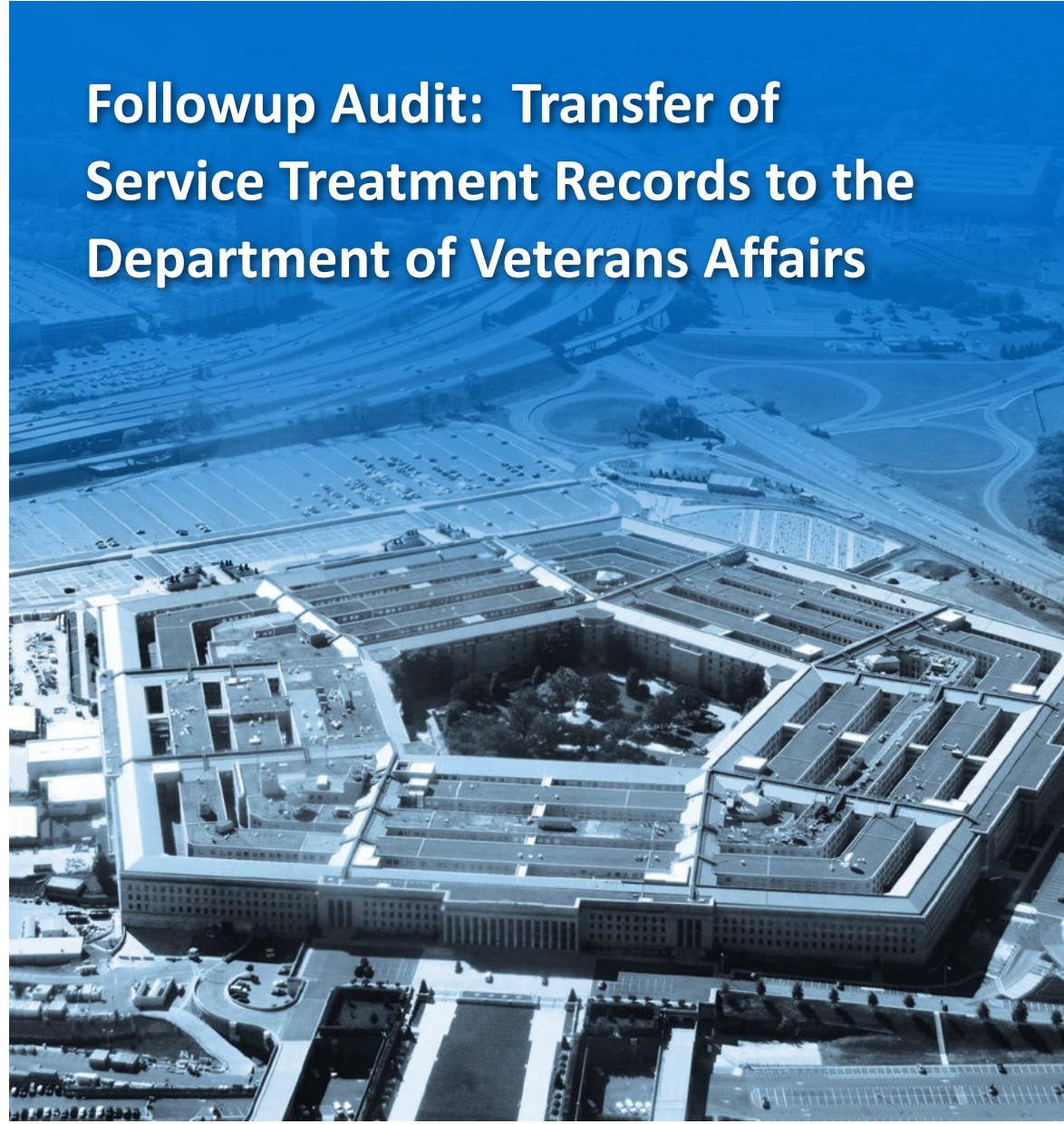




INSPECTOR GENERAL

U.S. Department of Defense

FEBRUARY 22, 2018



Followup Audit: Transfer of Service Treatment Records to the Department of Veterans Affairs

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Results in Brief

Followup Audit: Transfer of Service Treatment Records to the Department of Veterans Affairs

February 22, 2018

Objective

We determined whether the DoD had implemented recommendations in DoD OIG Report No. DODIG-2014-097, "Audit of the Transfer of DoD Service Treatment Records to the Department of Veterans Affairs," July 31, 2014.

Background

A Service Treatment Record (STR) is a chronological record of all essential medical, dental, and mental health care received by service members during their military careers. The Department of Veteran Affairs (VA) uses STRs as the official record to support continuity of clinical care and eligibility for compensation benefits for active duty and Reserve service members and those who have separated or retired. Report No. DODIG-2014-097, issued in July 2014, found that the DoD did not consistently transfer STRs in a complete and timely manner to the VA.

In response to the findings and recommendations in the 2014 report, the Under Secretary of Defense for Personnel and Readiness (USD[P&R]), in coordination with the Director, Defense Health Agency (DHA), agreed to:

- revise DoD Instruction 6040.45 to clarify requirements for submitting complete STRs in a timely manner; and

Background (cont'd)

- establish a program management office in charge of monitoring compliance with DoD medical record guidance and ensuring the Military Departments conduct annual reviews of STRs with service members.

In addition, the Commander, U.S. Army Medical Command (MEDCOM), and Commander, U.S. Navy Bureau of Medicine and Surgery (BUMED), agreed to review their STR-transfer process to identify and resolve inefficiencies that delayed the transfer process of STRs.

