VA'S INDEPENDENT LIVING PROGRAM—A PROGRAM REVIEW

HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY (EO)

OF THE

COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

WEDNESDAY, NOVEMBER 13, 2013

Serial No. 113–45

Printed for the use of the Committee on Veterans' Affairs

U.S. GOVERNMENT PRINTING OFFICE

85–870 WASHINGTON : 2014

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2104 Mail: Stop IDCC, Washington, DC 20402–0001

COMMITTEE ON VETERANS' AFFAIRS

JEFF MILLER, Florida, *Chairman*

DOUG LAMBORN, Colorado
GUS M. BILIRAKIS, Florida
DAVID P. ROE, Tennessee
BILL FLORES, Texas
JEFF DENHAM, California
JON RUNYAN, New Jersey
DAN BENISHEK, Michigan
TIM HUELSKAMP, Kansas
MARK E. AMODEI, Nevada
MIKE COFFMAN, Colorado
BRAD R. WENSTRUP, Ohio
PAUL COOK, California
JACKIE WALORSKI, Indiana

MICHAEL H. MICHAUD, Maine, *Ranking Minority Member*
CORRINE BROWN, Florida
MARK TAKANO, California
JULIA BROWNLEY, California
DINA TITUS, Nevada
ANN KIRKPATRICK, Arizona
RAUL RUIZ, California
GLORIA NEGRETE MCLEOD, California
ANN M. KUSTER, New Hampshire
BETO O'ROURKE, Texas
TIMOTHY J. WALZ, Minnesota

JON TOWERS, *Staff Director*

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY (EO)

BILL FLORES, Texas, *Chairman*

JON RUNYAN, New Jersey
MIKE COFFMAN, Colorado
PAUL COOK, California
BRAD R. WENSTRUP, Ohio

MARK TAKANO, California, *Ranking Minority Member*
JULIA BROWNLEY, California
DINA TITUS, Nevada
ANN M. KIRKPATRICK, Arizona

Pursuant to clause 2(e)(4) of Rule XI of the Rules of the House, public hearing records of the Committee on Veterans' Affairs are also published in electronic form. **The printed hearing record remains the official version.** Because electronic submissions are used to prepare both printed and electronic versions of the hearing record, the process of converting between various electronic formats may introduce unintentional errors or omissions. Such occurrences are inherent in the current publication process and should diminish as the process is further refined.

CONTENTS

November 13, 2013

	Page
VA's Independent Living Program—A Program Review	1

OPENING STATEMENTS

Hon. Bill Flores, Chairman, Subcommittee on Economic Opportunity (EO)	1
Prepared Statement of Hon. Bill Flores	23
Hon. Mark Takano, Ranking Minority Member, Subcommittee on Economic Opportunity (EO)	2

WITNESSES

Daniel Bertoni, Director, Education, Workforce, and Income Security, U.S. Government Accountability Office	3
Prepared Statement of Mr. Bertoni	24
Margarita Devlin, Acting Director, Vocational Rehabilitation and Employment, Veterans Benefit Administration, U.S. Department of Veterans Affairs	8
Prepared Statement of Ms. Devlin	31
Richard C. Daley, Associate Legislation Director, Paralyzed Veterans of America (PVA)	15
Paul R. Varela, Assistant National Legislative Director, Disabled American Veterans (DAV)	17
Prepared Statement of Mr. Varela	34

SUBMISSION FOR THE RECORD

U.S. Government Accountability Office	37

VA'S INDEPENDENT LIVING PROGRAM—A PROGRAM REVIEW

Wednesday, November 13, 2013

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY,
Washington, D.C.

The Subcommittee met, pursuant to notice, at 2:32 p.m., in Room 340, Cannon House Office Building, Hon. Bill Flores [Chairman of the Subcommittee] presiding.

Present: Representatives Flores, Runyan, and Takano.

OPENING STATEMENT OF CHAIRMAN BILL FLORES

Mr. FLORES. Good afternoon. The Subcommittee will come to order. I want to begin by thanking my friend Mr. Takano for participating in the two field hearings we held last week in Riverside, California and in Waco, Texas. I know I found them to be very informative, and I thank the Ranking Member for his assistance in making them a great success, along with the staffs for both sides that did a great job of putting this together.

We are here today to conduct an oversight hearing on the Vocational Rehabilitation and Employment Service's independent living program. This program provides a wide array of services to the most severely wounded and disabled veterans who have disabilities that preclude them from working, but who can still use VA services to help them achieve a higher level of independent daily living. Our hearing today will focus on three major objectives: the results of a Government Accountability report on the independent living program that this Subcommittee requested last Congress; second, VA's steps to implement the recommendations of this report and other steps they are taking to improve the performance of the independent living program; and third, the view of this program at the local level from our veterans service organization partners, and how they believe we can better assist our most severely disabled veterans achieve maximum daily living.

While I am encouraged that the recent GAO report found that 89 percent of the veterans in their study eventually completed their independent living plans, they also found that there is increased need for oversight in this program. For example, when VA is unable to track simple performance metrics like counting in realtime the number of veterans in the independent living program, or provide an aggregate number of the types of benefits being provided to veterans through the program, something is not like it should be. I do not fault the VA's central office for many of these problems. I believe most of these issues stem from a lack of attention and re-

sources that are provided to the VR&E Service by the Veterans Benefit Administration.

GAO found that VR&E's computer tracking system is in serious need of an upgrade. But as GAO has mentioned in their written statement, VR&E officials do not expect to receive the funding needed for this upgrade for another three years. While I know that VBA is transfixed on improvements to the Veterans Benefit Management System, or VBMS, as we call it around here, to bring down the disability backlog, they cannot continue to drop the ball and lose sight of the fact that other important programs that serve our veterans need assistance as well. We saw this earlier this year when we had our hearing on the long term solution for G.I. Bill benefits where a simple investment could finish the job once and for all. The resources were transferred to adjust the disability backlog.

Congress has never turned down VA's request for funding to improve computer systems which will help veterans and strengthen oversight. I hope to learn more about VA's plans to update their systems during this hearing.

One other area that GAO has discussed in their report is the need to review cost controls and approval authority for large expenses within the independent living program. This point was crystallized by the revelation that a VA central office review was not needed for a VR&E office at the local level to authorize about $17,000 to be spent on a fishing boat motor and a trailer for a disabled veterans. I understand that learning to fish can certainly improve a veteran's independence and quality of life, but I think we can all find better ways to do this than to buy a $17,000 boat.

I believe that this program has the ability to greatly improve the lives of veterans, but more work needs to be done to assure efficiency, improve performance, and to assure transparency through oversight.

With that, I recognize the Ranking Member for his opening remarks.

[THE PREPARED STATEMENT OF HON. BILL FLORES APPEARS IN THE APPENDIX]

OPENING STATEMENT OF HON. MARK TAKANO

Mr. TAKANO. Thank you, Mr. Chairman. And I too appreciate the opportunity to work with you during the work session on our field hearings. In particular, I did enjoy the testimony of many of the witnesses in Waco on entrepreneurship. And I hope we can work together to improve entrepreneurship for our veterans.

We are here today to find out how well the independent living services program at the VA is serving America's wounded warriors as they recover from their injuries, set goals, and work toward independent living. We will hear testimony from the VA Vocational Rehabilitation and Employment Program, and from two veterans service organizations whose primary mission is to serve the needs of disabled and paralyzed veteran servicemembers. We will also hear from the GAO, which has reviewed the program in detail and has made some clear recommendations.

Of particular interest to me, are the VR&E plans to coordinate better with the Veterans Health Administration, so independent living counselors can meet the individual needs of each veteran. Because they are working with the most updated and accurate medical information technology can provide on each one.

So thank you, Mr. Chairman, for scheduling this hearing today. And thank you to the witnesses and others for being here. I look forward to your testimony and to your answers to our questions.

Mr. FLORES. I thank the Ranking Member. I now would like to introduce the witness for our first panel. With us today is Mr. Daniel Bertoni with the U.S. Government Accountability Office. Mr. Bertoni, you are now recognized for five minutes.

STATEMENT OF MR. DANIEL BERTONI, DIRECTOR, EDUCATION, WORKFORCE, AND INCOME SECURITY, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Mr. BERTONI. Thank you. Chairman Flores, Ranking Member Takano, Members of the Subcommittee, good afternoon. I am pleased to discuss the Department of Veterans Affairs Vocational Rehabilitation and Employment Programs independent living track which provides support and services to help veterans with disabilities live more independently when employment is not feasible. Last year, almost 3,000 veterans receive independent living assistance.

My testimony is based on our June, 2013 report, discusses the characteristics of independent living track veterans and benefits received, the extent to which their plans were completed, and VR&E's management and oversight role.

In summary, of the 9,215 veterans enrolled in the independent living track from fiscal years 2008 to 2011, 67 percent were male, including Vietnam-era veterans in their fifties and sixties. Nearly 60 percent served in the Army. Less than one percent served in the National Guard or Reserves. The most prevalent disabilities among these veterans were PTSD and tinnitus, and more than three-quarters had a disability rating of at least 60 percent.

VA has broad discretion in determining the types of independent living services it provides, and our work shows that a wide range of goods and services were involved. Counseling services and computers were most common. However, other services include the installation of ramps to improve home accessibility, and the purchase of gym memberships, camping gear, kitchen appliances, lawn tractors, snow blowers, and a motor boat and trailer.

We estimate that VA spent nearly $14 million in benefits for those entering the IL track in fiscal year 2008. While the average cost was about $6,000 per veteran, per person totals ranged from $20 to over $33,000 for a veteran. About 89 percent of veterans were deemed by VA to be successfully rehabilitated. That is, to generally have completed their independent living plans which outlined the veterans' goals. About five percent were closed because plan goals were not met, and six percent remained open.

Due to variations in case complexity, some plans were fairly easy for VA to close as rehabilitated, for example, by installing wider doors and bathtub rails, others were more difficult because they required a wide range of supports and services. Thus rehab rates var-

ied across regional offices, ranging from 49 percent to 100 percent, with offices with larger case loads experiencing greater success.

While veterans' independent living plans were completed in 384 days on average, completion times also varied by region from a low of 150 days to a high of 895 days.

We identified several areas where VR&E exercises limited management oversight. First, regional counselors were not consistently compliant with certain case management requirements, such as coordinating with VHA staff in securing health services for veterans. Thus some benefits were delayed, or VR&E provided benefits that should have come from VHA. We have recommended that VA explore options to improve coordination between VR&E and VHA regional personnel.

We also found that VR&E's processes for reviewing and approving independent living expenditures may not be sufficient as regions were permitted to purchase a range of items without central office approval, some of which were costly, including $17,500 for a motor boat and trailer, and nearly $19,000 for a riding mower. We have recommended that VA consider enhancing its review and approval process for independent living expenditures.

And finally, VR&E's case management system does not collect information on independent living costs, type of benefits purchased, and other data that could help ensure more consistent oversight. The agency also lacks accurate data on the number of veterans served. While current law allows VR&E to serve up to 2,700 veterans annually, the data used to monitor this cap are based on the number of plans developed, not on the number of actual veterans enrolled. Thus veterans with more than one plan are counted multiple times toward the cap, and VR&E lacks accurate information on the number being served at any given time. We have recommended that VA modify its systems to address this deficiency.

In conclusion, the independent living track provides a broad range of supports and services to veterans. However, stronger central office oversight is needed to ensure program requirements are met, cases are administered consistently, expenditures for goods and services are appropriate, and critical data is collected. This will be increasingly important over the next several years, as more servicemembers transition to civilian life and veteran status, as the current veteran population ages, and as demand for services likely grows.

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

[THE PREPARED STATEMENT OF DANIEL BERTONI APPEARS IN THE APPENDIX]

Mr. FLORES. Thank you, Mr. Bertoni. I will now recognize myself for five minutes for questions. Can you give us a little bit more information surrounding the case you reviewed where the VR&E officer approved the $17,500 for the boat and the trailer?

Mr. BERTONI. Yes. I anticipated I might get a question on that, so yes.

Mr. FLORES. Let me expand on it a little bit, too. I mean, I am not trying to ask you to put yourself in the mind of the VR&E offi-

cer. But can you tell me what their logic was for approving an expenditure like this?

Mr. BERTONI. I believe the case was a primarily PTSD claim, where the individual was suffering from some degree of social isolation. And that person in prior times was a fisherman, you know, so had a boat. But the current boat, to use their words, rotted away and he no longer had one. So the request was put in. At some point through the evaluation process, the VRC, vocational rehabilitation counselor, determined that that was one of the therapies or services the person would benefit from.

We are not questioning that. I mean, we are not professionals in counseling, and we are not psychologists. Our point is that it is a substantial expense. It piqued our interest and some folks would say it potentially stretches the bounds of what this program is set up to do, or the services that should be provided. In our view, and from a basic internal control standpoint, when you are talking about expenditures in that amount, there should be another set of eyes on that and some concurrence that that is an appropriate strategy.

Mr. FLORES. Do you think they looked at alternatives, like maybe transportation to take him to a fishing pier? Or anything like that? Or did your study go that deep?

Mr. BERTONI. I cannot speak to that. I think it is a possibility. They have to ask a range of questions. They have a pretty extensive questionnaire where they walk through many aspects of the person's life and how they might meet their needs.

Mr. FLORES. Okay. Thank you. Can you talk about, one of the things you found in your study, there is a wide variability from region to region in terms of the numbers, and how effective this is. Can you tell us what your findings were in terms of the findings about the variance in independent living from one region to another?

