

A submission on the system of Veterans' Rehabilitation and Compensation

For the Australian Government Productivity Commission Inquiry into Veterans' Rehabilitation and Compensation 2018.

COMPENSATION FOR TRAVEL COSTS FOR TREATMENT – VETERANS' REIMBURSEMENT

DVA Performance Measure 2.5

Introduction: Current performance of the Repatriation Transport Scheme, specifically the reimbursement of DVA Clients for Travel already completed appears to be running in an inefficient manner when compared with the service levels achieved by other Australian Government Agencies (i.e. Medicare reimbursements.) Medicare routinely achieves reimbursements to patients which take a matter of hours (e.g. 24-48 hrs), rather than days. This represents a significant difference in the service levels achieved for similar outcomes (i.e. reimbursement of creditors of the Australian Government).

It should be noted that the current Measure of Performance (MOP) for reimbursement of travel for treatment claims is set at some **TWENTY EIGHT DAYS (28 Days)**! Expressed differently, the DVA Repatriation Transport Scheme currently achieves a Performance (in 99% of cases) of some **SIX HUNDRED AND SEVENTY TWO HOURS (672 hrs)** to process a simple travel claim for reimbursement, where the claimant primarily self-administers through the MyAccount portal.

So, whilst clients can lodge claims for reimbursement online in a matter of minutes through the MyAccount portal, they currently cannot expect to be reimbursed for up to **TWENTY EIGHT DAYS (28 days)** later? It should be noted that the veteran or client has already borne the costs of travel for treatment, it would appear, on behalf of the Department.

Expectations: The DVA Client Satisfaction Survey Results Summary 2016, showed that 36% of Claims overall were claims for reimbursement, in the sample group of 3002 (n=611). Extrapolated, it might be true that 36% (i.e. the maximum percentage of claims business of DVA) yearly relates to Reimbursement!

Veteran Expectations were just 39% satisfied with timeliness in the <45 age group, the remaining 61% (of that age group) being either dissatisfied, or processing time exceeding expectations (where n=203).

It should be noted that this DVA Client Survey 2016 was of only 3002 DVA Clients in 2016, which was interpreted by ORIMA to randomly represent **some 165,071 DVA Veterans** (ref B)! That is a sample of just 2.2% of the veteran population!

So, expectations vary by demographics of veterans and the views of less than 2.2% may not be the views of the majority of the veteran population. Nevertheless, DVA Clients were mainly dissatisfied with service levels achieved by the Claims Reimbursement System.

Discussion: Is DVA internal processing time “bogged down” with adherence to satisfy requirements under the legislation, which although important for fraud control, are amounting to bureaucratic “red tape” with reference to “must” statements in the legislation?

Discussion: Is the DVA fully engaged in e-commerce with veterans and clients to optimise the client experience and direct credit to accounts?

Discussion: Are DVA ICT Decision Support Tools and the My Account Portal optimised to measure performance efficiency of the Repatriation Transport Scheme?

Opportunities: The Productivity Commission might have regard for benchmarking the efficiency and service levels achieved in other Australian Government Departments who routinely reimburse client/customers of the Australian Government, with a view to DVA optimising its service levels.

Submission: There is the opportunity to realise travel claims based on a MOP measured in hours, rather than days. The author considers that it is not unreasonable in these times of e-commerce and self-administration using IT and web-based portals to achieve service levels reimbursing Australian clients in under **72 hours**, subject to accounting credit systems.

Opportunities: The efficiencies in processing time from ICT system improvements in the Travel for Treatment – Reimbursement may also be able to be realised in the Booked Car With Driver (BCWD) Provider payment service? This would then affect some **1.3 Million** odd person-trips per year. (ref A, p Table 29).

Outcomes: This measure puts money back in the pockets of up to around 143,256 Veterans/Claimants, (ref A, p 94) demonstrating a DVA committed to ongoing efficiency and effective service provision to the veteran community.

Conclusion:

The Repatriation Transport Scheme, specifically Veterans' Travel for Treatment (reimbursement), is regarded as an important element of compensation where Veterans and clients may be expected to bear the up-front costs of Travel for Treatment on behalf of the Department.