Findings

In response to the 2014 audit, the USD(P&R) revised DoD Instruction 6040.45 to clarify procedures to ensure complete STRs are transferred to the VA in a timely manner. MEDCOM and BUMED also reviewed their processes to transfer STRs to the VA to identify and resolve inefficiencies that delayed STR processing. As a result of their reviews, the Army and Navy improved their timeliness in transferring STRs to the VA.

For benefit claims made in FY 2016, our review of a statistically selected sample of STRs transferred to the VA revealed the following results.

- Army: Of 70,069 STRs transferred to the VA, 59,948 (86 percent) were transferred in a timely manner, and 64,619 (92 percent) were complete; compared to 17 percent and 67 percent, respectively in 2014.
- Navy: Of 18,683 STRs transferred to the VA, 12,445 (67 percent) were transferred in a timely manner and 16,815 (90 percent) were complete; compared to 22 percent and 56 percent, respectively in 2014.
- Marine Corps: Of 19,181 STRs transferred to the VA, 15,558 (81 percent) were transferred in a timely manner and 17,476 (91 percent) were complete.¹

¹ During the 2014 audit, the Navy was also responsible for transferring Marine Corps STRs to the VA. As a result, the percentages for timeliness and completeness reported in the prior audit applied to both the Navy and Marine Corps STRs. As of November 2015, the Marine Corps started transferring its own STRs.



Results in Brief

Followup Audit: Transfer of Service Treatment Records to the Department of Veterans Affairs

Findings (cont'd)

Additionally, the USD(P&R) and the Director, DHA, relied on the Periodic Health Assessment (PHA) and Individual Medical Readiness (IMR) programs, which are used to determine a service member's medical condition and deployability status, to conduct annual STR reviews and ensure their completeness. As part of the PHA, the USD(P&R) issued DoD Instruction 6200.06 requiring the use of DD Form 3024; this new form includes questions to ensure that all care, including care received outside the military health system, is reported in the service member's STR.²

The Assistant Secretary of Defense for Health Affairs (ASD[HA]) gave the Military Departments until September 30, 2017 to fully implement DoD Instruction 6200.06, but extended the deadline to December 31, 2017, because the Military Departments informed ASD(HA) that not all Service Components would meet the deadline.

While the Army and Navy improved their processes for transferring timely and complete STRs to the VA, we remain concerned by the significant number of STRs that were not transferred to the VA in a timely manner, which could delay the VA in approving benefit claims for service members.

Additionally, the Army, Navy, and Marine Corps continue to implement the use of DD Form 3024, "Annual Periodic Health Assessment." Until this form is implemented, the USD(P&R) and DHA will not be able to ensure STRs include all medical care, including care received from facilities outside the military health system. STRs missing information on care received from facilities outside the military health system may also delay the VA in approving service member benefit claims.

Recommendations

We recommend that the USD(P&R), in coordination with the Director, DHA:

- develop a plan and timeline to ensure the Military Departments implement the DD Form 3024 if it has not been implemented by December 31, 2017;
- determine, once the DD Form 3024 is implemented, whether the PHA and IMR programs are adequate to satisfy the service members' STR annual review requirement; and
- conduct periodic checks of STRs transferred by all services to the VA in order to ensure compliance with the timeliness and completeness requirements in DoD Instruction 6040.45. The periodic checks should include STRs of separated personnel from every Military Department.

Management Comments and Our Response

The Under Secretary of Defense (Personnel and Readiness) and the Defense Health Agency agreed with our recommendations but did not propose actions to address our recommendations. Therefore, the recommendations are unresolved. We request that the Under Secretary of Defense (Personnel and Readiness), in coordination with the Defense Health Agency, provide the detailed corrective actions that will be taken to implement the recommendations.

² DoD Instruction 6200.06 requires the PHA to be documented using the DD Form 3024 "Annual Periodic Health Assessment."

Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Under Secretary of Defense for Personnel and Readiness	1.a, 1.b, and 1.c		
Director, Defense Health Agency	1.a, 1.b, and 1.c		

Note: The following Categories are used to describe agency management's comments to individual recommendations.

- **Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – OIG verified that the agreed upon corrective actions were implemented.





**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500**

February 22, 2018

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR PERSONNEL
AND READINESS
DIRECTOR, DEFENSE HEALTH AGENCY
AUDITOR GENERAL, DEPARTMENT OF THE ARMY
NAVAL INSPECTOR GENERAL

SUBJECT: Followup Audit: Transfer of Service Treatment Records to the Department of Veterans Affairs (Project No. D2016-D000XD-0201.000)

The USD(P&R), the Director, DHA; the Commander, MEDCOM; and the Commander, BUMED implemented recommendations from Report No. DODIG-2014-097. In addition, the Army and Navy improved their processes for transferring Service Treatment Records (STRs) to the Department of Veteran Affairs (VA). However, we remain concerned by the significant number of STRs that were not either transferred in a timely manner or complete. Further, the Army, Marine Corps, and Navy continue to implement the DD Form 3024, "Annual Periodic Health Assessment." Until this form is implemented, the USD(P&R) and DHA will not be able to ensure Service Treatment Records include all medical care, to include care received from facilities outside the military health system. This audit was conducted in accordance with government auditing standards.

We considered management comments on a draft of this report when preparing the final report. DoD Instruction 7650.03 requires that recommendations be resolved promptly. The USD(P&R) and the Director, DHA agreed with the recommendations, but did not address the specifics of Recommendation 1.a, 1.b, and 1.c. We request that the USD(P&R) and the Director, DHA provide additional comments to the final report on Recommendations 1.a, 1.b and 1.c by March 23, 2018. Comments provided to the final report must be marked and portion-marked, as appropriate, in accordance with DoD Manual 5200.01.