Mr. BERTONI. Sure. Well we visited five regions, so we have a direct boots on the ground perspective from the folks there and what they are doing, and the level of effort and the outreach going on in each of those locations. But like I said from just a sheer numbers standpoint, we did see considerable variation in the numbers of IL plans, IL participants across the regions. We mentioned Montgomery, Alabama with over 900 cases, and the Boston, Massachusetts office with eight. And it was somewhat perplexing in that they have similar concentrations of veterans in that state and in that area.

Mr. FLORES. And when you peeled back the layers of the onion, did you find any reason for that? I mean, did you, I mean, is there anything that came out in your study as to why one region would have a lot higher——

Mr. BERTONI. A little bit. I mean, we could take this only so far as we could take this and still get you a product in a reasonable amount of time. But we think we placed a lot of good data and observations on VA's doorstep to peel back the onion even further. But I would say, you know, variation can be due to a lot of things. They talked about specialized care in some areas, so maybe veterans were going to other places in these areas. We did speak to some folks on the ground and they talked about sort of outreach

and activism from the veterans service representative community. So there are a range of factors. I think that is something that we would ask VR&E to delve further into. We just could not go very far in this review.

Mr. FLORES. And can you elaborate on your recommendation that the VR&E coordinate better with the VHA and other parts of VBA to reduce overlap and improve performance?

Mr. BERTONI. Sure. In the course of our case file review, we noticed instances where there seemed to be a coordination or communication breakdown between VR&E and VHA staff. Where referrals were being sent and not answered, VR&E staff, having to, at some point move ahead, provide the service that appeared to be a medical service that probably would be best provided by VHA but ultimately VR&E provided that service. Also in our visits to the region it was a fairly consistent theme that this cooperation and coordination could be improved. Beyond that, we felt there was enough evidence to ask central office to look at how this can be improved, whether it be with training, or additional instructions, fast letters, etcetera.

Mr. FLORES. Okay. Thank you, Mr. Bertoni. I now recognize the Ranking Member for five minutes.

Mr. TAKANO. Thank you, Mr. Chairman. Mr. Bertoni, in your estimation, was VA ever at risk of exceeding the 2,700 cap?

Mr. BERTONI. At risk? Well the data shows that in the four years that we looked at, they had not exceeded it. I do not know, I mean, some have said that the agency has slowed or held cases back towards the end of the year. We did not, that was not part of our scope. We do know that they did not get close to that cap in any given year since 2008. Our concern is that the data that they are using to monitor the cap is inaccurate. They are counting plans, not people. We found 408 veterans that had more than one plan, some of them had three, some of them had four plans. And they were counting these people, these plans as people. So in excess of 500 veterans were included in this caseload when this number of veterans really did not exist, they were plans. So right now, they are severely overcounting.

Mr. TAKANO. So my next question is——

Mr. BERTONI. I should not say severe, they are overcounting.

Mr. TAKANO. Your answer may have just answered my next question, which was, did veterans, any veterans, miss out on getting independent living services because the VA counts plans instead of veterans served?

Mr. BERTONI. Regardless of how you count, whether you are counting plans or people, because they were under the cap, I would say, any veteran who asked and was eligible for the program likely did not. You know, they did not ever hit the cap where they had to officially turn anybody away. Our concern, is that should we get an influx of new veterans, we have about a million veterans coming back over the next several years, should you get that influx, you could have a lot more folks vying for these services and you could approach that cap. And you should at least have accurate data on how many veterans you are serving.

Mr. TAKANO. Well related to that data, should the VA update the CWINRS or develop a new IT program?

Mr. BERTONI. Absolutely, we have a recommendation. CWINRS, which is a case management system that might not be the best vehicle to do this with. But some systems enhancements need to occur in terms of tracking the types of benefits being provided, the costs of those benefits, and also they need to build in better edit checks into the system. So information is consistently entered, and they know exactly what they are providing.

Mr. TAKANO. Can you help me—thank you for that. Can you tell me what limits there are to the type of services or goods that can be provided by the IL program?

Mr. BERTONI. Pardon?

Mr. TAKANO. What limit to the type of service or goods that can be provided by the Independent living program?

Mr. BERTONI. Under the current law it is, I believe it says something to the effect whatever the Secretary deems necessary and appropriate. So it is a wide open——

Mr. TAKANO. So it is wide discretion?

Mr. BERTONI. Wide discretion, absolutely. And if you look at our report, we looked at 182 cases. We listed every service provided in our report, it is in the back. It is a broad range of services that were provided some of which, like I said, piqued our interest.

Mr. TAKANO. We went over the example of the trailer and the boat. But have all goods and services provided to veterans been beneficial to the veteran as far as you can tell?

Mr. BERTONI. That is difficult to say. I guess, you know, I would have to look at the specific case to determine why a snow blower would be beneficial; why a double oven would be beneficial. It would have to be on a fact and circumstances basis, going in and looking at the rationale as to why this person received this service. I cannot say whether everyone benefitted. It is somewhat subjective. And to make that link between if I give this person a boat, a snow blower, or some other lawn mower, how does that translate to greater independent living? That is the sort of subjective area that was difficult for us to sort of delve into.

Mr. TAKANO. Okay. Mr. Chairman, thank you. I yield back.

Mr. BERTONI. Thank you. Mr. Runyan, you are recognized for five minutes.

Mr. RUNYAN. Thank you, Mr. Chairman. Mr. Bertoni, when you conducted the study, did you get a sense of what the participants' view of the program was? And do they believe that the goals that the VA set truly led them to rehabilitation?

Mr. BERTONI. We did not directly speak with participants in the programs. We did speak with VSOs. I think the VSOs believe that this is a worthwhile program; that it provides a lot of worthy services. Again, whether everything that is being done translates to greater independence in terms of living in the community, that linkage, that causal linkage is in my view difficult to establish.

Mr. RUNYAN. Does the VA track that on the back end?

Mr. BERTONI. Well they have criteria. Basically, their criteria for a successful rehabilitation is that the person met all the goals in their plan. I will give you an example. The New York office gives 90 percent of IL participants a computer and computer lessons. If you purchase the computer, you take the lessons, they check you off as being rehabbed and you are down the road. Have you

achieved greater independence? I do not, you know, I cannot say. All I know is that this constitutes success to VA. And they have a 93 percent success rate.

Mr. RUNYAN. That kind of answered my next question, discussing how hard it is to track the rates. And I know, I think just by what you just said there, that it is another subjective area. That, you know, your instance of using the computer, does that do anything once they have completed that?

Mr. BERTONI. I will give you another example. I think the Hartford, Connecticut office, the same thing. 90 percent of individuals receive a computer and computer training. They have a 99 percent success rate. It seems a fairly straightforward, simple plan. We saw variation in the plan. Some very narrow, some very complex. And you wonder at some point if, have these counselors figured out, hey, if I go too complex it is going to kill my performance goals. If I keep it narrow I am going to do better in terms of the performance goals. So there is always potential perverse incentives when you introduce performance goals. But if you look at the St. Petersburg office and their emphasis is on volunteer services. Getting people interacting within the community, substantively, you know, participating. And you would think that would be difficult, more difficult than a computer, definitely more complex, and it probably is. And their rehab rate is 78 percent. Is that bad? Are they doing a bad job? You have to look at what they are offering, and, you know, the substance of these plans. And we think that is something that VA, VR&E, based on what we found, the next generation of their analysis, that is where they should be looking.

Mr. RUNYAN. Thank you. Chairman, I yield back.

Mr. FLORES. Thank you, Mr. Runyan. If there are no other questions, Mr. Bertoni you are excused. Thank you for your appearance today and we appreciate the insight that you shared with us.

With that, we will bring up the second panel.

Mr. BERTONI. Thank you.

Mr. FLORES. On our second panel we have Ms. Margarita Devlin, who is the Acting Director of Vocational Rehabilitation and Employment Service of VA. Ms. Devlin, you are now recognized for five minutes. Thank you for joining us today.

STATEMENT OF MS. MARGARITA DEVLIN, ACTING DIRECTOR, VOCATIONAL REHABILITATION AND EMPLOYMENT, VETERANS BENEFIT ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS

Ms. DEVLIN. Mr. Chairman, Ranking Member, and Members of the Subcommittee, thank you for inviting me to appear before you today to discuss the independent living services provided by the Department of Veterans Affairs Vocational Rehabilitation and Employment Program, or VR&E. The primary mission of the VR&E program is to assist servicemembers and veterans with service-connected disabilities to prepare for, find, and keep suitable jobs. For those with service-connected disabilities so severe that they cannot immediately consider work, the VR&E program offers independent living, or IL, services to improve their ability to live as independently as possible.

Through an initial vocational assessment, a VBA Vocational Rehabilitation counselor evaluates an individuals' interests, aptitudes and abilities and determines entitlement to a program of services. Many individuals with severe disabilities are able to prepare for employment and independent living services may be provided as part of their employment plans. My testimony today, however, will focus on those individuals whose disabilities are so severe that they cannot consider employment and their total rehabilitation plan is focused on independent living services.

To be eligible for a program of solely IL services, a veteran or servicemember must have a minimum of 20 percent service-connected disability rating; have a serious employment handicap; and have a determination by a counselor that employment is not feasible for them. If IL needs are identified during the course of our preliminary IL assessment, the counselor will conduct a more comprehensive IL assessment, usually in the individual's home. Following these assessments, the individual may be provided IL services if he or she has limitations that impact daily living activities, can benefit from independent living services, and can be expected to maintain achieved gains in independence after services have ended. The number of new IL cases is currently limited to 2,700 per fiscal year.

IL services are outlined in an individualized plan of services which may include assistive technology, adaptive equipment, IL skills training, improved access to the home and community, assistance with finding appropriate volunteer activities, services to decrease social isolation, and assistance in accessing services from VA and non-VA service providers. A counselor develops the plan of services and provides assistance and support to enable the individual to achieve his or her IL goals.

In June 2013, GAO completed a study of VR&E's IL services and made three recommendations based on their findings. In their first recommendation, GAO recommended that VBA work with the Under Secretary for Health to enhance coordination to ensure IL track veterans needs are met by VHA in a timely manner. VA agrees with this recommendation. VBA and VHA have been working on a project to automate medical and dental referrals for VR&E participants through the CAPRI system. Using an automated referral system rather than a paper based system will expedite services and allow for better tracking of referrals. The systems enhancements are complete and a pilot of the new capability began in September of 2013. Upon completion of the pilot, VBA and VHA intend to move towards national implementation of the new automated process.

GAO's second recommendation focused on implementing an oversight approach that enables VR&E to better ensure consistent administration of the IL track across regions. VBA is exploring whether or not we have capability, under our current system, to generate ad hoc reports that will address data needs in this area. VBA will also consider preparing business requirements for enhancements to CWINRS, VR&E's case management system, for implementation in future years.

GAO's third recommendation was to reassess and consider enhancing the agency's policy concerning the required level of ap-

proval for IL track expenditures. VBA finds merit in reassessing the current policy to identify areas that can be strengthened. Existing policy includes multiple levels of cost threshold approvals, but there may be room to improve consistency in determining the types of IL goods and services veterans receive. With the assistance of contractor expertise, VBA is conducting a detailed review of the IL program to include benchmarking against other programs. An initial report is scheduled to be completed in the first quarter of 2014, and VBA will use the results of this study to determine the best way to implement GAO's recommendation.

In conclusion, VR&E's IL services are designed to meet the rehabilitation needs of veterans and servicemembers with severe disabilities. Given this special target population, those men and women who sacrificed so much for our country, VR&E is dedicated to ensuring that our services prove very effective in improving their independence and daily living. We have developed advanced training, we have conducted significant oversight, and constantly seek to improve the services we provide.

Mr. Chairman, this concludes my statement. I would welcome any questions you might have.

[THE PREPARED STATEMENT OF MARGARITA DEVLIN APPEARS IN THE APPENDIX]

Mr. FLORES. Thank you, Ms. Devlin. It sounds like you have been pretty proactive in dealing with the GAO report. The Subcommittee appreciates that. To follow up on one of the areas I did not hear you address, or maybe I missed it, as Mr. Bertoni said there was wide variance in the implementation of the IL program from one area to another. What sort of a response do you have about that? I mean, what are the underpinnings of that from your perspective?

Ms. DEVLIN. VA has actually been looking at that issue for several years. Starting in 2011, we conducted a review of the percentage of stations' workload that focused solely on independent living cases. Typically, the percent of independent living workload nationally is about two and a half percent. So what we did was look at which stations fell well below the two and a half percent mark. We also looked at stations that were considerably higher than the national average, and we did special reviews of their IL files. We also reviewed in those stations with historically lower utilization, the applicants to the program in general, because veterans do not apply to the independent living program, they apply to the VR&E program and then they receive a track of services based on their needs. So we looked at cases where veterans had applied and not received any services to see if any veterans might have been turned away that could have benefitted from independent living services.

We found no instances where veterans had been turned away who should have received independent living services in any of those stations. If anything, we found procedural areas for improvement, and we recommended training or other corrective actions for those stations. But we did not find turning away of veterans who should have been provided services.

So VA is embarking on an outreach plan in 2014 because we do feel that there is some merit to a finding that stations with increased outreach in independent living services receive increased

demand for those services. So we are embarking on that in 2014, specifically targeting those offices where there is low utilization to try to increase awareness of services.

Mr. FLORES. Okay. It also sounds like there was wide variability in terms of the services that are provided, or services is not the right word, but the modalities that were used from one area to another in terms of trying to deal with veterans to help them achieve that maximum level. What does the agency do to share best practices from one area to another? Or do you have a program like that to share best practices?

Ms. DEVLIN. We do. In fact the study that we are conducting currently with the help of a contractor is really looking at every single station and conducting a survey of all staff across all stations, and giving us feedback and recommendations for possible improvements in consistency. I also want to just point out the fact that the independent living program is very tailored to a specific veteran's individual needs. And as you look at the regions in which they live, whether it is primarily a big city type of an environment versus a rural environment, they might have very different needs. So that is another factor to consider.

