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**SECRETARY OF DEFENSE LEON E. PANETTA
STATEMENT ON DOD AND VA COLLABORATION
JOINT HOUSE ARMED SERVICES COMMITTEE AND HOUSE
COMMITTEE ON VETERAN'S AFFAIRS
WEDNESDAY, JULY 25, 2012**

Chairman McKeon, Chairman Miller, Ranking Member Smith, Ranking Member Filner, and members of the committees: thank you for the opportunity to appear here this morning alongside Secretary Shinseki, who is a great public servant and a great friend to me and to our nation's veterans.

I am pleased to be able to have this chance to discuss the ways the Department of Defense (DoD) and the Department of Veterans Affairs (VA) are working together to meet the needs of service members, veterans, and their families.

This hearing comes at an important time for our nation, and for collaboration between our Departments. DoD and VA are in the process of building an integrated military and veteran support system that is fundamentally different – and far more robust – than it has been in the past. We have not forgotten when the Vietnam generation – my generation and Secretary Shinseki's generation – came home from war and were largely left to fend for themselves, without the kind of support system that they deserved.

Today, after a decade of war, a new generation of service members and veterans is coming home, and our nation has made a lifetime commitment to them for their service and sacrifice – for their willingness to put their lives on the line for our country. These men and women have shouldered a heavy burden, and many are dealing with complex and difficult problems.

We owe it to these returning service members and veterans to provide them a seamless support system so they can pursue their goals, give back to their communities, and strengthen our nation in new ways.

But this will not be easy. It will take a tremendous commitment on the part of all of us in government and in the military, and on the part of business leaders and citizens across the country. Even in a tough fiscal environment, we have a solemn obligation to continue to invest our time, effort, and money in helping those who have fought for us.

Every service member and every veteran has a unique story and experience – and because of that, providing each service member with the quality services they need is a complex challenge. But it is a challenge our nation and our departments must meet.

To fulfill the sacred responsibility of caring for those who have fought for our country, close and effective collaboration between DoD and VA is essential. While there is no doubt that DoD and VA are working more closely together than ever before, it is also clear that we need to reach an even deeper level of cooperation to better meet the needs of those who have served our nation in uniform, especially our wounded warriors.

Secretary Shinseki and I meet regularly in order to personally guide efforts to share resources and expand cooperation between our departments. But the partnership between our departments extends to all levels, led by a joint committee co-chaired by the Under Secretary of Defense for Personnel and Readiness and the Deputy Secretary of

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Veterans Affairs. Both departments have offices solely focused on DoD-VA issues, and joint strategic plans that we have put in place guide our collaboration on benefits and services, health care, and operational efficiency.

Our efforts have been boosted by strong leadership at the top of the executive and legislative branches. I'd like to applaud President Obama and the First Lady for their strong leadership on behalf of military families, and I am grateful for the support of Congress, particularly these two committees, as well. The senior military leadership has also taken a strong interest in this issue, recognizing that meeting commitments to veterans is essential to recruiting and retaining the best military force in the world. When it comes down to it, caring for those who have served is not only a moral imperative – it is a national security imperative as well.

Working together, our Departments have already made a number of important changes to our system of care for wounded warriors, service members, veterans, and their families. But clearly, there is considerably more work to be done, particularly to meet the needs of the post-9/11 generation of warriors. It is critically important that we overcome the bureaucratic processes of the past – and therefore we are working to implement major changes in several areas that together will dramatically improve the quality of the services DoD and VA are able to provide.

Among these changes, let me discuss five priority areas where we are enhancing collaboration between our departments, including specific initiatives in transition assistance, disability evaluation, and electronic health records, as well as broader cooperation efforts in mental and behavioral health, and suicide prevention.

Transition Assistance

First, at the Department of Defense, our goal is to ensure that those who are leaving the service are prepared for their next step – whether that is pursuing additional education, finding a job in the public or private sector, or starting their own business. In this economic climate in particular, all of us are concerned about the number of unemployed veterans. Finding ways to help veterans contribute to our economic recovery is a priority for President Obama, for Secretary Shinseki and for me.

One thing we've learned is that we cannot wait until the end of a service member's military career to help him or her succeed after separation. We have to start from the first day of training and give our people the tools they need to develop, set goals, and reach milestones throughout their careers.

The cornerstone of the Department's transition efforts is the Transition Assistance Program, known as TAP. Currently, TAP is a voluntary program that provides counseling and guidance near the end of a service member's career.

Under the leadership of President Obama, and with the strong support of Congress, we are fundamentally redesigning TAP. Earlier this week, President Obama announced a new "Transition GPS program" that will establish new career readiness standards, extend the transition preparation through the entire span of a service member's career, and provide one-on-one counseling to facilitate the development of an individual

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transition plan. Our goal is to fully equip service members so they can apply their valuable military experience however and wherever they choose.