Please send a PDF file containing your comments to followup@dodig.mil. Copies of your comments must have the actual signature of the authorizing official for your organization. We cannot accept the /Signed/ symbol in place of the actual signature. If you arrange to send classified comments electronically, you must send them over the SECRET Internet Protocol Router Network (SIPRNET).

We appreciate the courtesies extended to the staff. Please direct questions to me at (703) 604-8900 (DSN 329-8900).

A handwritten signature in black ink that reads "Troy M. Meyer".

Troy M. Meyer
Principal Assistant Inspector
General for Audit

Contents

Introduction	1
Objective	1
Background	1
Review of Internal Controls	4
Finding. Timely and Complete STRs Transferred to the VA Might Not Include All Care Received Outside the Military Health System	5
USD(P&R) Revised DoD Instruction 6040.45	6
Timeliness of STRs Transferred to the VA Improved	7
Completeness of STRs Transferred to the VA Improved	8
Annual Review of STRs With Service Members	9
Conclusion	10
Recommendations, Management Comments, and Our Response	11
Appendixes	
Appendix A. Scope and Methodology	12
Use of Computer-Processed Data	12
Use of Technical Assistance	13
Prior Coverage	13
Appendix B. Sample Selection of STRs Transferred to Veterans Affairs	14
Management Comments	17
Under Secretary of Defense for Personnel and Readiness	17
Acronyms and Abbreviations	19

Introduction

Objective

We determined whether the DoD had implemented recommendations in DoD OIG Report No. DODIG-2014-097, “Audit of the Transfer of DoD Service Treatment Records to the Department of Veterans Affairs,” July 31, 2014.

Background

According to DoD Instruction 6040.45, a Service Treatment Record (STR) is a chronological record of all essential medical, dental, and mental health care received by service members during their military careers.³ The STR includes documents in both paper (hardcopy) and paperless (electronic) format. The Department of Veteran Affairs (VA) uses STRs as the official record to support continuity of clinical care and eligibility for compensation benefits for active duty and Reserve service members and those who have separated or retired. The Instruction requires Military Departments to compile STRs and store them in a repository (Healthcare Artifact and Image Management Solution [HAIMS]) where the STRs will be available to the VA within an agreed-upon timeline. The Instruction also requires Medical Treatment Facilities (MTFs) to upload a DD Form 2963 “Service Treatment Record Certification,” into HAIMS to certify that each service member’s STR is complete.

In July 2013, the Assistant Secretary of Defense for Health Affairs (ASD[HA]) issued a memorandum providing guidance to the Military Departments to initiate an electronic process for transferring STRs to the VA. Starting on January 1, 2014, the FY 2014 National Defense Authorization Act (NDAA) required the DoD to make STRs available to the VA in electronic format no later than 90 days after the service member’s separation. However, in November 2015, the DoD established 45-business days from the service member’s separation as the agreed upon timeline to make STRs available to the VA.

Under the electronic process, hardcopies of the STR are scanned into HAIMS and merged with the electronic records from the Armed Forces Health Longitudinal Technology Application (AHLTA) database. The DoD uses HAIMS to make the STRs available to the VA in an electronic format.

³ DoD Instruction 6040.45, “DoD Health Record Life Cycle Management,” November 16, 2015.

Periodic Health Assessments

The Periodic Health Assessment (PHA) is an annual medical assessment used to determine the service member's medical condition and deployability status. The PHA should account for all care, including care received outside the military health system. DoD Instruction 6200.06 requires the Military Departments to document the PHA by using the web-based DD Form 3024 "Annual Periodic Health Assessment."⁴

Individual Medical Readiness Program

DoD Instruction 6025.19 requires the Military Departments to track the individual medical readiness of service members for key elements of health and fitness, including service members' PHA.⁵ To provide oversight for the PHA program, DoD Instruction 6025.19 requires each Military Department to provide quarterly reports to the USD(P&R) that summarize the readiness and medical deployability status of all active duty and reserve service members.

Summary of Prior Audit

In July 2014, the DoD Office of Inspector General (DoD OIG) issued a report addressing problems with the process of transferring STRs to the VA.⁶ During our prior audit, the DoD transitioned from the hard-copy process of transferring STRs to the VA to the electronic process, as required by the FY 2014 NDAA.

The DoD OIG determined that the DoD did not consistently transfer timely and complete electronic STRs to the VA. During the prior audit, electronic records transferred within 90 business days were considered a timely transfer based on the standard specified in the NDAA for FY 2014, which required the DoD to make STRs available to the VA no later than 90 days after the date of service members' discharge or release. The DoD OIG reviewed a sample of electronic STRs transferred from January through April 2014 that revealed the following results.⁷

- Department of the Army: 17 percent were transferred in a timely manner and 67 percent were complete.
- Department of the Navy: 22 percent were transferred in a timely manner, and 56 percent were complete.
- Department of the Air Force: 27 percent were transferred in a timely manner, and 93 percent were complete.

⁴ DoD Instruction 6200.06, "Periodic Health Assessment Program," September 8, 2016.

⁵ DoD Instruction 6025.19, "Individual Medical Readiness," June 9, 2014.

⁶ DoD OIG Report DODIG-2014-097, "Audit of the Transfer of DoD Service Treatment Records to the Department of Veterans Affairs," July 31, 2014.

⁷ While the prior audit reviewed both paper and electronic STRs, we are only presenting the results associated with the electronic process, since the hard-copy process is no longer in place.

Although the DoD OIG included the Air Force in the 2014 audit, the DoD OIG did not make recommendations to the Air Force; therefore, this audit does not include a review of the current Air Force STR transfer process.