Mr. FLORES. Okay. With that I, let us see, I think I do have one more question. Tell us a little bit more about the training modules that VR&E has created for the independent living program, and in particular, do these modules have testing requirements at the end of the training? And what repercussions will there be if a VR&E counselor does not complete these modules by the end of fiscal year 2014?

Ms. DEVLIN. We have multiple trainings around the independent living program. For new voc rehab counselors that come into VA there is a two-hour, self-paced course. It is a new counselor training performance support system that includes two hours of independent living training. In September of 2013, we also conducted a one-hour extra training session on independent living. The TPSS, the Training Performance Support Systems, do include testing during the course of the module and the tests have to be passed. If the test is not passed, the counselor must go back and relearn or retake the module until they can pass the test. Also in September of 2013, we deployed a 15-hour advanced independent living training performance support system module and that will be for all counselors who have completed the precursor, which would be the new counselor training. All counselors will be required to take this 15 hour advanced independent living training, which also includes tests throughout the modules.

Mr. FLORES. Okay. My next question will take a little bit longer. I think what we will do is, we will just have a second round. And with that, I would recognize the Ranking Member for five minutes.

Mr. TAKANO. Thank you, Mr. Chairman. Ms. Devlin, has the VA ever slowed applications to the independent living program with the intent of not exceeding the cap?

Ms. DEVLIN. We have not even come close to the cap in many years. I do know that there was one year where we came close and we did ask all regional offices to send their requests for independent living programs up to VA central office for review and approval in the event that we did hit the cap and would need to

prioritize the more severely disabled individuals first. And so those, while we did not slow it down, we did turn the approval process over to VACO to ensure that we could monitor it more closely.

Mr. TAKANO. Is it true that each plan made by the VA for veterans counts toward, well I think you have answered this question, it is true that a plan by the VA for veterans counts toward the mandatory cap even though a veteran may have more than one plan? Is that right?

Ms. DEVLIN. That is correct, although it is rare that a veteran would have more than one plan in the same fiscal year.

Mr. TAKANO. Do you think that there would be more participation in the program if the cap were removed? You say you have not come close to it. But is there any sense that that cap inhibits participation?

Ms. DEVLIN. I think that it is something that we carefully monitor, and the counselors in the field are very well aware that we monitor it. We do inform the field if we are getting close to the cap. If that does happen, it is usually not until the end of the fiscal year. However, I would say as we conduct our outreach efforts in 2014, I would anticipate a higher demand for independent living and we would have to reassess it as we go through the year to see if we get close to the cap.

Mr. TAKANO. Some of the veterans service organizations have complained that it takes VA a long time to provide home modifications to terminally ill veterans. Is this a policy that is under review? And does it take the VA a long time to approve such modifications?

Ms. DEVLIN. I am not aware of such delays. However, anytime a veteran has significant circumstances that would require expeditious service, and if the counselor is made aware of that, for example terminally ill veterans, we would certainly expedite to the greatest extent of our capability. Construction can take time by the mere fact that it is construction, and to be done right, it would take some time. But the approval process should not be delayed and in fact can be expedited. We have expedited cases in the past for such reasons.

Mr. TAKANO. Okay. As I asked Mr. Bertoni, the issue of the IT needs, and he cited the inadequacy of data. In your view, is CWINRS meeting all of the IT needs for the independent living program?

Ms. DEVLIN. There is always room for improvement with any IT system. We are looking at possible modifications to the system to enable us to put tighter controls and more careful monitoring on IL expenditures. And we are looking at that for future years.

Mr. TAKANO. So you do not have any more specifics about the plan now to share with the Committee?

Ms. DEVLIN. We do not have all of those requirements identified yet. However, what we have done is look at whether there are fields within the current system that can be used to more carefully monitor those expenditures through ad hoc reports. So what we are looking at now in terms of expediting a possible implementation, is what can we do with the current system as it stands today, while we develop our requirements for the future.

Mr. TAKANO. Mr. Chairman, thank you and I yield back. And I am going to have to depart early.

Mr. FLORES. Okay. Thank you, Mr. Takano. Mr. Runyan, you are recognized for five minutes.

Mr. RUNYAN. Thank you, Mr. Chairman. Ms. Devlin, just kind of going back into oversight. In the report, it says with 57 regional offices, VR&E is doing about 12 site visits a year. That means that each RO is only being visited about once every five years. Do you believe that that is an effective way to track performance? And should you be conducting more site visits?

Ms. DEVLIN. The site visits that VR&E conducts are just one part of our oversight for independent living and for the other tracks of our program. We also conduct specialized quality assurance reviews of CER files, which is the veteran's Counseling Evaluation and Rehabilitation file. We conduct special reviews specifically for independent living cases above and beyond our standard quality assurance, which is done as a random sample of all cases in all tracks. So in addition to the 12 site visits, we conduct regular quality assurance reviews and specialized independent living reviews throughout the year. We also do targeted reviews, as I mentioned earlier, where we look at stations that have historically low or high utilization of IL by doing targeted pulls at those stations to ensure that they are following proper procedures.

Mr. RUNYAN. Now you touched on this, I think when answering one of the Chairman's questions. But there is a, in different ROs, there is a huge variation in days to complete their goal. Is that because of what the actual task or the modality is? Or is it something internally within that structure and that region and who is running that program?

Ms. DEVLIN. There could be a variety of reasons for the length of time that a veteran takes to complete his or her program. It could be in part because of the services provided, some of those services might require lengthier periods of service delivery. It could also be in part because of the veteran's own circumstances and needing to take time off from participating in the plan due to family or medical issues. But the primary reason, I would say, would be because of the type of services provided.

Mr. RUNYAN. And kind of in the oversight kind of realm, understanding that it can be difficult to meet with each IL participant every month, has the VA utilized other technologies such as Skype or video conferencing as an alternative to face-to-face communication?

Ms. DEVLIN. We are actually working on that now. We have conducted a pilot to test secure video technology to allow the counselors to conduct some of their sessions with veterans by video counseling. That pilot has gone really well. Veterans have reacted very well to it as well as our counselors. We are now in the process of determining how we would deploy that nationally beyond a pilot.

Mr. RUNYAN. Thank you, Chairman. I yield back.

Mr. FLORES. Thank you, Mr. Runyan. I would like to have a round of follow up questions, if I could. The GAO report stated, and as you acknowledged, the CWINRS IT system has some shortcomings. In particular, its tracking performance of the VR&E participants is flawed and, you know, because it is counting plans in-

stead of participants. Are there any other limitations that you became aware of as a result of the GAO's report? I mean, you talked about the expense tracking. Anything else that we need to know about?

Ms. DEVLIN. We are always looking for opportunities to improve the system. So anytime an audit, whether external or internal is conducted, we are always looking for opportunities to improve the system. More recently, one of the changes that we made just in the last quarter of 2013, is to change how our case status system progresses. A veteran who is in the independent living program, for example, and because of changes in circumstances, disability conditions, or anything else that might change that veteran's life during the course of participating in the program, they might need to redevelop their plan. And so in order to redevelop that plan, in the past, we had to move the case to a different status and then reroute it back into independent living status. And so it would look like there were two plans, when in effect, it was one veteran really just getting their plan adjusted for their new services.

The change that we made, which just went into CWINRS, is to make it more of a linear process. So that once the veteran enters independent living program status, they stay in that status, even if their services change.

Mr. FLORES. Okay. In terms of making improvements to VBMS, the changes that we talked about that would improve these systems, you were non-specific as to timing. I mean, I would like to press on you a little bit. What is the timing of trying to make these changes?

Ms. DEVLIN. We hope to actually capitalize on the VBMS system because it is paperless, and VR&E is currently a very paper intensive organization. We have paper files and very little of the veteran's progress is recorded in the IT system. So one of the things we want to do is be strategic about our progression and actually capitalize on the VBMS system. We need to build requirements that will not create a separate system that does not communicate with VBMS. We are very reliant on Compensation service-connected disability decisions. Therefore, it would behoove us to make sure that we capitalize on the VBMS system and build a system that would work with it, as opposed to separate from it.

Mr. FLORES. So what is the best prediction you could give me today as far as timing? I know you do not want to answer that, so——

Ms. DEVLIN. Well the budget cycle works in two-year cycles. So we would hope that in the next two to three years, we would be able to implement these changes.

Mr. FLORES. Okay. If we were to help VA make this a priority, how quickly could you get this done if we, you know, Congress said, hey, we think you need to make this a priority. What is the fastest track that you could see this happening?

Ms. DEVLIN. Well with any IT development, we would need to acquire the services of a qualified contractor to——

Mr. FLORES. Not CGI, though.

Ms. DEVLIN. Sorry?

Mr. FLORES. Not CGI.

Ms. DEVLIN. I would have to take that for the record and see how long it would take us to implement those changes.

Mr. FLORES. Okay. If you could respond supplementally, that would be great. And then my last minute and 27 seconds, the question that you have been anxiously awaiting for, can you walk us through what you think was going on in the mind of the VR&E counselor that approved the boat and the one that approved the lawn mower?

Ms. DEVLIN. So not having the details of those cases before me, I can only speak to the general principles that I would see as appropriate behind those cases. If a veteran, because of disability conditions, can no longer conduct the basic care of their home, for example taking care of their lawn, it is conceivable that we would want to help that veteran to not have to rely on family members or on other people to help them accomplish those tasks. And if they did not have the equipment to perform those tasks, we might want to help them attain that equipment.

Similarly, with the boat, I can only say that if the veteran previously used to have an activity of fishing that was enjoyable and actually helped them with their symptoms of PTSD by lessening those symptoms, and now they can no longer perform those activities, I would imagine the counselor was trying to return that veteran to sort of a pre-disability condition; a pre-disability condition status of being able to have meaningful activity in their life and reduce their symptoms.

Those cases were actually from 2008. Since 2008, we have actually implemented a multitude of different procedures that would change the way those cases were handled today.

Mr. FLORES. Okay. Mr. Runyan, would you have any questions? Okay. Thank you, Ms. Devlin for your testimony. I appreciate you coming up with, being proactive and responding to the GAO report. You are now excused.

We are going to invite our third panel to the witness table at this point. On this final panel, we will have Mr. Richard Daley with Paralyzed Veterans of America and Mr. Paul Varela with Disabled American Veterans. Mr. Daley, when you are ready we would like to recognize you for five minutes.

STATEMENTS OF MR. RICHARD C. DALEY, ASSOCIATE LEGISLATION DIRECTOR, PARALYZED VETERANS OF AMERICAN (PVA); AND MR. PAUL R. VARELA, ASSISTANT NATIONAL LEGISLATIVE DIRECTOR, DISABLED AMERICAN VETERANS (DAV)

STATEMENT OF RICHARD C. DALEY

Mr. DALEY. Chairman Flores, Members of the Subcommittee, Paralyzed Veterans of American thanks you for the opportunity to present our views on the VA's Vocational Rehabilitation and Employment Programs independent living service. PVA appreciates that you are reviewing the program intended to help veterans that sustain serious disabilities that may inhibit their progress as they begin or continue their rehabilitation. We support the Committee's concern and effort as it recommends and approves that the men and women who have honorably served their Nation are making an effort to transition back to the civilian world.

Information from the recent GAO report highlights some issues that will require attention and continued oversight of this important VA program. The independent living program was established by Congress in 1980 as part of Vocational Rehabilitation and Employment. Although employment for the veteran should be a goal for VR&E, those veterans with serious disabilities requiring extensive rehabilitation before considering employment, or who may never be employable, will qualify and benefit from the independent living program.

The original independent living program was a pilot program authorized by Congress 33 years ago with a limit or a cap of 500 veterans admitted each year. That cap has been increased several times to the current total of 2,700 veterans per year. Military service, including overseas combat, does not place a limit or a cap on serious injuries that take place while serving the Nation. For this reason, the authors and supporters of the independent budget have asked Congress to consider removing the cap.

The flexibility of the IL program allows a VR&E counselor and the veteran to decide what is needed at the time to best accommodate their rehabilitation or improve their quality of living. Using IL programs common practice eight to ten years ago for terminally ill veterans that were diagnosed with ALS and MS to make small modifications to their homes. Since the VA has existing programs to make modifications on a home to practice of using IL funds was discontinued. Unfortunately, these veterans with service-connected conditions may have only months to live. To assist the veteran in their final months, the IL plan would arrange and provide for funding for modifications to the home so the veteran could spend their remaining days with their family. The majority of the situations required a small modification such as widening of a bathroom door or a ramp. The problem with the existing programs for home modifications, completing the work often takes 12 to 24 months. The veteran may not have 24 months to live.

After realizing the time required for the VA to make the modifications, often the veteran takes out a loan to have the work completed. The veteran spends their last months at home regardless of the VA's policy. PVA believes that the use of the IL funds for terminally ill veterans was within the mission of helping achieve maximum independence.

During a quarterly meeting of VSOs recently, the VA discussed a program of expediting the modifications for homes, realizing that their existing programs were not working. The current process contains inspections, approvals, reinspections, reapprovals, construction delays. The VA must figure out a way to streamline this process for terminally ill veterans because the current system is not working.

PVA service officers and employment rehabilitation counselors regularly work with veterans who participate in the IL program. In my written testimony, I have included some examples of the creative use of this program. One of them was, I have heard reference to the oven and it may the case that I listed here, in Atlanta, Georgia that was a few years ago. Where the veteran did a lot of baking from his wheelchair. He rolled up to the oven, he put the door down, and he constantly burnt his legs, going to the VA clinic for

burned legs. So they said, for a small fee, they had an oven with a fold out, sideway open door so that the veteran could continue baking. There are other creative uses of the IL program that help the veteran. You know, they do not solve all the problems, but they help them from the initial stages to continuing to, you know, decide whether they should decide on a work program, or take an educational program, or they give them that little bit of assistance that they need. So we strongly support the program.