Many of the features of the redesigned TAP were laid out in the Veterans Opportunity to Work (VOW) to Hire Heroes Act of 2011, and we are on track to have implemented TAP-related provisions of the VOW Act by November of this year. The new TAP program will be mandatory for nearly all service members, including the Reserve and National Guard. The new TAP's "5-Day Core Curriculum" will include standardized training objectives that are aligned with service members' personal goals. It will also include a VA benefits briefing, as required by the VOW to Hire Heroes Act.

To implement the new TAP curriculum, we are conducting a pilot program from this month until the end of August at seven training locations. The pilot program will enable DoD and each of the military services to refine the curriculum and optimize the experience for their transitioning service members.

Closely related to these efforts, DoD is leading a new Credentialing and Licensing Task Force that was directed by President Obama this May in order to address gaps between military occupational specialties and civilian licensing requirements.

The task force will:

- Identify military specialties that readily transfer to high-demand jobs, such as aircraft maintenance, automotive mechanics, health care specialists, truck drivers, information technology professionals, and logisticians;
- Engage civilian, state, and local credentialing and licensing entities to close gaps between military training programs and credentialing and licensing requirements; and
- Seek ways to partner with VA to help certain groups of veterans develop new skills in order to better compete in the private sector. For example, some infantry veterans – who have expertise that may not transfer readily to the business world – are acquiring information technology skills through a digital tutoring program developed by the Defense Advanced Research Projects Agency.

Our goal is to help private sector employers appreciate veterans' valuable skills and experiences, and to simplify the process for earning private sector credentials. For our communities, there is an enormous return on our investment in these veterans. We began this effort with a focus on the manufacturing sector, and partnered with leading manufacturing credentialing agencies to enable up to 126,000 service members to gain industry-recognized certifications for high-demand manufacturing jobs.

We are also working closely with VA and the Small Business Administration on entrepreneurship initiatives for separating service members who are interested in starting their own businesses. The goal is to provide intensive levels of training in entrepreneurship, including the development of a business plan. Veterans are extremely well-equipped to lead in the business community and their entrepreneurial success will strengthen our nation's economic future, which is a key source of our military strength.

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Integrated Disability Evaluation System (IDES)

The second area where we have made progress, but have more work ahead, is in evaluating those service members who have medical conditions that prevent them from working in any military occupation and who must, as a result, enter a disability evaluation process. In the past, these service members had to navigate separate disability evaluation systems at DoD and VA – meaning they also had to deal with additional layers of bureaucracy and unacceptable delays following a military discharge until receiving VA disability compensation.

DoD and VA embarked on a complete overhaul of the legacy system and have put in place a single Integrated Disability Evaluation System (IDES).

Over the past two years, we have extended this system to virtually all disabled service members. As a result, our Departments have decreased the time it takes after military discharge until receipt of VA disability compensation by over 70 percent, from 240 to the current 63 days. The overall time it takes to receive disability compensation has been reduced from 540 days under the separate DoD and VA legacy system to the current 396 days in IDES, a 26 percent improvement. We have been able to meet these goals despite a rapid increase in the number of exam requests.

Even as we focus on reducing unneeded bureaucratic delays in the disability evaluation system, we also recognize that our main measure of effectiveness must be our ability to meet the individual needs of wounded, ill and injured service members.

This is an especially important consideration when determining the retention status of ill or injured service members who desire to continue serving in uniform. Many of these men and women are dealing with complex visible and invisible wounds that require lengthy treatment and rehabilitation times. Even as DoD focuses on achieving timely processing of disability cases, we recognize our additional obligation to help service members attain maximum functional capability before deciding whether they should remain in military service. In the coming months, a senior level working group, in coordination with VA, will provide recommendations for how to better tailor the process based on the different needs and desired outcomes of service members going through the system.

Integrated Electronic Health Record

A third DoD-VA collaboration initiative is in the area of electronic health records. For too long, efforts to achieve seamless transition between our health care systems have been hamstrung by separate legacy health record systems.

In response to a challenge issued by President Obama three years ago, DoD and VA have been working steadily to build an integrated Electronic Health Record system (iEHR). The iEHR is a key component for the President's Virtual Lifetime Electronic Record initiative – a ground breaking vision for the future of electronic data sharing among federal agencies and the private sector.

This system, when implemented, will be used by a service member from the first day of a military career throughout the life of that individual. It will help ensure the seamless transition of care between DoD and VA treatment facilities – and eventually the

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private sector as it increasingly adopts electronic health records. Medical providers will be able to view consistent and comprehensive patient data, and that means they will be able to deliver better care. Researchers will also be able to securely and privately study trends across the large population in the system, which could lead to new medical breakthroughs that would benefit the entire population.

This is an ambitious effort, to be sure. But we have set interim milestones on the road toward the fully capable system. Beginning in 2014, we will demonstrate this system at sites in San Antonio, Texas and Hampton Roads, Virginia. We are starting to test and execute critical infrastructure components of this system this year, and we will steadily add capabilities toward the 2014 milestone. We are already testing a new user interface at two medical facilities that enables medical providers to review health records from both DoD and VA systems on a single screen. Implementing this new system as it is being developed will ensure we are doing it right and allow us to make adjustments based on experience in the field.