In the prior report, the DoD OIG recommended that the USD(P&R), in coordination with the Director, DHA, revise DoD Instruction 6040.45, "Service Treatment Record (STR) and Non-Service Treatment Record (NSTR) Life Cycle Management," October 28, 2010, to:

- update the process for certifying an STR as complete, and the timeline for making STRs available to the VA in accordance with FY 2014 National Defense Authorization Act;
- identify the responsible party for transferring STRs;
- ensure STRs for Reserve Component personnel contain a complete history of documented healthcare; and
- require the military personnel community to provide loss rosters to the military treatment facilities.⁸

In July 2014, the USD(P&R) responded that DoD Instruction 6040.45 had been updated to include each of the recommended actions. However, instead of updating the timeline for making STRs available to the VA within the 90-day STR timeline standard contained in the FY 2014 NDAA, the Secretary of Defense issued a mandate on June 23, 2014, to measure this timeline and determine whether it should be changed. The Under Secretary also stated that monthly loss rosters were more efficient to use in support of STR processing and were an alternative to the requirement for weekly loss rosters.

The DoD OIG also recommended that the USD(P&R), in coordination with the Director, DHA, implement procedures to ensure the Military Departments perform annual reviews of STRs with service members and conduct oversight of those reviews to achieve STR completeness in accordance with DoD Instruction 6040.45. In October 2014, the Under Secretary responded that the DHA was establishing a Patient Administration Office (PAO) to implement a formal joint STR/Non-STR Management Program. The PAO would serve as a program manager responsible for the development of audit protocols for ensuring compliance with DoD requirements for timeliness and completeness of STRs. These protocols would ensure compliance with DoD requirements for timeliness and completeness of STRs.

The DoD OIG also recommended that the Commander, MEDCOM, and the Commander, BUMED, review the STR transfer process for active duty Navy and Army Reserve and National Guard personnel to identify and resolve inefficiencies

⁸ A loss roster is a list of service members who will be separating from the military within a specified timeframe.

that delay the processing of STRs in a timely manner. In July 2014, the Chief of Staff for the Office of the Surgeon General stated that MEDCOM officials:

- issued guidance for transferring complete STRs in a timely manner,
- conducted training sessions with military and dental treatment facility personnel, and
- hired additional staff to support requirements.

In July 2015, the Deputy Director, Healthcare Delivery, responding for the Commander, BUMED, stated that Navy Medicine had implemented new processes and issued guidance with the purpose of achieving timely STR transfers. Additionally, BUMED established a processing center that had improved the timely processing of STRs.

Review of Internal Controls

DoD Instruction 5010.40 requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls.⁹

We identified a potential internal control weakness in the Army, Marine Corps, and Navy implementation of the DoD PHA program. Specifically, the Army did not use the DD Form 3024. Additionally, the Marine Corps and Navy did not fully implement use of the DD Form 3024 to document periodic health assessments on service members as required by DoD Instruction 6200.06. Until the DD Form 3024 is implemented, the USD(P&R) and DHA may not be able to validate whether the STRs contain all medical care received by service members, including care received outside the military health system. We will provide a copy of the final report to the senior Army, Marine Corps, and Navy officials responsible for internal controls.

⁹DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013.

Finding

Timely and Complete STRs Transferred to the VA Might Not Include All Care Received Outside the Military Health System

The USD[P&R]; Director, DHA; Commander, MEDCOM; and Commander, BUMED implemented corrective actions to address deficiencies identified in DoD OIG Report No. DODIG-2014-097, “Audit of the Transfer of DoD Service Treatment Records to the Department of Veterans Affairs,” July 31, 2014. Specifically, the USD(P&R) revised DoD Instruction 6040.45 to clarify procedures to ensure complete STRs were transferred to the VA within 45-business days of separation. Additionally, MEDCOM and BUMED reviewed their processes of transferring STRs to the VA to identify and resolve inefficiencies that delayed the processing of STRs. Our review of the STRs transferred to the VA for benefit claims made in FY 2016 revealed the following results.

- Army: Of 70,069 STRs transferred to the VA, 59,948 (86 percent) were transferred in a timely manner, and 64,619 (92 percent) were complete; compared to 17 percent and 67 percent, respectively in 2014.
- Navy: Of 18,683 STRs transferred to the VA, 12,455 (67 percent) were transferred in a timely manner, and 16,815 (90 percent) were complete; compared to 22 percent and 56 percent, respectively in 2014.¹⁰
- Marine Corps:¹¹ Of 19,181 STRs transferred to the VA, 15,558 (81 percent) were transferred in a timely manner, and 17,476 (91 percent) were complete.

While the Army and Navy improved their timeliness in transferring STRs to the VA, we remain concerned by the number of STRs that were not transferred in a timely manner, which could delay the VA in approving benefit claims from service members.

Additionally, rather than creating a new mechanism to ensure the Military Departments perform annual reviews of STRs with service members and conduct oversight of those reviews, the USD(P&R) and the Director, DHA, relied on the existing PHA and IMR programs. The USD(P&R) issued the DoD Instruction 6200.06 on September 8, 2016. This Instruction requires

¹⁰ During the 2014 audit, the Navy was also responsible for transferring Marine Corps STRs to the VA. As a result, the percentages for timeliness and completeness reported in the prior audit applied to both the Navy and Marine Corps STRs. As of November 2015, the Marine Corps started transferring its own STRs. Therefore, the percentages for timeliness and completeness for the Navy and the Marine Corps are reported separately in this audit.