That concludes my testimony. I am happy to answer any questions you may have.

Mr. FLORES. Thank you, Mr. Daley. Mr. Varela, you are recognized for five minutes.

STATEMENT OF PAUL R. VARELA

Mr. VARELA. Chairman Flores, Congressman Runyan, thank you for inviting DAV to testify at today's hearing on VA's independent living program, one of five tracks offered through Vocational Rehabilitation and Employment Services. As the newest member of DAV's legislative staff, I look forward to working with this Subcommittee to help fulfill our promises to the men and women who served.

Before accepting my assignment, I worked for a decade as a DAV national service officer in New York and Los Angeles. Like all DAV NSOs, I myself participated in and completed a VR&E rehabilitation plan. I have repeatedly been trained on all VR&E programs, including the independent living program, and I regularly refer veterans to voc rehab programs whenever appropriate.

As you can imagine, Mr. Chairman, DAV is a staunch proponent of the program, as we are for all voc rehab programs because they embody DAV's central purpose of empowering veterans to lead high quality lives with respect and dignity.

This program in particular, is uniquely designed to provide disabled veterans with serious employment handicaps who are currently unlikely to benefit from one of the four employment-related tracks, the opportunity lead more fulfilling and independent lives. Whether they have lost limbs, sustained severe burns, or suffer from debilitating mental disorders such as Post-Traumatic Stress Disorder, this program was created to help these men and women become more independent in their daily lives, to interact with families and in communities, and find greater purpose and meaning in their lives. Considering all they have sacrificed for us, it is the least that a grateful Nation can offer them.

To improve the independent living program, Congress must remove the cap. VR&E must increase outreach and awareness efforts both internally and externally. VBA must incorporate VR&E into VBMS as soon as possible, and the Department of Veterans Affairs must improve cooperation with VR&E from VA offices and programs.

First, when the IL program was initially created as a pilot in 1980, it had a hard cap of 500 participants. But over the years that number has risen to 2,700 participants. While we appreciate the fiscal constraints and budgetary concerns that Congress must address, we believe that a cap is an arbitrary limit. There is little or no data available to determine how many veterans would or could

benefit from the program. Some VR&E officials we have talked with believe that the cap discourages some ROs from promoting the program. DAV believes that if the independent living program is the right track for a seriously disabled veteran, it should be available without any arbitrary limit. The cap must be removed.

Second, in order to maximize the benefits of the program, VR&E must significantly enhance its internal and external awareness and outreach efforts. We understand VR&E is preparing to distribute literature throughout VA facilities and is creating a new web-based training element. That is a great step in the right direction, but to be effective, this training must be repeated at regular intervals. And we would recommend that it should be part of the skill certification process. We also recommend that VBA include information about entitlement to vocational rehabilitation services in all appropriate correspondence with eligible veterans.

Third, DAV recommends that VR&E's IT needs be addressed through the new Veterans Benefits Management System, commonly known as VBMS. We agree with GAO that VR&E's current IT system does not meet its current needs and limits its oversight abilities. It fails to capture some of the most basic data and information, including the number of program participants, how much money is spent on individual independent living services, or even the aggregate totals each year. VA must request and Congress must approve sufficient funding for IT development and deployment of VBMS to include vocational rehabilitation as soon as technically feasible.

Fourth, VR&E must develop and receive greater cooperation from other VA offices, including the Veterans Healthcare Administration, Prosthetic and Sensory Aid Service, Specially Adapted Housing, and Home Improvement and Structural Alteration Programs. Despite the fact that these are all VA programs and offices, GAO and others have reported that coordination and cooperation can often be difficult. All of these offices work for the same department and should be serving the interests of veterans. If they are unable or unwilling to work together effectively, the Secretary and Congress must take appropriate actions to make them do so.

Finally Mr. Chairman, despite the management and oversight challenges discussed in our testimony, and the GAO report, we continue to believe the independent living program is an essential, appropriate, and empowering benefit that has and should continue to make a tremendous difference in the lives of thousands of veterans every year. We strongly encourage you to continue examining ways to improve this program. DAV stands ready to work with this Subcommittee in any way we can to offer our expertise, assistance, and support.

This concludes my testimony, and I would be happy to answer any questions you may have.

[THE PREPARED STATEMENT OF PAUL R. VARELA APPEARS IN THE APPENDIX]

Mr. FLORES. Thank you, Mr. Varela. I now recognize myself for five minutes for questions. The first question is for each of you and it is a matter of prioritization. Each of you had several things that you recommended that the VA do. And so, I would ask you this,

we will start with you, Mr. Daley, what is the one thing that Congress would do today that would help improve the IL program?

Mr. DALEY. Well as you said, there are several things. They probably, lifting the cap is one thing that the veterans organizations all support. Now will that immediately improve? No, it will not. But at least it will open the program up to more people. I, when we say cap I like to think of it as cliff. You know, as they approach that, they are never going to get, they are never going to go off that. There would be terrible consequences from the national office if they ever go over 2,700. So anywhere when they get to 2,000, they start slowing down. So removing the cap would be one positive thing for the overall program and for veterans in the future.

Mr. FLORES. Mr. Varela, what is the one thing that Congress would do that would help the VA improve the IL program?

Mr. VARELA. We would agree with PVA in that the cap should be removed.

Mr. FLORES. Okay. What is the second thing that we could do? Let us start with, Mr. Varela you have got the microphone, so keep going. So we will come back to you, Mr. Daley.

Mr. VARELA. Thank you, Chairman Flores. Increase outreach and awareness about the program, informing veterans of the potential for that benefit through vocational rehabilitation, and making sure when they go online to visit the VA, that information is there, how to apply. Making people aware of the program to include, to include those VR&E counselors by providing them with the training to administer the program properly.

Mr. FLORES. Mr. Daley, what is the second thing that Congress could do?

Mr. DALEY. Well let me quote my colleague there exactly. Outreach. You have got to have more people aware of it, and more people will apply for it and ask for it. And the counselors, they need more training. They need to be aggressive in using the program. Probably some counselors do not understand it totally, so they do not use it, and other counselors, you know, for years I have always heard that well, the St. Petersburg office uses the program all the time. Atlanta, Georgia used it all the time. Some other offices do not use it.

Mr. FLORES. Right.

Mr. DALEY. I do not know why. They are still getting disabled veterans at the other offices. But apparently people who, at those offices that use it a lot, they understand the program, they like the program, they are comfortable, and they use it for the veteran's benefit.

Mr. FLORES. I would like to get a couple more questions in a limited amount of time. What types of services do each of your organizations offer to veterans over and above what the IL program includes? Mr. Daley, we will start with you and try to keep your answer short if you could. Do you all, does your organization offer any——

Mr. DALEY. Yes. We have an employment program that we run in seven of the VA hospitals, and we have a vocational rehabilitation person right there in the hospital that works with the veteran, the recently injured veteran. Because, as I said in my testimony,

it is important to kind of get their mind set that life can continue on. They can get a job someday, go back to school.

Mr. FLORES. Okay. Mr. Varela?

Mr. VARELA. DAV provides direct access to information in the regional offices, out on the road with our mobile service vehicles, inside hospitals as well. Also, that is an ingrained part of our training program. So when veterans come to us, that is something that our counselors are familiar with and can refer them appropriately to VR&E.

Mr. FLORES. Okay. Mr. Daley, this question is for you. In your written statement, you discuss the lack of coordination between VHA and VBA, and how it can adversely affect disabled veterans, especially those who only have a few months to live. Can you expand on what you put in that written statement?

Mr. DALEY. Well often, if they are looking for, to look some type of recommendation, they have to get advice from VA, the medical people and the attending doctor as far as the condition of the veteran to decide whether their recommendation will actually benefit or not. And often, there is no response at all, which is hard to understand why. But that did not apply to modifications, but that is just adaptations or appliances or equipment that they may benefit from.

Mr. FLORES. Okay. I have a couple of more questions, but we will wait and do a second round. Mr. Runyan, you are recognized for five minutes if you have any questions.

Mr. RUNYAN. Thank you, Mr. Chairman. Mr. Daley, kind of what the Chairman was talking about, and you were talking about adaptation of housing or whatever. Is there a significant amount of time that the local municipality may have in changing someone's home on top of what you said with the VBA and getting the doctors the approval. We know that process takes, can you expand on that a little bit?

Mr. DALEY. As far as the local municipality, you mean as far as getting codes——

Mr. RUNYAN. Building codes, and——

Mr. DALEY. Well, some of the modifications probably would not take building codes. If the person just wants their bathroom door made eight or 12 inches wider so they can get in there with their wheelchair, I think, I do not know whether you would have to——

Mr. RUNYAN. So you are suggesting most of this is internal in the VA?

Mr. DALEY. Internal, yes, sir. Yes. It is not external. It is the VA process. Which works, if you have time to wait. And I understand them wanting to account for the money out of the right pool of money, out of Home Modifications. But these veterans are dying. You know?

Mr. RUNYAN. And Mr. Varela, just talking a little bit, you know, I know we are talking about the cap and all this. But I asked a question to both the GAO and the VA, talking about what constitutes true rehab? And in your experience with your members, do they come to you and say this works, this does not work? Because it does not seem like there is a follow up metric from the VA side to really say, this time, we just completed the program, but there is nothing to say that maybe there needs to be, you know, more

things done down the road. Do you have a sense of that within your membership?

Mr. VARELA. Congressman, in my experience, when we have referred individuals to vocational rehabilitation, we did not send them down there to examine independent living services specifically. We sent them down there to see what benefits could be provided through VR&E. And we had a lot of good feedback in Los Angeles from the VR&E program. So on the surface, it appeared that they were receiving the services that could be provided. We did not get a lot of push back from our clients that VR&E was not giving them what they were seeking. So that was based on my experience in Los Angeles.

Mr. RUNYAN. Just the whole discussion raises the question, in my head, from a clinical aspect, is what they were trying to accomplish, did it get accomplished? I do not think a lot of those answers have been, are even available. But I just throw that out there and I yield back, Mr. Chairman.

Mr. FLORES. Okay. Thank you, Mr. Runyan. One final question for Mr. Varela. You had some suggestions on what the VA could do to their IT system that tracks the IL participants and the services that VR&E provides. Could you go into a little more detail on the improvements you would like to see?

Mr. VARELA. First, we just want to be clear that we do not want any money wasted. We want to make sure that every dollar is spent appropriately. Unfortunately, the current system that they have, does not give them that oversight ability. So what that system ultimately looks like, that is still up for discussion. But we would gladly offer our input if it is sought. We would be more than happy to work with the Subcommittee.

It needs to be integrated with VBMS at some point in time because that is the future. Unfortunately as it stands, now a veteran can go online, file for disability compensation and other benefits, but you cannot do that with vocational rehabilitation. So there is a disconnect there. And I do not know that we can wait two or three years to do that.

Mr. FLORES. Okay. If you would not mind, if you could send us, supplementally, the recommendations you would have for the IT system that has to do with voc rehab, that would be helpful to us.

Okay, I would like to thank the third panel for their testimony today, and thank you for the services that you provide to our Nation's veterans. I am assuming that no other Member has additional questions. In closing, I urge the VA in the strongest possible terms to prioritize the funding and the improvements for CWINRS, and to address the issues raised by the GAO. It sounds like they are off to a good start. But in particular, it sounds like the IT programs need to be prioritized.

As I mentioned in our hearing earlier this year on the long term solution for G.I. Bill claims that we have got the same issue there, that system needs to be made a priority in terms of the IT funding allocations within the VA. So the VA needs to make sure that they are taking steps to not ignore the needs of other vital VA programs while they continue to tackle the disability backlog.

Finally, I ask unanimous consent that all Members have five legislative days to revise and extend their remarks and include any

extraneous material in the record of today's hearing. Hearing no objection, so ordered.

If there is nothing further, this hearing is adjourned. Thank you.

[Whereupon, at 3:38 p.m., the Subcommittee was adjourned.]

APPENDIX

Prepared Statement of Hon. Bill Flores

Good morning and the Subcommittee will come to order. I want to begin by thanking my good friend Mr. Takano for participating in the two field hearings we held last week in Riverside, CA, and Waco, TX. I know I found them to be very informative and I thank the Ranking Member for his assistance in making them a great success.

We are here today to conduct oversight over the Vocational Rehabilitation and Employment (VR&E) service's independent living program. This program provides a wide array of services to the most severely wounded and disabled veterans who have disabilities that preclude them from working, but can still use VA's services to help them achieve a higher level of independent daily living.

Our hearing today will focus on three major objectives:

- The results of a Government Accountability Office (GAO) report on the Independent Living Program that this Subcommittee requested last Congress;
- VA's steps to implement the recommendations of this report and other steps they are taking to improve the performance of the I.L. program; and
- The view of this program at the local level from our veteran service organization partners, and how they believe we can better assist our most severely disabled veterans achieve maximum daily living.

While I am encouraged that the recent GAO found that 89% of the veterans in their study eventually completed their independent living plans, they also found that there is a need for increased oversight over this program.

For example, when VA is unable to track simple performance metrics like counting, in realtime, the number of veterans in the independent living program or provide an aggregate number of the types of benefits being provided to veterans through the program . . . something is wrong.

I don't fault VA Central Office staff for many of these problems. I believe many of these issues stem from the lack of attention and resources that are provided to the VR&E service by the Veterans Benefit Administration (VBA).

