Disability Evaluation System is established to conduct physical disability evaluation in a consistent and timely manner. In light of this stated policy, this chapter presents background information on training in the DES and recommendations from previous studies of the system.

TRAINING AS A CENTRAL FOCUS OF THIS STUDY

DoD Directive 1332.18 (1996) emphasizes the role of training in achieving the DES goal of conducting physical disability evaluation in a consistent and timely manner. It directs the Assistant Secretary of Defense for Force Management Policy (ASD/FMP), in coordination with the Assistant Secretary of Defense for Health Affairs (ASD/HA) and the Assistant Secretary of Defense for Reserve Affairs (ASD/RA), to develop and maintain a program of instruction for the DES.

DoD Directive 1332.18 also directs the ASD/HA to develop and maintain a program of instruction for use by MTFs on the preparation of medical evaluation boards¹ for physical disability cases, and a program of instruction for use by PEB adjudicators and appellate review authorities on the medical aspects of physical disability adjudication, to include the application of the Veterans Administration Schedule for Rating Disabilities (VASRD). Appendix A of this report describes the organizational responsibilities for the DES within the Office of the Under Secretary of Defense (Personnel and Readiness) and the military departments.

In sponsoring this research, the Principal Deputy ASD/FMP also emphasized the role of training, one of many management tools for developing and sustaining the knowledge, skills, and behaviors needed to produce the desired results of the DES in a consistent manner. In addition, by uniformly interpreting and communicating disability policy, training can play a key role in conveying a “consistent policy

¹To avoid confusion with the use of the acronym MEB—which is commonly used to indicate the group of physicians who convene as a board, the narrative summary, and the complete disability case file—we spell out “Medical Evaluation Board” when referring to the group of physicians who convene as a board (including those who pass records among themselves without actually convening a board). We refer to the narrative summary as the “narrative summary” and the disability case file as the “medical board.”
Improving Performance of the DoD Disability Evaluation System

application” message. Consistent policy application is more likely to occur when each primary participant is able to apply the body of knowledge and skills learned in training that are targeted to produce the desired results on a specific job.2

The focus on training within the DES is not new; it dates back at least to the beginning of the 1990s. A 1992 DoD Inspector General Audit Report recommended a joint training program for disability evaluators that includes, as a minimum, line-of-duty (LOD) criteria, presumption-of-fitness determinations, prior-to-service criteria, application of the VASRD, and preparation of documentation to support PEB decisions. The ASD/HA formally replied on February 13, 1992, that the Office of the ASD/HA would develop a joint training program for newly assigned members of the boards composing the DoD DES to promote consistency in the application of the disability separation laws.3 As of this writing, however, the responsibilities outlined in DoD Directive 1332.18 notwithstanding, no such joint program has been developed.

Even in the absence of training standards prescribed by the Office of the Secretary of Defense (OSD) or a program of instruction, the military departments conduct training for primary participants. The Army Physical Disability Agency develops and delivers a training program tailored to the needs of Army adjudicators and invites a limited number of adjudicators from the other military departments to attend. Other Army primary participants aggressively and continuously seek to attend the course as reflected in data from the December 1999 Army Adjudicators’ Training Course, which showed that only two of the 68 attendees represented the target training population of practicing adjudicators. The Army Physical Disability Agency and the Air Force and Department of the Navy Physical Evaluation Boards (all three groups reside within the personnel community) each organize and conduct conferences or seminars designed primarily for their own PEBLOs. Because demand for disability training is high, other primary participants of the DES also attend on a space-available basis, including a limited number of participants from the other military departments.

The following section establishes the context within which this study took place, starting with the findings of the 1992 DoD Inspector General Audit Report.

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2As noted in Chapter 1, this study originally focused on training interventions to achieve more-consistent application of disability policy across and within military departments. As the study progressed, it became clear that consistent policy application is simply one means of improving overall system performance, and it alone is not sufficient for developing comprehensive training recommendations.

3The full text of the ASD/HA response to the report of the Inspector General is as follows: “By 1 March 1992, the ASD/HA will forward a memorandum to the Secretaries of the Military Departments and the President, Uniformed Services University of the Health Sciences (USUHS) requesting the appointment of 2 members from each Service and from USUHS to establish a working group whose responsibility it will be to identify the subject matter for the joint training program. The working group will be established by 1 April 1992. The Center for Interactive Media at the USUHS will develop an interactive video from the subject matter input from the working group. Completion of the training program will require an estimated 12 months. Estimated date of completion of the joint training program is 1 June 1993.”
FINDINGS AND RECOMMENDATIONS FROM PREVIOUS STUDIES OF THE DISABILITY EVALUATION SYSTEM

This section summarizes findings and recommendations from related recent reports that made recommendations similar to the ones in this report. The first two summaries in this section discuss the performance of the DoD Disability Evaluation System. The next two summaries discuss the performance of the Army Physical Disability Agency, and the final summary in this section discusses the performance of the veterans disability compensation programs in the Department of Veterans Affairs (VA).