¹¹ Because the Marine Corps started processing its own STRs separate from the Navy, we included the Marine Corps' transfer process in our review.

the use of the DD Form 3024, which is a new form that includes questions to ensure that all medical care, including care received outside the military health system, is reported in the service member's STR. The ASD(HA) gave the Military Departments until September 30, 2017 to fully implement the DoD Instruction 6200.06, but extended the deadline to December 31, 2017 because the Military Departments informed ASD(HA) that not all Service Components would meet the established deadline. As of September 2017, the Army had not implemented the DD Form 3024, but reported that it was on track to implement the form by December 31, 2017. However, although the Marine Corps and Navy had begun implementing the form, full implementation would not take place until later in FY 2018 because the DD Form 3024 is a web-based document that is not always accessible while at sea. As a result, until the Army, Marine Corps, and Navy implement the DD Form 3024, the USD(P&R) and DHA will not be able to determine whether relying on the PHA and IMR programs ensures that STRs include care received from facilities outside the military health system. STRs missing information on care from facilities outside the military health system could delay the VA in approving benefit claims from service members.

USD(P&R) Revised DoD Instruction 6040.45

The USD(P&R), in coordination with the Director, DHA, revised DoD Instruction 6040.45, "Service Treatment Record and Non-Service Treatment Record Life Cycle Management," October 28, 2010. The revision clarified procedures to ensure complete STRs are transferred to the VA in a timely manner. The revised DoD Instruction 6040.45, dated November 16, 2015:

- requires the use of the DD Form 2963, "Service Treatment Record Certification," to indicate that an electronic archived STR is complete;¹²
- requires the Military Departments to develop procedures to ensure that STRs are stored in a repository, and made available to the VA within agreed upon timelines;
- delegates responsibility to the Secretaries of the Military Departments to update their own regulations for DoD health records; and
- assigns responsibility to the Secretaries of the Military Departments to provide DoD health maintenance facilities access (on a weekly basis, when possible, but not less than monthly) to updated rosters of individuals anticipating separation from Military Service.

We determined that the USD(P&R) revision to DoD Instruction 6040.45 met the intent of the recommendation.

¹² The DD Form 2963 is used to certify that a thorough review of all known DoD systems containing medical records was accomplished and the STR is complete as of the date on the form.

Timeliness of STRs Transferred to the VA Improved

In response to the 2014 audit, MEDCOM and BUMED reviewed their procedures to identify and resolve inefficiencies that delayed the processing and transferring of STRs to the VA. As part of its review, MEDCOM issued guidance for transferring complete STRs to the VA in a timely manner, conducted training sessions with military and dental treatment facility personnel, and hired additional staff to support requirements. BUMED also issued guidance for achieving STR transfers to the VA in a timely manner and established a processing center to receive and process STRs in less time. As a result of their reviews, the Army and the Navy improved their timeliness in transferring STRs to the VA.

We statistically selected and reviewed 270 STRs transferred to the VA for benefit claims made in FY 2016 to determine whether they were uploaded into HAIMS within 45-business days after the service member's separation date.¹³ Our review revealed the following results, which improved since the 2014 audit.¹⁴

- Army: Of 70,069 STRs transferred to the VA, 59,948 STRs (86 percent) were transferred in a timely manner.
- Navy: Of 18,683 STRs transferred to the VA, 12,445 STRs (67 percent) were transferred in a timely manner.
- Marine Corps: Of 19,181 STRs transferred to the VA, 15,558 STRs (81 percent) were transferred in a timely manner.

For the STRs that were not uploaded into HAIMS in a timely manner, the Army, Marine Corps, and Navy explained the unique circumstances that caused the delays. According to MEDCOM officials, personnel at the military installations were providing manual lists of separating service members to the MTFs. This manual notification process prevented the MTFs from initiating their search for the health records on time. As a result, MTF personnel were unable to send STRs to the Army Records Processing Center to be uploaded into HAIMS within 45-days of a service member's separation. To address this delay, MEDCOM officials stated that it implemented an automated process for providing the list of separating service members to the MTFs. According to BUMED officials, during the timeframe of our review, untimely processing of STRs occurred due to a backlog resulting from moving its scanning facilities to St. Louis in May 2016. However, BUMED officials stated that as of October 2016, the processing backlog resulting from this move

¹³ We reviewed 90 STRs from each Military Service (Army, Navy, Marine Corps)

¹⁴ To determine whether STRs were transferred in a timely manner, we used the DoD standard of 45-days. We also calculated timeliness based on the NDAA's 90-day standard to determine if there was a significant difference in results when compared to 45-day standard used by the DoD. We determined that the difference in results was negligible for the Army and Marine Corps. The Navy transferred 81 percent of the STRs within 90-day, versus 67 percent within 45-days. Therefore, the conclusions and recommendations of this report would have been the same regardless of the standard used by DoD.

no longer existed. According to a Marine Corps official, the Marine Corps began processing its own STRs independently from the Navy in November 2015, which caused a backlog in uploading the STRs into HAIMS.

Although we determined that MEDCOM and BUMED implemented the recommendation to identify and resolve inefficiencies that delay the processing of STRs in a timely manner, we remain concerned by the significant number of STRs that were not transferred to the VA in a timely manner.

Completeness of STRs Transferred to the VA Improved

During our review of STRs for timeliness, we also reviewed the STRs uploaded into HAIMS to determine their completeness. We determined whether the STRs included medical, dental, AHLTA records, and the DD Form 2963, as required by the DoD Instruction 6040.45.¹⁵ DHA officials stated that the DD Form 2963 certifier could only certify the records that were available as of the date the form was filled out after they searched for all STR records. DHA officials also stated that, as long as a DD Form 2963 discloses that any of these records were absent at the time of certification, the STR would still be considered complete.

We considered the STR to be incomplete if the DD Form 2963 was not included with the STR. Additionally, we considered the STR to be incomplete if it did not include the medical, dental, or AHLTA records and if the DD Form 2963 did not disclose that those files were missing.

Our review revealed the following results.