GAO found that VR&E's computer tracking system is in serious need of an upgrade, but as GAO has mentioned in their written statement, VR&E officials don't expect to receive the funding needed for this upgrade for another 3 years.

While I know that VBA is transfixed on improvements to the Veterans Benefits Management System (VBMS) to bring down the disability backlog, they can't continue to drop the ball and lose sight of the fact that other important programs that serve our veterans need assistance as well.

We saw this earlier this year with our hearing on the Long Term Solution for G.I. Bill benefits, where a simple investment could finish the job once and for all, but resources were transferred to disability backlog.

Congress has never turned down VA's request for funding to improve computer systems, which will help veterans and strengthen oversight. I hope to learn more about VA's plans to update their systems today.

One other area that GAO discussed in their report is the need to review cost controls and approval authority for large expenses within the independent living program.

This point was crystallized by the revelation that VA Central office review was not needed for a VR&E officer at the local level to authorize $17,500 for the purchase of a glass-pro fishing boat, motor, and trailer for a disabled veteran.

I understand that learning to fish can certainly improve a veteran's independence and quality of life, but I think we can all think of better ways to teach veterans this skill than purchasing a $17,500 boat.

I believe that this program has the ability to greatly improve the lives of veterans, but more work needs to be done to ensure efficiency and improve performance.

With that, I recognize the Ranking Member for his opening remarks.

Prepared Statement of Daniel Bertoni

Chairman Flores, Ranking Member Takano, and Members of the Subcommittee:

I am pleased to discuss our recent work on the Department of Veterans Affairs' (VA) Vocational Rehabilitation and Employment Program's (VR&E) Independent Living (IL) "track."[1] The IL track is one of five tracks administered by VR&E and provides non-employment related benefits—such as counseling and assistive devices—to help veterans with service-connected disabilities live more independently when employment is not a feasible goal.[2] In fiscal year 2011, almost 3,000 veterans nationwide were served through VR&E's IL track.

Currently, there are 56 VA regional offices with responsibility for administering the IL track. Each office has a VR&E Officer who is responsible for ensuring compliance with national policies and performance standards, and for supervising Vocational Rehabilitation Counselors (VRCs) who work directly with veterans to assess their IL needs and provide benefits. The law allows VR&E broad discretion in determining the types of services that can be provided to address veterans' IL needs.[3] When assessing each veteran, VR&E focuses not only on assisting veterans with activities of daily living,[4] but also on their emotional needs and avocational and leisure interests, among other areas.[5] An individualized IL plan, which is developed for each veteran admitted into the IL track, identifies the veteran's IL goals, the goods and services VR&E will provide to help the veteran meet his or her goals, and estimated time frames for providing the goods and services, among other areas. In general, timeframes for IL plans may not exceed 24 months, except under certain circumstances.[6] Under VA regulations, VR&E may declare a veteran successfully "rehabilitated" when all goals in their IL plan have been achieved, or if they meet other conditions.[7] Therefore, "rehabilitation" does not necessarily mean that the veteran's disabilities have improved, but rather that the goals developed in their IL plan to facilitate independence have been met. When veterans are not successfully rehabilitated, their case may be closed as "discontinued." VR&E can also temporarily "interrupt" a veteran's case when circumstances arise that affect the provision of the goods and services. Because there is no statutory limit on the number of IL plans a veteran can have, officials told us that veterans can reapply to the VR&E program at any time and start another IL plan.[8] However, unlike VR&E's four employment-related tracks, the number of veterans who can be admitted into the IL track annually is limited by the law. While this number has increased over the years, the cap was set at 2,600 veterans in fiscal year 2011, and 2,700 in fiscal year 2012.[9]

---

[1] The VR&E program refers to each of the five possible courses of action it provides to veterans as a "track."

[2] The other four tracks administered by VR&E are intended to help veterans prepare for, find, and maintain suitable employment. These tracks include (1) Reemployment, (2) Rapid Access to Employment, (3) Self-Employment, and (4) Employment Through Long-Term Services.

[3] Under 38 U.S.C. § 3120(d), a veteran's IL program "shall consist of such services . . . as the Secretary determines necessary to enable such veteran to achieve maximum independence in daily living."

[4] Activities of daily living are basic activities that individuals perform on a daily basis, such as bathing, feeding, and dressing themselves.

[5] According to VA officials, IL services that support emotional needs and/or avocational and leisure interests may be included in IL plans only when gains in independence are an anticipated result.

[6] 38 U.S.C. § 3105(d), 38 C.F.R. § 21.76(b). An additional period of 6 months is allowed if it would enable veterans to substantially increase their level of independence in daily living. In addition, VR&E may extend the duration up to 36 months for veterans with severe disabilities who served on active duty after September 11, 2001. 38 U.S.C. § 3105(d)(2)(A)(ii) and Department of Veterans Affairs, Veterans Benefits Administration, Extension of Independent Living Services related to the Veterans Benefits Improvement Act of 2008 (Public Law 110–389), VR&E Letter 28–09–10 (January 30, 2009).

[7] VR&E may declare a veteran successfully "rehabilitated" when all goals in their IL plan have been achieved, or if not all achieved, when the following three conditions have been met: (1) the veteran has attained a substantial increase in the level of independence; (2) the veteran has maintained the increased level of independence for at least 60 days; and (3) further assistance is unlikely to significantly increase the veteran's level of independence. 38 C.F.R. § 21.283(e).

[8] Specific criteria must be met before approving new plans for IL services. These criteria include meeting requirements for participation in a program of IL services, and the worsening of the veteran's condition or other changes in the veteran's circumstances resulting in a substantial loss of independence. 38 C.F.R. § 21.284(b).

[9] The Veterans' Benefits Act of 2010 increased the cap to 2,700 effective "with respect to fiscal years beginning after the date of enactment of this Act." Pub. L. No. 111–275, § 801, 124 Stat.

My remarks today are based on our report, which was released on June 7, 2013, and describes (1) the characteristics of veterans in the IL track, and the types and costs of benefits they were provided; (2) the extent to which their IL plans were completed, and the time it took to complete them; and (3) the extent to which the IL track has been administered appropriately and consistently across regional offices.[10] To obtain this information, we reviewed relevant federal laws and regulations; standards for internal controls and managerial cost accounting; as well as VR&E policies, procedures, and other relevant studies and documentation. We also interviewed VA officials and veteran service organizations, and visited VA regional offices in San Diego, California; Atlanta, Georgia; Detroit, Michigan; Philadelphia, Pennsylvania; and the District of Columbia. In addition, we analyzed VA administrative data and used statistical models to determine any differences in rehabilitation times. Moreover, we reviewed the case files of a random, generalizable sample of 182 veterans who were assigned to the IL track at some point during fiscal year 2008. We conducted this work in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. A more detailed explanation of our methodology is available in our report.

The IL Track Mainly Serves Older Veterans and Provides a Wide Variety of Benefits

From fiscal years 2008 through 2011, the typical participant in the IL track was a male Vietnam-era veteran. Of the 9,215 veterans who entered the IL track in these years, most (67 percent) were male and 50 years old or older. Most women in the IL track were in their 40s or 50s. Most of the 9,215 IL track veterans served in the Vietnam War; relatively few served in the Global War on Terrorism as part of Operation Enduring Freedom or Operation Iraqi Freedom.[11] In addition, most (60 percent) IL track veterans served in the U.S. Army, and less than 1 percent served in the National Guard or Reserves. More than three-quarters of IL track veterans had a combined service-connected disability rating of at least 60 percent, and 34 percent had a disability rating of 100 percent. Regardless of disability rating level, the most prevalent disabilities among this group were post-traumatic stress disorder (PTSD), tinnitus ("ringing in the ears"), and hearing loss.

Furthermore, our review of the case files of 182 randomly selected IL track veterans in fiscal year 2008 shows that they were provided a wide range of goods and services, from individual counseling and the installation of ramps to a boat, camping gear, and computers. The most common type of goods or services were related to counseling, education and training, and computer and camera equipment.[12] For all veterans who entered the IL track in fiscal year 2008, we estimated that VR&E purchased a total of almost $14 million in goods and services. The average spent per IL track case that year was nearly $6,000.

Most Veterans Were "Rehabilitated" but within Varying Time Frames

We found that most (about 89 percent) of IL track veterans who began only one plan during fiscal year 2008 were classified by VR&E as "rehabilitated"—i.e., successfully reaching and maintaining the goals identified in their IL plan—by the end of fiscal year 2011. At the same time, about 11 percent of cases were either "discontinued"—i.e., closed by VR&E because the rehabilitation goals in the veteran's IL plan were not completed—or were still active cases. Of the IL cases that had been discontinued, the reasons included the veteran declining benefits, not responding to VA's attempts to contact them, worsening medical conditions, and death. We also found that some IL plans were easier to close as rehabilitated than others, due to the varied nature and complexity of IL plans, which are based on veterans' individual disabilities and needs. For example, one IL plan we reviewed for a veteran with rheumatoid arthritis only called for the purchase and installation of eight door levers and a grab rail for the bathtub to facilitate his independence. However, another IL plan we reviewed called for providing a veteran who used a wheel-chair with medical, dental, and vision care as needed, and about $24,000 in modifications to the veteran's home, including modifying the veteran's bathroom, widening doors and modifying thresholds, and installing an emergency exit ramp in a bedroom.

2864, 2888. Because the enactment date of the Act was October 13, 2010, which is in fiscal year 2011, the cap of 2,700 veterans would have become effective starting in fiscal year 2012.

[10] GAO, VA Vocational Rehabilitation and Employment Program: Improved Oversight of Independent Living Services and Supports Is Needed, GAO-13-474 (Washington, D.C.: June 7, 2013).

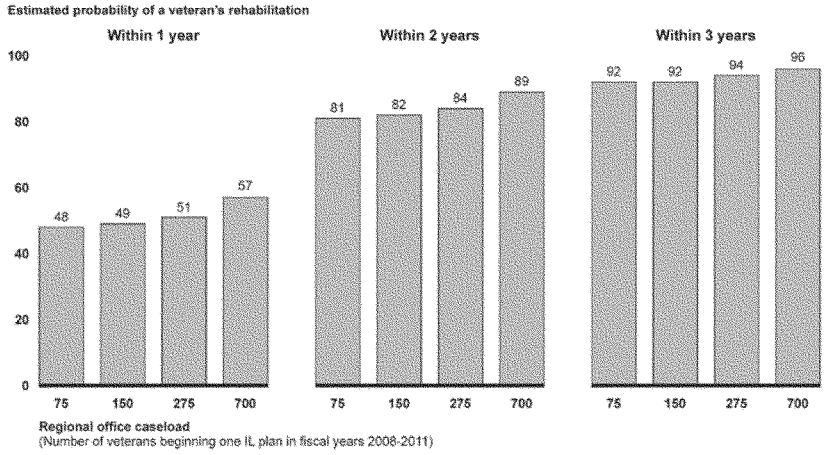
[11] In fiscal year 2011, 46 percent of the 9,215 IL track veterans served in the Vietnam War, whereas 16 percent served in the Global War on Terrorism.

[12] For a detailed list of goods and services provided to IL track veterans, see GAO-13-474.

While the overall IL rehabilitation rate nationwide was 89 percent for veterans who started an IL plan in fiscal year 2008, the rate varied by regional office, from 49 to 100 percent.[13] About two-thirds of regional offices rehabilitated 80 percent or more of their 2008 IL track veterans by the end of fiscal year 2011. In addition, VR&E's IL rehabilitation rate was higher in regional offices with larger IL caseloads. Among veterans who entered the IL track in fiscal year 2008, an average of 90 percent were rehabilitated at offices with more than 25 IL entrants, compared to an average of 79 percent at offices with 25 or fewer IL entrants.[14]

Furthermore, in fiscal year 2008 IL veterans nationwide completed their IL plans in an average of 384 days (about 13 months); however, we found that the length of time to rehabilitate these veterans varied by regional office from a low of 150 days at the St. Paul Regional Office to a high of 895 days at the Roanoke Regional Office.[15] At most regional offices (49 of 53), however, the average number of days to complete veterans' IL plans ranged from 226 to 621 days (8 to 21 months).[16] To control for various factors that could influence rehabilitation time frames, we used a statistical model to estimate the amount of time it would take certain groups of IL track veterans to complete their IL plans.[17] The results of our model show differences across regional offices in the amount of time it takes for veterans to become rehabilitated based on caseload. More specifically, the chance of rehabilitation within 2 years was less than 50 percent at 4 offices, between 50 and 90 percent at 18 offices, and 90 percent or higher at 16 offices. Veterans served by regional offices with large IL caseloads generally had a higher probability of completing an IL plan more quickly than a veteran served by an office with a small IL caseload (see fig 1).

Figure 1: Estimated Probability of a Veteran Completing an Independent Living Plan within Certain Time Periods, by Regional Office Based on Caseload



Source: GAO statistical analysis of VA data.

Note: Estimates were calculated from a statistical model. See GAO-13-474 for more information on our methodology.

[13] We excluded the Washington D.C. Regional Office—now referred to as the National Capital Region Benefits Office—because only two veterans entered the IL track during fiscal year 2008. One IL case was discontinued, and the other was open at the end of fiscal year 2011.

[14] Twenty-six regional offices had more than 25 veterans enter the IL track during fiscal year 2008, while 30 offices had 25 or fewer veterans enter the IL track during the same time period. Two offices had no IL track entrants that year.

[15] The St. Paul Regional Office had nine veterans enter the IL track during fiscal year 2008, while the Roanoke Regional Office had two veterans enter that year.

[16] We reported the average time to complete IL plans for 53 of VA's 56 regional offices because two offices did not have veterans begin the IL track in fiscal year 2008. Another office had two IL track veterans begin during this period, but these veterans were not "rehabilitated."