Medical Disability Discharge Procedures (June 8, 1992)

The DoD Inspector General audited the military departments’ medical disability discharge procedures (Office of the Inspector General, 1992) to determine whether service members identified as medically disabled were expeditiously discharged from the military departments, and to assess the effectiveness of the discharge process and related internal controls. The Office of the Inspector General determined that the DoD disability system was neither efficient nor economical. Disability cases were not processed promptly, and service members were incorrectly rated for their disabilities. The Office of the Inspector General found that OSD guidance was inadequate and the DoD lacked adequate oversight of the disability process.

- In particular, the report noted among other findings that the DoD Directive 1332.18—originally titled Separation from Military Service by Reason of Physical Disability, February 25, 1986—did not contain standard time frames for processing medical boards and evaluation boards and did not provide adequate criteria for rating disabilities and prior-to-service conditions. It also found that military personnel were assigned to serve on PEBs without any training on how to evaluate disability cases.
- High turnover among board members plus the lack of formal training contributed to rating deficiencies.
- Frequently, medical boards did not contain an LOD determination or the statement was inadequate.
- A system did not exist to collect data from the PEBs on how quickly cases were processed or the number of cases for each medical condition.

The DoD Directive 1332.18 was revised and re-titled as Separation or Retirement for Physical Disability, and was reissued on November 4, 1996. The supplemental new DoD Instruction 1332.38, Physical Disability Evaluation, November 14, 1996, specifies standard processing times, as follows, and includes criteria for rating disabilities and prior-to-service conditions:

Not more than 30 days from the date the physician dictates the Medical Evaluation Board Report to the date the Physical Evaluation Board receives the medical board.
Not more than 90 calendar days to conduct a Medical Evaluation Board or physical examination in cases of Reserve component members referred solely for a fitness determination of a non-duty-related condition.

Not more than 40 days from date the Physical Evaluation Board receives the medical board or physical examination report to the date of the determination of the final reviewing authority as prescribed by the Secretary of the military department.

Based on our interviews with the primary participants and our other observations, individuals still to this day are assigned to serve on PEBs usually without the benefit of standardized training on how to evaluate disability cases.

High turnover among PEB members and the PEB approving authorities still exists and formal training is still offered only infrequently. Primary participants from all of the military departments reported that now, as in 1992, medical boards frequently do not contain an LOD determination or the statement is inadequate. By January 1992, the Department of the Navy Disability Evaluation System received funding for a Management Information System (Office of the Assistant Secretary of Defense, Health Affairs, 1992), the genesis of the current Joint Disability Evaluation Tracking System.

Preliminary Functional Economic Analysis (November 1993)

To address the findings of the DoD Inspector General Audit Report (1992), the Office of the ASD/HA convened the Joint Service Disability Working Group to analyze and recommend improvements for the disability evaluation process using the Corporate Information Management (CIM) methodology\(^4\) (Joint Service Disability Working Group and Systems Research and Applications Corporation, 1993). The work group determined that although the medical and disability investigation functions were similar among the military departments and compliant with the law, the implementation of the disability evaluation process differed among the military departments. Of the differences, the work group reported that only one was justified and should be preserved: the difference in fitness and retention standards among the services due to mission requirements.

The work group noted that the future DES should be performance-based and recommended the following actions to achieve the desired performance-based DES of the future:

- The Office of the Secretary of Defense and military departments should
  - issue specific policy guidance
  - cooperate with the VA
  - employ sound business practices.

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\(^4\)The CIM methodology rigidly focuses on a functional process improvement cycle that includes: defining objectives, strategies, and a baseline; analyzing functional processes; evaluating alternatives; planning for implementation; approving proposed changes; executing new processes and systems; and comparing the results with the first stage in the cycle, defining objectives, and other steps in the process.
• Disability Evaluation System leaders monitor system performance, learn from it, and take action based on the performance measures.

The work group developed two alternatives to produce a uniform process across the military departments and timely fitness and disability determinations:

1. Alternative A recommended basic improvements and actions that would simplify the process, such as
   • transfer policymaking to the Office of the Assistant Secretary of Defense (Personnel and Readiness)
   • create a Disability Evaluation Council
   • develop an automated information system with monitoring and reporting capability
   • develop and field education programs.

2. Alternative B, which presupposed Alternative A implementation, included significant functional changes such as eliminating informal reviews not required by law; moving fitness and retention decisions to local (base/post) level; and later moving disability rating decisions to the local level once an automated disability rating “advisor” could be fielded at the local level.

Since the Preliminary Functional Economic Analysis report was published, policymaking has been transferred to the Office of the Under Secretary of Defense (Personnel and Readiness) and the Disability Advisory Council was established. Establishing the Joint Disability Evaluation Tracking System can be seen as an initial effort to create an automated information system capable of both monitoring and reporting.