- Army: Of 70,069 STRs transferred to the VA, 64,619 STRs (92 percent) were complete.
- Navy: Of 18,683 STRs transferred to the VA, 16,815 STRs (90 percent) were complete.
- Marine Corps: Of 19,181 STRs transferred to the VA, 17,476 STRs (91 percent) were complete.

From our review, we determined that the Army and Navy improved the completeness of STRs transferred to the VA since the 2014 audit; however, the Army, Navy, and Marine Corps can continue to improve on the completeness of STRs transferred to the VA.

¹⁵ Medical records include mental records.

Annual Review of STRs With Service Members

The USD(P&R) and the Director, DHA, established the Patient Administration Office (PAO) in September 2014. The PAO is the program management office that is supposed to ensure that the Military Departments comply with DoD timeliness and completeness requirements for STRs. The PAO initially planned to develop audit protocols to ensure the Military Departments conducted annual reviews of STRs with service members. The purpose of the STR annual reviews was to ensure each record contained all medical care, including care obtained outside of the military health system. After evaluating the resources needed to develop a new mechanism, the USD(P&R) and the Director, DHA, determined it was more effective to rely on the existing Periodic Health Assessment (PHA) program to ensure the Military Departments performed annual reviews of STRs with service members.

The Army, Marine Corps, and Navy used Service-specific forms to document PHAs for service members. However, as of September 8, 2016, the DoD Instruction 6200.06 requires all Services to use the DD Form 3024. This form standardizes the documentation of the PHA throughout all Services by adding questions regarding care received outside the military health system to ensure this care is captured in the STR.¹⁶

The ASD(HA) gave the Military Departments until September 30, 2017 to fully implement the DoD Instruction 6200.06 but extended the deadline to December 31, 2017 because the Military Departments informed ASD(HA) that not all Service Components would meet the established deadline.

As of September 2017, the Army had not implemented the DD Form 3024, but reported that it was on track to implement the form by December 31, 2017. Although the Marine Corps and Navy had begun implementing the form, full implementation will not take place until later in FY 2018 because the DD Form 3024 is a web-based document that is not always accessible while at sea.

To provide oversight of the annual STR reviews performed by the Military Departments, the USD(P&R) planned to rely on the oversight already in place for the PHA program. Oversight for the PHA program occurs through the IMR program. The IMR program requires each Military Department to provide quarterly reports to the USD(P&R) that summarize the IMR status of all service members of the active and reserve components. Commanders use the results of the PHA, in the DD Form 3024, to report the IMR of service members. If use of the DD Form 3024 is implemented properly, relying on the PHA and IMR programs

¹⁶ According to DHA officials, it is the service member's responsibility to ensure all medical information, including medical care received outside the military health system, is provided to the MTF for inclusion in the STR.

could be sufficient to address the prior report's recommendation to ensure the Military Departments perform annual reviews of STRs with service members and conduct oversight of those reviews.

However, because the Military Departments have not fully implemented the DD Form 3024, the USD(P&R) and DHA are unable to determine, at this time, whether using the PHA and IMR programs will ensure that STRs include all health care information, including care from outside the military health system. Without all the medical information required in the STRs to validate a service member's benefit claim, the service members may face delays with the VA processing and approving their claims. *Therefore, USD (P&R), in coordination with DHA should develop a plan and timeline to ensure the Military Departments implement the DD Form 3024 if it has not been implemented by December 31, 2017. After the DD Form 3024 is implemented, the DHA should also determine whether the PHA and IMR programs are adequate to satisfy the service members' STR annual review requirement. In addition, they should conduct periodic checks of STRs transferred to the VA to ensure compliance with the timeliness and completeness requirements in DoD Instruction 6040.45.*

Conclusion

The USD(P&R) revised DoD Instruction 6040.45 to provide the Military Departments guidance for transferring STRs to the VA. Additionally, MEDCOM and BUMED identified and resolved the inefficiencies that delayed STR processing. As a result, the Army and Navy improved their timeliness and STR completeness in transferring records to the VA. However, we remain concerned by the significant number of STRs that were not transferred in a timely manner. Further, the USD(P&R) relied on existing programs to ensure the Military Departments conduct annual reviews of STRs with service members. However, the Army, Navy, and Marine Corps have not fully implemented the use of the DD Form 3024. Until the DD Form 3024 is implemented, the USD(P&R) and DHA cannot determine whether all care, to include care received from facilities outside the military health system, is included in the STR. Without this information, STRs may be incomplete, which may contribute to a delay in processing and approving benefit claims to the VA from service members.

Recommendations, Management Comments, and Our Response

Recommendation 1

We recommend the Under Secretary of Defense for Personnel and Readiness, in coordination with the Director, Defense Health Agency:

- a. Develop a plan and timeline to ensure the Military Departments implement the DD Form 3024 if it has not been implemented by December 31, 2017.**
- b. Determine, once the DD Form is implemented, whether the Periodic Health Assessment and Individual Medical Readiness programs are adequate to satisfy the service members' Service Treatment Record annual review requirement.**
- c. Conduct periodic checks of Service Treatment Records transferred to the Department of Veterans Affairs in order to ensure compliance with the timeliness and completeness requirements in DoD Instruction 6040.45. The periodic checks should include Service Treatment Records of separated personnel from every Military Department.**

Under Secretary of Defense (Personnel and Readiness) Comments

The Under Secretary of Defense (Personnel and Readiness) agreed with the recommendations.

Our Response

Comments from the Under Secretary did not address the specifics of the recommendations; therefore, the recommendations are unresolved. Specifically, the Under Secretary did not explain how he will:

- develop a plan for ensuring the Military Departments implement the DD Form 3024;
- determine whether the PHA and IMR programs are adequate to ensure that service members undergo an annual STR review; or
- conduct periodic checks of STRs transferred to the VA to ensure compliance with the timeliness and completeness requirements in DoD Instruction 6040.45.