[17] Our model controlled for type and severity of disability and other demographic characteristics, among other factors. For additional information on the methodology we used for our statistical analysis, see our report (GAO-13-474).

VR&E Exercises Limited Oversight of the IL Track

We identified four key areas where VR&E's oversight of the IL track was limited: (1) ensuring compliance with case management requirements, (2) monitoring regional variation in IL track caseload and benefits provided, (3) adequacy of policies and procedures for approving expenditures on goods and services for IL track veterans, and (4) availability of critical program management information.

Regional Offices May Not Be Complying with VR&E Case Management Requirements

Certain VR&E case management requirements were not being met by some regional offices. For example, based on our review of VR&E's site visit monitoring reports, we found that some Vocational Rehabilitation Counselors (VRCs) were not fulfilling VR&E's requirement to meet in-person each month with IL track veterans to monitor progress in completing their IL plans.[18] VRCs told us that this requirement is a challenge due to the size of their caseloads and the distances that they may have to travel to meet with veterans. Furthermore, while VR&E and the Veterans Health Administration (VHA) both have policies that require them to coordinate on the provision of goods and services for IL track veterans, we found that some VRCs experience challenges in doing so.[19] Several VRCs in the regions we interviewed indicated that when they refer IL track cases to VHA physicians, the physicians do not respond or they respond too late. As a result, services for IL track veterans are delayed or purchased by VR&E instead of VHA. In our review of 182 IL track case records, we found some instances where VR&E purchased goods and services that appear to be medically related, such as ramps and grab bars, which could have been provided by VHA. In response, we recommended VA explore options for enhancing coordination to ensure IL track veterans' needs are met by VHA, when appropriate, in a timely manner. VA concurred and stated that it was piloting an automated referral system that would allow VR&E staff to make referrals to VHA providers and check on their status electronically.

VR&E Does Not Systematically Monitor Variation in IL Caseload and Benefits Provided

VR&E does not systematically monitor variation in IL track caseload size and benefits across its regional offices. We found that the total IL track caseload for fiscal years 2008 through 2011 ranged from over 900 cases in the Montgomery, Alabama Regional Office to 4 cases in the Wilmington, Delaware Regional Office. In addition, we found that some regions developed IL plans that addressed a broad range of needs while others elected to develop more focused plans that provided fewer benefits to achieve VR&E's rehabilitation goal. VR&E has relied on the information provided through its general quality assurance (QA) activities[20] and a series of periodic ad hoc studies to oversee the administration of the IL track. Because these activities are limited in scope, frequency, and how the information is used, we noted that they may not ensure consistent administration of the IL track across regions. In response, VR&E officials commented that QA results are analyzed to determine trends, and make decisions about training content and frequency.

VR&E's Policy for Approving IL Track Expenditures May Not Be Adequate

VR&E's current policy for approving IL track expenditures may not be adequate, considering the broad discretion VR&E provides to regions in determining and purchasing goods and services. While officials told us that VRCs are required to include all cost estimates when they submit veterans' IL plans to be reviewed and approved by the region's VR&E Officer, VR&E's written policy and guidance do not explicitly require this for all IL expenditures. Thus, regional offices have the ability to pur-

---

[18] VR&E's policy manual states that contact via telephone, email, or mail can be used as alternatives when necessary. Department of Veterans Affairs, Vocational Rehabilitation and Employment, Chapter 9: Guidelines for the Administration of An Independent Living Plan, VR&E manual, Part IV, Section C, Chapter 9.

[19] Specifically, VA regulations governing VR&E's IL track require that if a veteran needs special equipment and is eligible for such equipment under another VA program, the items will be provided under that program. See 38 C.F.R § 21.216(b). In addition, VHA's policy directive for coordinating with VR&E is intended to ensure that all VR&E participants, including those in the IL track, receive timely access to VHA health care services. See Department of Veterans Affairs, Veterans Health Administration, VHA Directive 2010–022, Vocational Rehabilitation: Chapter 31 Benefits, Timely Access to Health Care Services (May 14, 2010).

[20] A team of VR&E QA staff at the national level perform periodic site visits to each VA regional office at least every 3 years, although officials told us they have not been able to meet this goal in recent years because of budgetary constraints. This team also periodically reviews a sample of veterans' records from VR&E's IL and employment tracks in selected regions, and produces a report for the particular region under review.

chase a broad range of items without any Central Office approval, resulting in some offices purchasing goods and services that may be questionable or costly. (See table 1 for the level of approval required for IL expenditures.) In one case we reviewed, VR&E Central Office approval was not required for the purchase of a boat, motor, trailer, and the boat's shipping cost, among other items, totaling about $17,500. In another case we reviewed, VR&E Central Office was not required to approve total expenditures of $18,829 for a riding lawn mower—which VR&E's current policy prohibits [21]—and other IL goods and services including a bed, bed frame, desktop computer, and woodworking equipment. Without appropriate approval levels, VR&E's IL track may be vulnerable to potential fraud, waste, and abuse. [22] In our report, we recommended that VA reassess and consider enhancing its current policy concerning the required level of approval for IL track expenditures. VA concurred with our recommendation and said it will use the results of an internal study to determine if changes are needed to its existing cost-review policies or procedures. VA stated that any necessary changes should be implemented by March 2014.

Table 1: Level of Approval Required for Construction and Non-Construction-Related Expenditures in Independent Living Track Cases

Required level of approval	Construction-related expenditures	Non-construction related expenditures
No supervisory approval required[a]	Less than $2,000	Less than $25,000
Regional VR&E Officer		$25,000 to less than $75,000
Regional Office Director	$2,000 through $25,000	$75,000 through $100,000
VR&E Central Office	More than $25,000	More than $100,000

Source: GAO analysis of VA policies.

[a] VR&E officials told us that all IL plans require supervisory review. However, VR&E's written policies do not require IL expenditures to be reviewed and approved by the VR&E officer unless they meet certain cost-thresholds.

VR&E Lacks Critical IL Track Information for Oversight

VR&E's case management system—commonly referred to as "CWINRS" [23]—does not collect or report critical program management information that would help the agency in its oversight responsibilities. More specifically, this system does not collect and maintain information on:

- Costs of IL goods and service purchased: The system does not collect information on the total amount of funds VR&E expends on IL benefits. VR&E aggregates costs across all its tracks, despite VA's managerial cost accounting policies that require the costs of products and services to be captured for management purposes. [24] Federal financial accounting standards also recommend that costs

[21] While officials told us that the provision of riding lawn mowers was not specifically prohibited by VR&E's policy in 2008, its current policy states that tractors or mowers should not be approved as a mobility aid. See Department of Veterans Affairs, Veterans Benefits Administration, Purchase of Vehicles for Vocational Rehabilitation & Employment (VR&E) Participants under 38 U.S.C. Chapter 31 is prohibited, VR&E Letter 28–13–08 (November 6, 2012).

[22] To guard against fraud, waste, abuse, and mismanagement, standards for internal control in the federal government emphasize the need for agencies to have appropriate levels of supervision and controls in place to prevent one individual from having responsibility for all key aspects of a transaction or event. GAO, Internal Control Management and Evaluation Tool, GAO-01-1008G (Washington, D.C.: August 2001).

[23] VR&E has used the CWINRS system since 2001 to track veteran cases through its process and to manage program costs. The "WINRS" part of the acronym represents the first 5 regional offices that tested the original system. These offices include Waco, Texas; Indianapolis, Indiana; Newark, New Jersey; Roanoke, Virginia; and Seattle, Washington.

[24] VA's policy states that managerial cost accounting should be performed to measure and report the costs incurred by the agency. Specifically, each administration and its units should identify the cost of products and services provided. The goal of this effort is to identify the product or service at the level in which it is rendered to an external customer, such as a veteran receiving benefits from a VA program. Department of Veterans Affairs Managerial Cost Accounting: VA Financial Policies and Procedures, volume III, chapter 3 (July 2010).

of programs be measured and reported.[25] According to VA officials, cost information is not collected on the IL track alone because they view the five tracks within VR&E as a single program with the same overarching goal—to help veterans achieve their employment goals. We previously reported on this issue in 2009. At that time, we found that VR&E's five tracks do not share the same overarching goal. Therefore, we concluded that VR&E should not combine track information.[26]

- Types of IL benefits provided: The system does not collect information on the types of IL benefits provided to veterans in a standardized manner that can be easily aggregated and analyzed for oversight purposes. In several of the IL track cases we reviewed, the goods and services purchased were grouped together under a general description, such as "IL equipment" or "IL supplies," without any further details. In addition, we found that controls for data entry were not adequate to ensure that all important data were recorded.[27] For example, we estimated that the service provider field was either missing or unclear for one or more services in about 15 percent of all IL cases that began in fiscal year 2008.
- Number of IL veterans served: The system does not provide VR&E with the information it needs to monitor its statutory entrant cap and program operations. The law allows VR&E to initiate "programs" of independent living services and assistance for no more than a specified number of veterans each year, which, as of 2012, was set at 2,700.[28] In analyzing VR&E's administrative data, we found that VR&E counts the number of IL plans developed annually rather than the number of individual veterans admitted to the track. Because multiple IL plans can be developed for an individual veteran during the same fiscal year, veterans with multiple plans may be counted more than once toward the statutory cap. As a result, VR&E lacks complete information on the number of veterans it is serving through the IL track at any given time—information it could use to better manage staff, workloads, and program resources, and ensure that it can effectively manage its cap.

Similar to our report's findings, VR&E's 2012 evaluation of CWINRS has shown that the system limits VR&E's oversight abilities and does not capture all important data elements to support the agency's "evolving business needs."[29] Officials told us that they plan to modify CWINRS, and that the new system modifications will enable them to individually track veterans served through the IL track. However, we found that the CWINRS redesign will not enable VR&E to obtain data on IL track expenditures or the types of goods and services provided. At the time of our review, no specific time frames were provided for the CWINRS redesign, but officials noted it could take up to 3 years to obtain funding for this effort. In our report, we recommended that VA implement an oversight approach that enables VR&E to better ensure consistent administration of the IL track across regions. This approach would include ensuring that CWINRS (1) tracks the types of goods and services provided and their costs, (2) accounts for the number of IL track veterans being served, and (3) contains stronger data entry controls. VA concurred with our recommendation and stated that discussions of system enhancements and the development of

[25] Managerial cost accounting is a fundamental part of an agency's financial management system, and each agency and its units should report the costs of their activities on a regular basis. This cost information can be used by Congress and federal executives in making decisions about allocating federal resources, authorizing and modifying programs, and evaluating performance. The cost information can also be used by program managers in making managerial decisions to improve operating economy and efficiency. Statement of Federal Financial Accounting Standards 4: Managerial Cost Accounting Standards and Concepts.

[26] GAO, VA Vocational Rehabilitation and Employment: Better Incentives, Workforce Planning, and Performance Reporting Could Improve Program, GAO-09-34 (Washington, D.C.: January 26, 2009).

[27] Standards for internal control emphasize the need to have controls over computerized information systems to ensure the data entered is complete and accurate (GAO-01-1008G). In addition, GAO's federal information system controls audit manual states that agencies should establish procedures to provide reasonable assurance that all inputs into the application have been authorized, accepted for processing, and accounted for; and any missing or unaccounted for source documents or input files have been identified and investigated. GAO, Federal Information System Controls Audit Manual (FISCAM), GAO-09-232G (Washington, D.C.: February 2009).

[28] 38 U.S.C. § 3120(e). According to agency officials, "IL plans" are the same as "programs" of independent living services and assistance.

[29] Department of Veterans Affairs, Vocational Rehabilitation and Employment (VR&E) Case Management Portal Project, Version 1.0, Case Management Portal, Business Requirements Document (September 26, 2012).

ad hoc reports are ongoing. The agency also will be considering a new oversight approach as part of an internal study.

In conclusion, strengthening oversight of VR&E's IL track is imperative given the wide range of goods and services that can be provided under the law to help veterans with service-connected disabilities improve their ability to live independently when employment is not feasible. More attention at the national level can help ensure that IL track case management requirements are met, the track is administered consistently across regions, expenditures for goods and services are appropriate, and critical information is collected and used to ensure veterans' IL needs are sufficiently addressed.

Chairman Flores, Ranking Member Takano, and Members of the Subcommittee, this concludes my prepared remarks. I would be happy to answer any questions that you or other members of the subcommittee may have.

Contacts and Staff Acknowledgments

For further information regarding this testimony, please contact Daniel Bertoni at (202) 512–7215, or at bertonid@gao.gov. Contact points for our Office of Congressional Relations and Public Affairs may be found on the last page of this statement. Individuals who made key contributions to this testimony include Clarita Mrena (Assistant Director), James Bennett, David Chrisinger, David Forgosh, Mitch Karpman, Sheila McCoy, James Rebbe, Martin Scire, Ryan Siegel, Almeta Spencer, Jeff Tessin, Jack Warner, and Ashanta Williams.

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website (http://www.gao.gov). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to http://www.gao.gov and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, http://www.gao.gov/ordering.htm.

Place orders by calling (202) 512–6000, toll free (866) 801–7077, or TDD (202) 512–2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on Facebook, Flickr, Twitter, and YouTube. Subscribe to our RSS Feeds or E-mail Updates. Listen to our Podcasts. Visit GAO on the web at www.gao.gov.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:
Website: http://www.gao.gov/fraudnet/fraudnet.htm
E-mail: fraudnet@gao.gov
Automated answering system: (800) 424–5454 or (202) 512–7470

Congressional Relations

Katherine Siggerud, Managing Director, siggerudk@gao.gov, (202) 512–4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512–4800, U.S. Government Accountability Office, 441 G Street NW, Room 7149, Washington, DC 20548-

Prepared Statement of Margarita Devlin

Mr. Chairman and members of the Subcommittee, thank you for inviting me to appear before you today to discuss the independent living (IL) services provided by VA's Vocational Rehabilitation and Employment (VR&E) program. My testimony will provide an overview, performance summary, discussion of VR&E's technology system, and an update on implementation of the Government Accountability Office's (GAO) recommendations for the IL program.