When operational, the integrated Electronic Health Record will be the single source for service members and veterans to access their medical history at any DoD and VA medical facility. It will help ensure they get the best care possible. It will also be the world's largest health record system, and that could mean that other federal and commercial health care providers may adopt our protocols, which will expand the capabilities of the system still further.

Mental and Behavioral Health

Beyond these specific initiatives, DoD and VA are focusing on enhancing collaboration in the broader area of serving the mental and behavioral health needs of service members, their families and veterans. Post-traumatic stress disorder (PTSD) has emerged as a signature unseen wound of a decade at war. Its legacy will be felt for decades to come, and both DoD and VA must therefore improve our ability to identify and treat this condition, as well as all mental and behavioral health conditions, and to better equip our system to deal with the unique challenges these conditions can present.

For example, I have been very concerned about reports of problems with modifying diagnoses for post-traumatic stress in the military disability evaluation system. Many of these issues were brought to my attention by members of Congress, and I thank you – and particularly Senate Veterans Affairs Committee Chairman Patty Murray – for their vigilance on this subject.

To address these concerns, I have directed a review across all of the uniformed services. This review, led by Under Secretary of Defense for Personnel and Readiness, Erin Conaton, will help ensure we are delivering on our commitment to care for our service members. We've got to do everything we can to make sure the system itself is working to help service members, not to hide this issue, not to make the wrong judgments about this issue, but to face facts and deal with the problems upfront, and make sure that we provide the right diagnosis and that we follow up on that kind of diagnosis.

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This review will be analytically sound, action-oriented, and the least disruptive to behavioral health services for service members. I anticipate the entire review will take approximately 18 months.

The Department will continue to be an innovative leader in research and treatment of traumatic brain injury and PTSD. In partnership with organizations like the Intrepid Foundation, we are transforming how we treat these conditions.

The Intrepid Fallen Heroes Fund and DoD are collaborating on nine National Intrepid Center of Excellence satellites to supplement the existing flagship facility at Walter Reed National Medical Center in Bethesda, Maryland. We just broke ground on the first two of these satellites, at Fort Belvoir and Camp Lejeune. These new facilities will provide programs for active duty service members that incorporate multidisciplinary evaluation, diagnosis, and care. We are developing a single concept of care, expanding our capacity and capability to care for patients with traumatic brain injury and psychological health conditions.

The advances from research in these areas are ground-breaking not just for wounded warriors, but for all who are dealing with similar injuries across our country and the world.

Suicide Prevention

Improving access to and the quality of mental and behavioral health care services will also help us in our efforts to prevent military suicides – which I have said is one of the most frustrating problems I have come across as Secretary of Defense.

Suicide prevention is another priority area for enhanced DoD-VA collaboration. Despite increased efforts and attention by both DoD and VA, the suicide trend among service members and veterans continues to move in a troubling and tragic direction.

In close cooperation with the VA, DoD is taking aggressive steps to address this issue – ones that I outlined at a joint DoD-VA suicide prevention conference held last month in Washington:

- First, I have directed leaders to promote a culture that encourages individuals to seek behavioral health treatment, if needed.
- Second, as I mentioned earlier, we are improving the quality and access to health care.
- Third, the Department is placing the same emphasis on mental fitness as it does on physical fitness and reducing the stigma associated with seeking help.
- Fourth, we are continuing to partner with other governmental agencies, the private sector, and researchers from academia to improve our understanding of suicide and other issues such as traumatic brain injury and PTSD.

We are also directly partnering with VA on a number of specific suicide prevention efforts, including a joint Suicide Data Repository, a military crisis line, and a host of cutting-edge research initiatives.

Conclusion

The Department is partnering with VA closer than ever before to meet the needs of those who serve our country. In the coming years, as we continue to implement these new changes across the DoD-VA system, we will be able to better support service members and veterans throughout their careers and the rest of their lives.

The joint capabilities of DoD and VA not only support service members and veterans, but they also have the potential to transform care outside the military. That is especially true in health care, with the introduction of a standard for exchanging electronic health records, ground-breaking work on prosthetics and brain injury, and other important innovations.

As DoD and VA seek to integrate our services even further, we must strengthen accountability, promote a culture of teamwork, reduce administrative burdens, and consolidate duplicative programs and services. And we will need your help and support in Congress as we continue to deliver on these promises, even in these tight fiscal times.

Ultimately, our efforts to deliver the best possible services depend on the dedication of our DoD and VA professionals, who work hard every day on behalf of those who have served in uniform. I extend my thanks to all who help support our men and women in uniform today, to veterans, and to all of their families.

We truly are one family at the Department of Defense and Department of Veterans Affairs – a family that supports one another, and all those who have answered the call to defend our country. Together, we will do everything possible to ensure that the bond between our Departments, and between our country and those who have defended it, only grows stronger in the years ahead.

Thank you and I look forward to your questions.

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