Therefore, we request that the Under Secretary, in coordination with the Defense Health Agency, provide the detailed corrective actions that will be taken to implement the recommendations and estimated dates of completion in response to the final report.

Appendix A

Scope and Methodology

We conducted this performance audit from August 2016 through December 2017 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.

We interviewed personnel from the Under Secretary of Defense for Personnel and Readiness (USD[P&R]); Defense Health Agency (DHA); U.S. Army Medical Command (MEDCOM); the Marine Corps, and the U.S. Navy Bureau of Medicine and Surgery (BUMED) to understand how they implemented audit recommendations from Report No. DODIG-2014-097. Further, we reviewed DoD Instructions, forms, guidance, and memorandums related to the transfer of Service Treatment Records (STRs) to the Department of Veterans Affairs (VA) and how the Periodic Health Assessment Program would be implemented.

We statistically selected 90 service members from the Army, Marine Corps, and Navy for a total of 270 service members. Our sample consisted of individuals who separated from the Military Department between January 1, 2014, and September 30, 2016, and filed a veteran's benefit claim in FY 2016. We reviewed the STRs of these 270 service members to determine whether their STRs were complete and transferred to the VA in a timely manner. We determined completeness by verifying whether the STRs contained hard copy medical and dental records, electronic AHLTA records, and a DD Form 2963. We calculated timeliness by determining whether the DD Form 2963 was uploaded into HAIMS within 45 business days of the service member's separation date.¹⁷ During our review we learned that eight of the 270 service members in our sample separated before January 1, 2014. Therefore, we excluded these STRs from our analysis.

Use of Computer-Processed Data

We relied on computer-processed data from the Virtual Lifetime Electronic Record (VLER) and HAIMS to perform this audit. We used VLER data to develop a sample of separated service members who filed a claim for veteran's benefits with the VA during FY 2016. We verified the reliability of VLER data by confirming the separation dates to the data in the systems used by the Army, Marine Corps, and Navy, or separation documents, such as DD Form 214, "Certificate of Release or

¹⁷ We used the claim date to determine timeliness if a service member had not yet separated at the time of the claim.

Discharge from Active Duty.” We used the HAIMS system to obtain the STRs of the service members selected in our sample, and to determine the date in which the certification of completion was uploaded (timeliness). We verified the reliability of HAIMS data by comparing the individual’s name and social security number on the medical records to VLER and by interviewing DHA officials and HAIMS project management personnel. We determined that the data were sufficiently reliable for selecting samples to evaluate timeliness and completeness, which would allow us to achieve our audit objective.

Use of Technical Assistance

We received support from the DoD OIG Quantitative Methods Division (QMD) to develop a sample of 270 service members who separated from the military between January 1, 2014, and September 30, 2016, and who filed a claim with the VA in FY 2016.

Prior Coverage

During the last 5 years, the DoD Office of Inspector General (DoD OIG) and the Army Audit Agency issued two reports discussing service treatment records. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/pubs/index.cfm>. Unrestricted Army Audit Agency reports can be accessed from .mil and gao.gov domains at <https://www.aaa.army.mil/>.

DoD OIG

Report No. DODIG-2014-097, “Transfer of DoD Service Treatment Records to the Department of Veterans Affairs,” July 31, 2014

The DoD OIG determined whether the DoD effectively transferred service treatment and personnel records to the Department of Veterans Affairs. The DoD OIG determined that DoD did not consistently transfer timely and complete STRs to the VA.

Army Audit Agency

Report No. A-2016-0009-MTM, “Transfer of Service Treatment Records – Reserve Component,” November 18, 2015

The audit objective was to verify that the Army transferred the service treatment records of Reserve Component Soldiers to the U.S. Department of Veterans Affairs within the 45-business day standard. The Army Audit Agency determined that 79 percent of the records for Reserve Component Soldiers met the standard. The Army also found that 68 percent of the U.S. Army National Guard records met the standard.

Appendix B

Sample Selection of STRs Transferred to Veterans Affairs

The Quantitative Methods Division (QMD) developed a sample design for a population of Army, Navy, and Marine Corps service members who separated from the military and filed a VA claim in FY 2016. The VA provided one file, sorted in a random number sequence. Specifically, using the IDEA statistical sampling software, the QMD developed a simple random sample consisting of 90 records for each Military Service, totaling 270 records. However, we did not test 8 of the 270 records because we determined that they were outside of the scope of the audit after reviewing the separation date field. These untested records comprised two records from the Army, two from the Navy, and four from the Marine Corps. See Tables 1 and 2 for the results of our sample analysis.

Table 1. Timely Transfers of STRs by Military Service

Military Department	STRs Sampled	Number of Timely STRs	Percentage of Timely STRs
Army	90	77	86%
Navy	90	60	67%
Marine Corps	90	73	81%

Table 2. Transfer of Complete STRs by Military Service

Military Department	STRs Sampled	Number of Complete STRs	Percentage of Complete STRs
Army	90	83	92%
Navy	90	81	90%
Marine Corps	90	82	91%

Population

The sample population consisted of service members who separated from the Army, Navy, or Marine Corps after January 1, 2014, and who submitted a claim for veteran's benefits during FY 2016. The sample population by Military Service consisted of the following number of separated service members.

- Army – 70,069
- Marine Corps – 19,181
- Navy – 18,683

Measures

We measured the percentage of complete STRs and the percentage of timely STRs transferred to the VA for the Army, Marine Corps, and Navy. We determined completeness by verifying whether the STRs contained hard copy medical and dental records, electronic AHLTA records, and a DD Form 2963. We calculated timeliness by determining whether the DD Form 2963 was uploaded into HAIMS within 45 business days of the service member's separation date.