VR&E Mission and Eligibility

The Veterans Benefits Administration's (VBA) VR&E program assists Servicemembers and Veterans with service-connected disabilities to prepare for, find, and keep suitable jobs. For Veterans with service-connected disabilities so severe that they cannot immediately consider work, the IL program offers services to improve their ability to live as independently as possible.

Veterans are eligible for a comprehensive vocational assessment if they have a 10 percent or greater service-connected disability rating or a 20 percent or greater memorandum rating. Servicemembers are eligible for a comprehensive vocational assessment if they have a 20 percent or greater memorandum rating, an Integrated Disability Evaluation System (IDES) rating, or are eligible under the Wounded Warrior Act, Public Law (P.L.) 110–181, Title XVI, as extended by the Veterans Opportunity to Work (VOW) to Hire Heroes Act of 2011, P.L. 112–56, Title II, if they have a severe injury or illness.

Independent Living – Overview

The VR&E program provides eligible Veterans with IL services to enable them to function independently within their homes and in their communities. IL services can be provided in conjunction with other services in a rehabilitation plan leading to an employment goal. Many of our men and women returning from service with severe injuries are preparing to return to the workforce, but also need IL services that can be provided concurrently with their training and employment services. Rehabilitation programs may also consist exclusively of IL goals, when employment is not feasible for the Servicemember or Veteran. These independent living programs will be the focus of my testimony.

Once basic eligibility for an evaluation is established, a VBA vocational rehabilitation counselor will conduct a comprehensive assessment of the individual's interests, aptitudes, and abilities. If the counselor determines that an employment goal is not feasible for the individual, the counselor will evaluate the individual's eligibility for an IL rehabilitation plan. Servicemembers eligible under P.L. 110–181, as extended by the VOW to Hire Heroes Act of 2011 P.L. 112–56, who require IL services to transition to civilian life, and Veterans with a 20 percent service-connected disability rating and a serious employment handicap may be eligible to participate in an IL rehabilitation program when a counselor has determined that a vocational goal is not feasible. The counselor will conduct a preliminary assessment of the individual's IL needs. If preliminary needs are identified, the counselor will conduct a comprehensive assessment to fully evaluate the individual's IL needs and identify potential services to meet those needs. The comprehensive assessment usually takes place in the individual's home. Following these assessments, the individual may be provided a program of IL if he or she has limitations in activities of daily living that impact independence, can benefit from independent living services, and can be expected to maintain achieved gains in independence after services have ended.

Programs of IL may be approved for up to 24 months, and the VR&E Officer can approve a 6-month extension. Veterans who served on or after September 11, 2001 are eligible for additional extensions as provided for in section 331 of P.L. 110–389.

Some of the IL services VR&E can provide include assistive technology, adaptive equipment, IL skills training, improved access in the home, improved access to the community, assistance with identifying and initiating volunteer or supported employment, services to decrease social isolation, and assistance in coordinating serv-

ices from VA and non-VA service providers. The VBA counselor provides ongoing support and assistance to enable a participant to achieve his or her IL goals, and whenever possible, the counselor will reassess the feasibility of employment.

VR&E collaborates with the Specially Adapted Housing Grant program administered by VBA's Loan Guaranty Service when a participant is in need of home adaptations. VR&E also collaborates with Veterans Health Administration (VHA) programs, including Home Improvements and Structural Alterations, Automobile Adaptive Equipment, and the Visually Impaired Services Team, for specialized services to support the participant's IL goals. IL plans include a coordination element with one or more of these programs when appropriate.

The Independent Living Cap

IL services started as a pilot program in 1980 with the passage of P.L. 96–466, the Veterans' Rehabilitation and Education Amendments of 1980. Under this pilot program, the number of new IL cases was limited to no more than 500 per fiscal year (FY). The program was made permanent with the passage of P.L. 101–237, Title IV, the Veterans Education and Employment Amendments of 1989. The cap was raised in 2001 from 500 to 2,500 new cases per FY. The most recent increase in the cap was included in P.L. 111–275, the Veterans' Benefits Act of 2010, which raised the cap to 2,700 cases as of FY 2011. Currently, only 2,700 new IL programs may be initiated during a FY. In FY 2013, the VR&E program initiated 2,152 new cases.

Program Data

In FY 2013, 2,152 new IL programs were approved and initiated. A total of 1,708 Veterans were declared rehabilitated upon completion of their IL programs during FY 2013. Many of these Veterans began receiving services prior to the start of the FY. As of September 30, a total of 2,887 Veterans were actively participating in their IL programs. This includes Veterans who started their programs during the FY as well as Veterans who started their programs in prior years. IL program participants comprise about 2.3 percent of VR&E program workload.

The VR&E Longitudinal Study Annual Report issued in 2013 provides information on two cohorts of Veterans participating in the VR&E program. Data for 2010-cohort participants who enrolled in an IL program reflects that, as of September 30, 2012, 70 percent had successfully rehabilitated, 24 percent were still actively participating in their programs, and 6 percent had discontinued participation as of the end of FY 2012. Data for 2012-cohort participants in an IL program reflects that, as of September 30, 2012, 12 percent had successfully rehabilitated, 87 percent were still actively participating in their programs, and 1 percent had discontinued participation as of the end of FY 2012 [1]. The second year of longitudinal data for the 2010-cohort is encouraging given the strong rehabilitation rate and the rate of participants continuing to pursue their programs. If the 2010-cohort continues on this positive trajectory, their program outcomes will be consistent with the 94 percent IL target rehabilitation rate [2] reported in the FY 2012 President's Budget as part of the VR&E performance plan.

Program Oversight

Oversight of IL programs begins with the development of the Individualized Independent Living Plan (IILP). The plan outlines individual IL rehabilitation needs and details the services that will be provided to meet those needs. At VBA regional offices, VR&E counselors must obtain approval from their VR&E Officer for all proposed plans of independent living prior to implementation to ensure that program procedures and policies have been properly followed. Depending on the total cost of the case, additional approvals may also be required prior to implementation. Cost thresholds for cases including construction services are as follows: $2,000 or less requires VR&E Officer approval; $2,001 to $25,000 requires the Regional Office Director's approval; and over $25,000 requires the VR&E Service Director's approval. Cost thresholds for cases without construction services are as follows: $25,000 or less requires the VR&E Officer's approval; $25,001 to $100,000 requires the Regional Office Director's approval; and over $100,000 requires the VR&E Service Director's approval.

Nationally, VR&E Service monitors IL services through several mechanisms, including reviews conducted during ongoing quality assurance audits, site visits, and cost approval requests. VR&E conducted 12 site visits in FY 2013, conducted 120 targeted reviews of IL cases, and 26 reviews of IL construction cost-approval re-

[1] VR&E Longitudinal Study, Annual Report 2013 for FY2012
[2] FY 2013 President's Budget submission

quests for services exceeding $25,000. Additionally, VR&E monitors the number of new IL program plans each month to ensure the cap is not exceeded.

VR&E Service developed and deployed an IL Training Performance Support System in FY 2013 to provide important training to vocational rehabilitation counselors on independent living eligibility, assessments, plan development, and case management requirements. Vocational rehabilitation counselors will be required to complete all modules of this training course during FY 2014.

Information Technology

Corporate WINRS (CWINRS) is the VR&E case-management application (named after the stations that collaborated to develop the original version:

Winston-Salem, Indianapolis, Newark, Roanoke, and Seattle) used to record adjudication of VR&E claims, rehabilitation planning, provision of services, and disposition of cases. CWINRS tracks a Veteran's progress through the VR&E program. This includes establishing entitlement to benefits, establishing appointments, and sending transactions to the financial management systems for vendor payments. CWINRS utilizes VBA's corporate database to maintain participant information and interfaces with VBA's Benefits Delivery Network (BDN) and other financial systems to process payment and accounting transactions. Veteran cases for all five tracks, including the IL track, are managed through the CWINRS application.

CWINRS enhancements are currently focused on developing a Subsistence Allowance Module which will eliminate VR&E's reliance on the legacy BDN system and move towards payment through the corporate Financial Accounting System. The new corporate payment module is being beta tested in eight regional offices, and is currently successfully making subsistence payments to more than 200 participants in the VR&E program. VR&E is finalizing development of this module to enable future national deployment. VR&E is also building requirements for a future case-management system that will build on functionality in the Veterans Benefits Management System.

Update on implementation of GAO recommendations

GAO made three recommendations in their report titled "VA Vocational Rehabilitation and Employment Program: Improved Oversight of Independent Living Services and Support is Needed." GAO recommended that VBA "work with the Undersecretary for Health to explore options on ways to enhance coordination to ensure IL track veterans' needs are met by VHA, when appropriate, in a timely manner." VBA worked with VHA to automate medical and dental referrals in the Compensation and Pension Records Interchange system, which will expedite services and better coordinate and track services to ensure Veterans' needs are timely met. The system enhancements are complete, and a 60-day pilot of the new capability began in September 2013. Upon completion of the pilot, VBA and VHA intend to implement the new process to automate medical and dental referrals nationally.

GAO's second recommendation was to "implement an oversight approach that enables VR&E to better ensure consistent administration of the IL track across regions." VBA is exploring whether ad hoc reports, which provide data on total case costs and types of benefits provided, can be developed to meet this requirement. VBA will also consider preparing business requirements to allow for additional IL data collection for implementation in future years. GAO's third recommendation was to "reassess and consider enhancing the agency's current policy concerning the required level of approval for IL track expenditures, given the broad discretion individual regional offices have in determining the types of goods and services IL track veterans receive." VBA finds merit in reassessing the current policy to identify areas that can be strengthened. While the existing policy includes a great deal of cost-threshold approvals, there may be room to improve consistency in determining the types of IL goods and services Veterans receive. VBA contracted for a detailed review of the IL program, including benchmarking against other programs. The initial report from this study is due to be completed in first quarter of FY 2014. VBA will consider the results and recommendations from this assessment in determining the best way to implement GAO's recommendation.

Concluding Remarks

VR&E continues to assess the IL program to ensure we are providing effective services to our Nation's men and women who sacrificed so much and deserve to live their lives without dependence on others to the maximum extent possible. We have developed detailed training, conducted significant oversight, and continue our efforts to enhance the services we provide.

Mr. Chairman, this concludes my statement. I would be pleased to answer questions from you or any of the other members of the Subcommittee.

Prepared Statement of Paul R. Varela

Chairman Flores, Ranking Member Takano and Members of the Subcommittee:

Thank you for inviting DAV (Disabled American Veterans) to testify at today's hearing of the Subcommittee on Economic Opportunity reviewing the Department of Veterans Affairs' (VA's) Independent Living (IL) program within the Vocational Rehabilitation and Employment (VR&E) service.

As you know, DAV is a non-profit veterans service organization comprised of 1.2 million wartime wounded, injured and ill veterans and dedicated to a single purpose: empowering veterans to lead high-quality lives with respect and dignity. To fulfill our mandate of service to America's disabled veterans, DAV employs a corps of close to 270 National Service Officers (NSOs), all of whom are wartime service-connected disabled veterans, in order to provide benefits counseling at no charge to any veteran, their dependents, or their survivors. Before accepting my current assignment on DAV's National Legislative staff, I worked for a decade as a DAV NSO in New York and Los Angeles, serving as the Supervisor of DAV's LA office for my final five years in the field.

Every one of DAV's NSOs brings with them military experience, as well as personal experience navigating the VA health care and claims processing systems. We have all participated and completed a VR&E "rehabilitation" plan as part of our DAV training. Due to our backgrounds and training, DAV's NSOs not only possess a significant knowledge base, but also a passion for helping our fellow veterans through the labyrinth of the VA system.

DAV NSOs are situated in all 56 VA regional offices (RO) as well as in other VA facilities throughout the nation. Last year, DAV NSOs interviewed over 187,000 veterans and their families; reviewed more than 326,000 VA claims files; filed over 234,500 new claims for benefits; and obtained more than $5.1 billion in new and retroactive benefits for the wounded, injured, and ill veterans we represented before the VA. Our NSOs also participated in more than 287,000 VA Rating Board actions. In addition to assisting them file claims for disability compensation, our NSOs regularly advise veterans of the opportunities and benefits offered by VA's vocational rehabilitation programs, particularly for those with severe disabilities making work difficult or impossible. As part of our lifelong continuing education program, DAV's NSOs are trained on all VR&E programs, including the IL program, and we regularly refer and encourage our clients to consider VR&E programs whenever appropriate.

Mr. Chairman, DAV is a staunch proponent of the IL program and all VR&E programs, because they embody DAV's central purpose of empowering veterans to lead high-quality lives with respect and dignity. To be eligible and entitled to receive VR&E services, a veteran generally must have a service-connected disability rated at least 20% or greater and have an employment handicap. Veterans with a 10% rating may be entitled to VR&E services if it is determined that they have a serious employment handicap. When evaluating barriers to employment, the Vocational Rehabilitation Counselor (VRC) takes into consideration the veteran's level of disability, rehabilitation potential, and future employment goals. Once entitlement is established, a VRC works with the veteran to develop a rehabilitation plan along one of five tracks: reemployment (with a prior employer); new employment; self-employment; employment through long-term services (through on-the-job training, college, and other training programs); and independent living.