**Disability Payments to Military Personnel (December 1989)**

In 1988 to 1989, the U.S. Army Audit Agency (USAAA) conducted an audit of disability payments to military personnel (U.S. Army Audit Agency, 1989). Although the USAAA reported that the PEBs properly and consistently adjudicated cases, it also reported problems with case processing time and the ability of the Army Physical Disability Agency to measure system performance so that managers could identify and correct unnecessary delays. The USAAA estimated that delays in case processing cost the Army about $19.4 million in active duty personnel costs annually.

The USAAA recommended that MTFs properly prepare all reports and forms and expedite processing of medical boards. It specifically recommended that the Army Physical Disability Agency

• coordinate with the Office of the Surgeon General and the Total Army Personnel Command to develop processing time standards to cover all key segments in the DES
• develop a standard system for recording and reporting action dates for each key segment of the DES
periodically prepare reports based on data in the information system and disseminate the reports to responsible activities.\textsuperscript{5}

\textbf{Follow-up Audit of Disability Payments to Military Personnel (December 1994)}

In its follow-up audit of the disability payments to military personnel, the USAAA found that problems still existed in the DES (U.S. Army Audit Agency, 1994). The USAAA reported that the Army Physical Disability Agency needed to improve its oversight of disability case processing, clearly define responsibilities for enforcing requirements of the DES, and improve its management information systems. It specifically recommended that the Army Physical Disability Agency

\begin{itemize}
  \item update Army Regulation 635-40 (AR, 1990) to clearly delineate time standards for each segment of the disability process and requirements for activities to monitor the timeliness of case processing
  \item establish quality assurance controls and periodically verify the accuracy of automated information.
\end{itemize}

To date, Army Regulation 635-40 has not been revised.

The USAAA did note that the Army Physical Disability Agency was taking a number of actions to improve its management of the disability process including participating in a DoD study group to review the disability process with all military departments; conducting, along with the Office of the Surgeon General, an analysis of the Army’s disability evaluation system; making arrangements for MTFs to obtain automation equipment; and reviewing its organization structure for more cost-effective business approaches.

The USAAA also reported that processing time was still too high. Although the Army Physical Disability Agency had developed time standards and implemented a measurement system for case processing time, actual case processing times did not decrease. The USAAA noted that the increased number of disability cases due to Operation Desert Shield and Operation Desert Storm may have contributed to timeliness problem.

The USAAA recommended that the Deputy Chief of Staff for Personnel

\begin{itemize}
  \item coordinate with the Surgeon General to develop a plan to reduce processing time
  \item require the Army Physical Disability Agency to periodically report case processing time
  \item monitor case processing performance.
\end{itemize}

In addition, the USAAA advocated that the Surgeon General

\textsuperscript{5}Activities, as used here, is a department term referring to organizations or units.
require that major medical commands include the timeliness of disability case processing in command personnel reviews and inspections

monitor processing time

require doctors to provide reasons for delays

ensure that administrative staff members possess proper knowledge on disabilities.

The Veterans’ Claims Adjudication Commission Report to Congress
Pursuant to Public Law 103-446 (December 1996)

Section 402(e)(2) of Public Law 103-446 called for the establishment of the Veterans’ Claims Adjudication Commission, which examined the performance of disability compensation programs within the Department of Veterans Affairs. The Commission concluded that, in regard to the adjudicative and appellate process and procedures, “the shortcomings of the existing system are many and varied.”

Lack of a clear statement of purpose for veterans’ disability compensation is a huge shortcoming that makes it difficult to both determine performance measures and actually measure performance. Although language in Title 38, U.S.C., and language in VA regulations strongly suggest that disability compensation is intended to compensate for lost earning capacity, and numerous congressional committee reports express similar intent, no clear statement of purpose exists in statute.

The report (GPO, 1996) makes numerous recommendations; however, it emphasizes that no single intervention is likely to impact system performance sufficiently to alter “perceptions that the VA system is failing, is not efficient, and/or does not provide appropriate service to veterans.” The report laments that credible data and long-term analysis of program trends do not support decisionmaking in the VA. It concludes that, among other things, the Congress and Department of Veterans Affairs require objective and contextual information to inform attempts to redesign or improve the VA disability compensation system. Among the many recommendations specified by the commission, the following relate to this report:

- Congress should amend Title 38, U.S.C., to clearly state the purpose of the veterans’ pension program.
- The Secretary of Veterans Affairs should actively support and encourage the efforts of the VA’s Chief Information Officer to execute the Chief Information responsibilities and authorities (that is, establish a management information system capable of monitoring performance and establishing long-term trends).
- Routine analysis of operations should be based on a single set of predetermined performance measures.
- To enhance accountability, the Veterans’ Benefits Administration and the Board of Veterans’ Appeals should incorporate organizational goals and objectives (at the department, administration, and board levels) into individual performance plans.
The Veterans’ Benefits Administration and Board of Veterans’ Appeals should integrate timeliness of processing into their Quality Control and Quality Assurance frameworks.

The next chapter of this report suggests a statement of purpose and a set of desired outcomes for the DoD DES. It explains the organizational setting of the DES and describes the common DES operating system across military departments as well as numerous cases of variability.