Statistical Projections and Interpretation

The analysis included making projections based on the audit results of the records sampled and reviewed. Tables 3 to 8 summarize the projected results from our fieldwork at the 95-percent confidence level.

Table 3. Army Timely Records

	Lower Bound	Point Estimate	Upper Bound
Number of Timely Records	54,444	59,948	65,451
Rate of Timely Records	78%	86%	93%

Note: We are 95-percent confident that the number of records transferred in a timely manner from the Army was between 54,444 and 65,451 with a point estimate of 59,948.

Table 4. Army Complete Records

	Lower Bound	Point Estimate	Upper Bound
Number of Complete Records	60,334	64,619	68,905
Rate of Complete Records	86%	92%	98%

Note: We are 95-percent confident that the number of complete records transferred from the Army was between 60,334 and 68,905 with a point estimate of 64,619.

Table 5. Navy Timely Records

	Lower Bound	Point Estimate	Upper Bound
Number of Timely Records	10,526	12,455	14,385
Rate of Timely Records	56%	67%	77%

Note: We are 95-percent confident that the number of records transferred in a timely manner from the Navy was between 10,526 and 14,385 with a point estimate of 12,455.

Table 6. Navy Complete Records

	Lower Bound	Point Estimate	Upper Bound
Number of Complete Records	15,549	16,815	18,080
Rate of Complete Records	83%	90%	97%

Note: We are 95-percent confident that the number of complete records transferred from the Navy was between 15,549 and 18,080 with a point estimate of 16,815.

Table 7. Marine Corps Timely Records

	Lower Bound	Point Estimate	Upper Bound
Number of Timely Records	13,895	15,558	17,221
Rate of Timely Records	72%	81%	90%

Note: We are 95-percent confident that the number of records transferred in a timely manner from the Marine Corps was between 13,895 and 17,221 with a point estimate of 15,558.

Table 8. Marine Corps Complete Records

	Lower Bound	Point Estimate	Upper Bound
Number of Complete Records	16,238	17,476	18,714
Rate of Complete Records	85%	91%	98%

Note: We are 95-percent confident that the number of complete records transferred from the Marine Corps was between 16,238 and 18,714 with a point estimate of 17,476.

Management Comments

Under Secretary of Defense for Personnel and Readiness



UNDER SECRETARY OF DEFENSE
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WASHINGTON, D.C. 20301-4000

FEB - 2 2018

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL PRINCIPAL
ASSISTANT INSPECTOR GENERAL FOR AUDITING

SUBJECT: Draft Report on Department of Defense Inspector General Project No. D2016-D000XD-0201.000 – "Follow-up Audit: Transfer of Service Treatment Records to the Department of Veterans Affairs"

This is the Department of Defense (DoD), Office of the Under Secretary of Defense for Personnel and Readiness, response to the DoD Inspector General Draft Report on Project No. D2016-D000XD-0201.000, "Follow-up Audit: Transfer of Service Treatment Records to the Department of Veterans Affairs."

Thank you for the opportunity to review and provide the attached comments on the Draft Report. I concur with the report's findings and recommendations.

My overall lead agent is [REDACTED], Director, Defense Health Agency,
[REDACTED]. Technical lead and point of contact for reporting is [REDACTED].

A handwritten signature in black ink that reads "Robert L. Wilkie".

Robert L. Wilkie

Attachment:
As stated

Under Secretary of Defense for Personnel and Readiness (cont'd)

**Draft Report on Department of Defense Inspector General Project
No. D2016-D000XD-0201.000 – “Follow-up Audit: Transfer of Service Treatment Records
to the Department of Veterans Affairs”**

RESPONSE TO RECOMMENDATIONS

RECOMMENDATION: We recommend the Under Secretary of Defense for Personnel and Readiness, in coordination with the Director, Defense Health Agency:

- a. Develop a plan and timeline to ensure the Military Departments implement the DD Form 3024 if it has not been implemented by December 31, 2017.
- b. Determine once the DD Form is implemented, whether the Periodic Health Assessment and Individual Medical Readiness programs are adequate to satisfy the annual review requirement for Service Treatment Records.
- c. Conduct periodic checks of Service Treatment Records transferred to the Department of Veterans Affairs in order to ensure compliance with the timeliness and completeness requirements in the Department of Defense (DoD) Instruction 6040.45. The periodic checks should include Service Treatment Records of separated personnel from every Military Department.

DOD RESPONSE: Concur.

Acronyms and Abbreviations

AHLTA	Armed Forces Health Longitudinal Technology Application
ASD(HA)	Assistant Secretary of Defense for Health Affairs
BUMED	U.S. Navy Bureau of Medicine and Surgery
DHA	Defense Health Agency
HAIMS	Healthcare Artifact and Image Management Solution
IMR	Individual Medical Readiness
MEDCOM	U.S. Army Medical Command
MTF	Medical Treatment Facilities
NDAA	National Defense Authorization Act
NSTR	Non-Service Treatment Record
PAO	Patient Administration Office
PHA	Periodic Health Assessment
STR	Service Treatment Records
USD(P&R)	Under Secretary of Defense for Personnel and Readiness
VA	Department of Veterans Affairs
VLER	Virtual Lifetime Electronic Record

Whistleblower Protection

U.S. DEPARTMENT OF DEFENSE

The Whistleblower Protection Ombudsman's role is to educate agency employees about prohibitions on retaliation and employees' rights and remedies available for reprisal. The DoD Hotline Director is the designated ombudsman. For more information, please visit the Whistleblower webpage at www.dodig.mil/Components/Administrative-Investigations/DoD-Hotline/.

For more information about DoD OIG reports or activities, please contact us:

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