The IL program is uniquely designed to provide seriously disabled who are currently unlikely to benefit from one of the four employment-related tracks, the opportunity to lead more fulfilling and independent lives within the constraints and limitations of their service-connected disabilities. Together with the veteran, the VRC will develop an Independent Living plan detailing the specific goods and services needed to achieve the goals of the plan. Until a recent change was made to the M–28 Procedures Manual, the VRC was guided by nine fundamental principles, considered the "Philosophical Framework" of the IL program:

1. To enhance the disabled veteran's participation in activities of daily living (ADL);

2. To assist the veteran in participating to the maximum extent possible and desirable in family and community life;

3. To provide the most effective services and assistive technology based on sound research evidence;

4. To provide required holistic evaluation and services for all veterans who qualify;

5. To develop rehabilitation plans that provide services to address all identified independent living needs;

6. To consider the veteran's expressed interests and desires but provide services based on objectively identified needs;

7. To establish goals and measure/verify outcomes;

8. To provide services that produce a sustaining influence that continues after rehabilitation services are completed; and

9. To explore the possibility of paid or volunteer employment, when feasible.

We believe that these principles should continue to guide the work of VRCs and would recommend that VR&E consider whether it would be beneficial to restore the language into the preamble of the Manual or in any other appropriate way.

A VRC has wide latitude in developing an IL plan, which generally includes five types of services: assistive technology; specialized medical, health and/or rehabilitation services; services to address any personal or family adjustment issues; independent living skills training; and connection with community-based support services. When possible, services and goods required by a plan should be provided through other existing VA programs, such as the Specially Adapted Housing (SAH), the Prosthetic and Sensory Aids Service (PSAS) and Home Improvements and Structural Alterations (HISA) programs.

VR&E will also directly purchase needed goods and services to fulfill the IL plan. VR&E Officers are authorized to approve IL plan expenditures of up to $75,000; expenditures of $75,000 to $100,000 require the approval of the RO director; and expenses exceeding $100,000 require the approval of the VR&E Service Director. There also exist additional approval requirements for construction costs up to $2,000, costs between $2,000 and $25,000 and costs exceeding $25,000, which require the approval of the VR&E Service Director.

It is important to remember, Mr. Chairman, this program serves men and women who have suffered significant injuries and illnesses from their service, who are not able to find employment, and who are not likely to benefit from any employment-related services. Whether they have lost limbs, sustained severe burns, or suffer from debilitating mental disorder, such as PTSD, the IL program was created to help these men and women become more independent in their daily lives, to interact with families and in communities, and to find greater purpose and meaning in their lives. Considering all that they have sacrificed for us, it is the least that a grateful nation can offer them.

Remove the Cap on Independent Living Participants

The IL program was initially created as a pilot program by Congress in October 1980 as part of Public Law 96–466, and was limited to no more than 500 participants. In 1986, Congress enacted legislation, Public Law 99–576, that made the program permanent and the cap on participants has increased over the years since, most recently increasing to 2,700 in 2010 with enactment of Public Law 111–275. While we appreciate the fiscal constraints and budgetary scoring concerns that Congress must address, we believe that placing a cap of 2,700 IL participants establishes an arbitrary limit on a valuable program that serves some of our most deserving and needy veterans.

Moreover, there is little or no data available to determine how many veterans could benefit from participation in the IL program in the absence of the arbitrary cap. As the Government Accountability Office (GAO) has pointed out in their recent report on the IL program (GAO–13–474), VR&E does not systematically track variances in caseloads among its ROs. Based on GAO's analysis, during fiscal years 2008 thru 2011, the number of IL participants ranged from a high of 908 at the Montgomery, Alabama RO to a low of four at the Wilmington, Delaware RO. The GAO report makes clear that every RO approaches the IL program differently, with some aggressively steering eligible veterans in that direction, and others apparently having little understanding or interest in pursuing the IL track. Anecdotally, we have heard VR&E officials indicate that the cap on participation discourages VRCs from promoting the IL program, and that conversely, if the cap were removed it could create greater interest among VRCs to promote this option to appropriate veterans.

It is also worth noting that a veteran can have more than one IL plan within the same year, and that each of this veteran's plans counts towards that cap, further

limiting the number of veterans who can benefit. This requirement also creates some confusion in the reporting and accounting elements of the program that must be clarified.

There is now legislation pending that would remove this cap and require VR&E to improve the education of its employees in regards to the IL program. H.R. 3330, the Veterans' Independent Living Enhancement Act, was introduced by Congresswoman Michelle Lujan Grisham in October and currently has 16 cosponsors. We would urge this Subcommittee to consider and report this legislation.

Improve Awareness and Outreach for the Independent Living Program

In order to maximize the benefits of the IL program, VR&E must significantly enhance its internal and external awareness and outreach efforts. We have been informed that VR&E is preparing to distribute literature within VA facilities notifying veterans about the IL program and we applaud that effort. We have also been made aware that VR&E is creating a web-based training element on the IL program that will be mandatory for all VRCs. However, although participation in the web-based training will reach all current and newly hired VRCs once, it is imperative that this training be repeated at appropriate intervals to ensure the VRCs maintain current knowledge about the IL program and the opportunities it presents for appropriate veterans. VR&E should also review whether its VRC skills certification process is sufficient to ensure continued national understanding of the IL program.

The GAO report also found that one of the key reasons for differences in caseloads among ROs was due to the, " ... office's focus on IL cases and community outreach efforts, including the involvement of veterans service organizations." DAV would welcome opportunities to collaborate with other VSOs and VR&E to make veterans more aware of these services. As I mentioned earlier, DAV NSOs regularly counsel eligible veterans about the benefits of participation in VR&E programs including the IL program. Furthermore, as part of their continued employment with DAV, our NSOs will review the VR&E program, including the IL program, as part of our Structured and Continued Training Program, which must be completed and repeated throughout our careers. In addition, we are currently planning to host a web-based training initiative to highlight components of the IL program as part for our ongoing training administered to NSOs.

Another way to increase awareness programs would be to require that VBA include information about entitlement to vocational rehabilitation services in all appropriate correspondence with eligible veterans. Currently, disability compensation claims decisions and notification letters awarding or increasing a service-connected rating of 10 percent or greater are required to include information about VR&E eligibility, however other rating actions, such as denials for increases or other benefits, do not. VBA should reexamine its procedures and consider other ways to educate and encourage veterans to consider VR&E services.

IT Modernization Needed for Better Program Management and Oversight

In its recent report, GAO concluded that VR&E's case management information technology (IT) system, commonly referred to as CWINRS, " ... does not meet VR&E's current needs and limits its oversight abilities ... " The CWINRS system does not properly capture some of the most basic data and information, including the number of IL participants. Instead it tracks the number of IL plans, making it ineffective at monitoring the statutory cap on participation. In addition, CWINRS also does not maintain information on how much money is spent on individual IL services, nor even the aggregate totals for such services each year. The tracking system is woefully inadequate to allow sufficient management or oversight VR&E programs in general.

VR&E recently began a one-year test to improve its tracking of IL expenditures and outcomes related to home modifications and construction. (VR&E Letter 28–13–43). However, this and other attempts to improve the transparency, management and oversight of the IL program will continue to be hampered as long as they are relying on an outdated, inadequate IT system, such as CWINRS.

Rather than spend time and resources on trying to patch and upgrade the CWINRS system, DAV recommends that the VR&E IT needs be addressed through the new Veterans Benefits Management System (VBMS), which was primarily developed by VBA for managing the disability compensation system. Although VBMS is eventually intended to serve all of VBA's business lines, there remains much work on that core system, limited resources and no current plans to make it ready for use by VR&E. Given the importance of vocational rehabilitation programs, including the IL program, and the inadequate CWINRS system currently in place, VA must

request, and Congress should approve sufficient additional funding for IT development and deployment of VBMS as soon as technically feasible.

Better Coordination and Cooperation within VA

As mentioned above, the IL program provides veterans with many services and goods from other VA programs, including health care from the Veterans Health Administration (VHA), equipment from the PSAS and adaptive equipment and services from the SAH and HISA programs. Despite the fact that these are all VA programs and offices, GAO and others have reported that coordination and cooperation can often be difficult. VR&E rehabilitation plans, including IL plans, often require concurrence from a VHA physician, such as in relation to mobility devices, and there may be occasions when the physician believes that allowing a veteran to rely on a mobility device may be contrary to the clinical need to encourage greater physical activity for their rehabilitation in responding to VR&E requests.

However, just as VBA has encountered problems in trying to get VHA doctors to complete disability benefit questionnaires for veterans with claims for disability compensation, VR&E has problems getting VHA physicians to approve IL plans in a timely fashion. VR&E and VHA must work together to provide better education and training to VHA staff to encourage greater cooperation.

VRCs have also encountered similar difficulty getting responses from SAH, PSAS and HISA program offices. In some instances, this may result in the purchase of goods and services from an outside contractor that could and should have been provided by internal VA programs. As with the difficulties related to VHA, VR&E must work with these program officials to remove unnecessary delays and other bureaucratic red tape that hinders the timely provision of services to IL participants. All of these offices work for the same Department and should be serving the interests of veterans. If they are unable or unwilling to work together effectively, the Secretary and Congress must take appropriate actions to make them do so.

Mr. Chairman, despite the management and oversight challenges discussed in our testimony and the GAO report, we continue to believe that VR&E's Independent Living program is an essential, appropriate and empowering benefit that has and should continue to make a tremendous difference in the lives of thousands of veterans every year. We strongly encourage you to continue examining ways to improve this program and we stand ready to work with the Subcommittee in any way we can to offer our assistance and support.

This concludes my testimony and I would be happy to answer any questions you may have.

Submission For The Record

U.S. GOVERNMENT ACCOUNTABILITY OFFICE

View GAO–14–149T. For more information, contact Dan Bertoni at (202) 512–7215 or bertonid@gao.gov.

Highlights of GAO–14–149T, a testimony before the Subcommittee on Economic Opportunity, Committee on Veterans' Affairs, U.S. House of Representatives

November 13, 2013

VA VOCATIONAL REHABILITATION AND EMPLOYMENT PROGRAM

Independent Living Services and Supports Require Stronger Oversight

Why GAO Did This Study

The IL track—one of five tracks within VA's VR&E program—provides a range of non-employment related benefits to help veterans with service-connected disabilities live more independently when employment is not considered feasible at the time they enter the VR&E program. These benefits can include counseling, assistive devices, and other services or equipment. This testimony is based on GAO's report issued in June 2013, and describes (1) the characteristics of veterans in the IL track, and the types and costs of benefits provided; (2) the extent to which their IL plans were completed, and the time it took to complete them; and (3) the extent to which the IL track has been administered appropriately and consistently across regional offices.

GAO analyzed VA administrative data from fiscal years 2008 to 2011, and reviewed a random, generalizable sample of 182 veterans who entered the IL track in fiscal year 2008. In addition, GAO visited five VA regional offices; interviewed

agency officials and staff; and reviewed relevant federal laws, regulations, and agency policies, procedures, studies, and other documentation.

What GAO Recommends

In its June 2013 report, GAO recommended that VR&E explore options to enhance coordination with VHA, strengthen its oversight of the IL track, and reassess its policy for approving benefits. VA agreed with these recommendations.

What GAO Found

Of the 9,215 veterans who entered the Department of Veterans Affairs' (VA) Independent Living (IL) track within the Vocational Rehabilitation and Employment (VR&E) program from fiscal years 2008 to 2011, most were male Vietnam era veterans in their 50s or 60s. The most prevalent disabilities among these veterans were post-traumatic stress disorder and tinnitus ("ringing in the ears"). GAO's review of 182 IL cases from fiscal year 2008 shows that VR&E provided a range of IL benefits to veterans; the most common benefits being counseling services and computers. Less common benefits included gym memberships, camping equipment, and a boat. GAO estimates that VR&E spent nearly $14 million on benefits for veterans entering the IL track in fiscal year 2008—an average of almost $6,000 per IL veteran.

About 89 percent of fiscal year 2008 IL veterans were considered by VR&E to be "rehabilitated" by the end of fiscal year 2011; that is, generally, to have completed their IL plans. These plans identify each veteran's independent living goals and the benefits VR&E will provide. The remaining 11 percent of cases were either closed for various reasons, such as the veteran declined benefits, or were still active. Rehabilitation rates across regions varied from 49 to 100 percent, and regions with larger IL caseloads generally rehabilitated a greater percentage of IL veterans. On average, IL plans nationwide were completed in 384 days; however, completion times varied by region, from 150 to 895 days.

GAO identified four key areas where VR&E's oversight was limited. First, some regions may not be complying with certain case management requirements. For instance, while VR&E is required to coordinate with the Veterans Health Administration (VHA) on IL benefits, VR&E counselors have difficulty obtaining timely responses from VHA. This has resulted in delayed benefits or VR&E providing the benefits instead of VHA. Second, VR&E does not systematically monitor regional variation in IL caseloads and benefits provided. Instead, it has relied on its quality assurance reviews and ad hoc studies, but these are limited in scope. Third, VR&E's policies for approving IL expenditures may not be appropriate as regions were permitted to purchase a range of items without Central Office approval, some of which were costly or questionable. In one case GAO reviewed, Central Office review was not required for expenditures of $17,500 for a boat, motor, trailer, and the boat's shipping, among other items. Finally, VR&E's case management system does not collect information on IL costs and the types of benefits purchased. VR&E also lacks accurate data on the number of IL veterans served. While the law currently allows up to 2,700 veterans to enter the IL track annually, data used to monitor the cap are based on the number of IL plans developed, not on the number of individual veterans admitted. Since veterans can have more than one IL plan in a fiscal year, one veteran could be counted multiple times towards the cap. VA plans to make modifications to its case management system to address this, but officials noted that it could take up to 3 years to obtain funding for this project.

○