From a Veterans perspective, the system for Reimbursement of Travel for Treatment Claims, whilst maybe acceptable in time performance for aging veterans, is not suitably efficient, nor effective into the future to continue to meet the expectations of veterans and DVA clients. There are opportunities for DVA to improve service levels to meet contemporary expectations. **TWENTY EIGHT DAYS** processing time appears inordinately **wasteful of time** when compared with service levels achieved by contemporary Government Agencies (such as Medicare).

Recommendations:

The following recommendations arise;

1. That the Productivity Commission consider;
 - a. Scrutinizing the actual performance achievement by DVA in relation to the effectiveness and efficiency of Veterans' Travel for Treatment (Reimbursement) Claims.
 - b. Benchmarking the DVA achievement (MOP) of Travel Reimbursement Claims against the performance achieved by other government departments (such as the Department of Human Services' Medicare reimbursement).
 - c. Whether the legislative requirements determining the validity of Veterans' Travel Claims present nothing more than fraud control measures and (in)effectively amount to bureaucratic red-tape internalized within the process of claims processing?

2. Independently of the Productivity Commission findings, the Department of Veterans' Affairs;
 - a. Continue to improve service level efficiency MOP of Veterans' Travel (Reimbursement) Claims.
 - b. Commence reporting annually on the Measure of Effectiveness (MOE) achieved such as overall percentage of Travel Claims approved / denied, thereby promoting greater transparency of Departmental achievement of performance measure 2.5.
 - c. Enable more efficient and effective e-business with Veterans, clients and service providers through the Veteran-Centric Reforms Information Technology funding initiative and Direct Credit of Accounts.
 - d. Separate the reporting of feedback and complaint results and achievement of Veterans' Travel Claims from the broader Compensation claims situation within future DVA Client Surveys.

References:

- A. Annual Report of the Department of Veterans' Affairs for 2016-17, dated 2017
- B. Annual Report of the Department of Veterans' Affairs for 2016-17 – Fast Facts, dated 2017
- C. Report of the Department of Veterans' Affairs Client Satisfaction Survey 2016, dated May 2017, by
- D. Veterans' Review Board Annual Report 2016-2017, dated 2017
- E. Administrative Appeals Tribunal Annual Report 2016-17, dated 2017
- F. COMCARE and Safety, Rehabilitation and Compensation Commission Annual Reports 2016-17, dated 2017
- G. Military Rehabilitation and Compensation Act (MRCA) 2004
- H. Safety, Rehabilitation and Compensation Act (Defence related claims) (DRCA) 1988
- I. Veterans Entitlements Act (VEA) 1986
- J. Veterans' Affairs Legislation Amendment (Veteran - Centric Reforms No. 1) 2018

About the Author: *Major (ret'd) Brad DÉlboux, B.A. (Media Comms) served in the Australian Army for some twenty years, with notable postings to Army Headquarters specifically working on Army's Continuous Improvement Programme and Lean Management during 2012. He was a proponent for the Lean – Six Sigma methodology for Continuous Improvement in Process.*

In 2016–17, DVA processed 143,256 travel for treatment reimbursement claims under the Repatriation Transport Scheme, a decrease of 2.24 per cent compared to 146,537 claims in 2015–16. There was a reduction in overall processing times with 99 per cent of claims processed within 28 days, compared to 97.2 per cent in 2015–16. The ability for clients to lodge travel claims online through MyAccount continued to make it easier for clients to do business with DVA and has increased acceptance of online travel reimbursement under all three Acts. The number of online claims submitted to DVA in 2016–17 increased by 8.79 per cent to 91,831, compared to 84,414 claims in 2015–16. Arranged travel through the Booked Car with Driver scheme continued to be an important service for the aged and frail veteran community, as evidenced by the 1,323,956 person trips completed in 2016–17. This represents a 9.25 per cent increase compared to 1,211,805 trips in 2015–16.

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Conclusion: The Repatriation Transport Scheme, specifically Veterans' Travel for Treatment (reimbursement), is regarded as an important element of compensation where Veterans and clients may be expected to bear the up-front costs of Travel for Treatment on behalf of the Department.

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