



February 2015

# DEFENSE HEALTH CARE

## Better Tracking and Oversight Needed of Servicemember Separations for Non-Disability Mental Conditions

# Report Documentation Page

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# GAO Highlights

Highlights of [GAO-15-266](#), a report to congressional committees

## Why GAO Did This Study

Non-disability mental conditions, such as personality disorders, can render a servicemember unsuitable for military service and can lead to an administrative separation. GAO was mandated to report on non-disability mental condition separations. This report examines the extent to which (1) DOD and the military services are able to identify the number of enlisted servicemembers separated for non-disability mental conditions, and (2) the military services are complying with DOD requirements when separating enlisted servicemembers for non-disability mental conditions, including personality disorders, and how DOD and the military services oversee such separations. GAO analyzed DOD and the military services' separation policies, policies related to tracking separations, reports the military services submitted to DOD regarding compliance with separation requirements, and interviewed DOD and military service officials.

## What GAO Recommends

GAO recommends that DOD and the military services develop a method to identify the number of servicemembers separated for non-disability mental conditions and take a number of actions to ensure that their policies and processes can ensure that servicemembers are appropriately separated for non-disability mental conditions in accordance with DOD's separation requirements. DOD generally concurred with GAO's recommendations, but did not provide information on how or when it plans to implement the recommendations.

View [GAO-15-266](#). For more information, contact Randall B. Williamson at (202) 512-7114 or [williamsonr@gao.gov](mailto:williamsonr@gao.gov).

February 2015

## DEFENSE HEALTH CARE

### Better Tracking and Oversight Needed of Servicemember Separations for Non-Disability Mental Conditions

#### What GAO Found

The Department of Defense (DOD) and three of the four military services—Army, Navy, and Marine Corps—cannot identify the number of enlisted servicemembers separated for non-disability mental conditions—mental conditions that are not considered service-related disabilities. For most non-disability mental condition separations, these services use the broad separation code, “condition, not a disability,” which mixes non-disability mental conditions with non-disability physical conditions, such as obesity, making it difficult to distinguish one type of condition from the other. In contrast, the Air Force is able to identify such servicemembers because it uses all five of the separation codes specific to non-disability mental conditions. DOD policy requires the military services to use a separation code so that DOD can track and analyze separations. Moreover, federal standards for internal control state that all transactions need to be clearly and accurately documented and readily available for examination when needed. The three services had varying reasons as to why they use the broad separation code. For example, Army officials believed that stating in servicemembers' discharge papers that they were discharged for non-disability mental conditions might stigmatize them with future employers. However, DOD stated that there are ways to protect servicemembers in this regard by providing them with discharge papers that are more general and that do not disclose specific reasons for discharge. By not systematically identifying or periodically evaluating the number of separations for non-disability mental conditions, DOD and the services cannot assess how well the separation policy and process are working or inform key stakeholders, including the Congress, about separation frequency, trends, and other data.

The military services lack separation policies that address all of DOD's eight requirements for separating servicemembers with non-disability mental conditions; both DOD and the services also lack oversight over such separations. From fiscal years 2008 through 2012, DOD required the services to report on their compliance with DOD requirements for personality disorder separations, one of the non-disability mental conditions. Most of the services reported by fiscal year 2012 that they were not compliant with all eight requirements and many of the 20 reports contained incomplete and inconsistent information. For example, 19 reports were missing information on reserve members. DOD discontinued these reports and did not institute any other oversight, which is inconsistent with the internal control standard for monitoring. GAO also found, based on a review of the services' separation policies, that the services have not updated their policies to meet all DOD requirements for non-disability mental condition separations. For example, Navy officials stated that they were unaware that DOD separation policies had changed since 2008 until GAO's review. DOD officials stated that the military services are responsible for conducting oversight of their separation processes; however, GAO found that the military services do not have processes to oversee non-disability mental condition separations. Without up-to-date and consistent policies and oversight processes, DOD and the military services cannot ensure that servicemembers separated for non-disability mental conditions have been afforded the protections intended by DOD's separation requirements and that servicemembers have been appropriately separated for such conditions.

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## Abbreviations

DOD	Department of Defense
IDP	imminent danger pay
JAG	Judge Advocate General
PTSD	post-traumatic stress disorder
NDAA	National Defense Authorization Act
VA	Department of Veterans Affairs

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February 13, 2015

The Honorable John McCain  
Chairman  
The Honorable Jack Reed  
Ranking Member  
Committee on Armed Services  
United States Senate

The Honorable Mac Thornberry  
Chairman  
The Honorable Adam Smith  
Ranking Member  
Committee on Armed Services  
House of Representatives

The Department of Defense (DOD) requires that all servicemembers be physically and psychologically suitable for military service. DOD policy permits an enlisted servicemember to be involuntarily separated from the military if the servicemember's mental condition is severe enough that it interferes with the servicemember's ability to function in the military.<sup>1</sup> Servicemembers diagnosed with a mental condition may be eligible to receive disability compensation benefits from the Department of Veterans Affairs (VA) if the mental condition was incurred or aggravated while the servicemember was on active duty, such as developing post-traumatic stress disorder (PTSD) related to combat. However, if the mental condition is not incurred or aggravated while on active duty, it is not considered a service-related disability by DOD and VA; in other words, it is considered a non-disability mental condition.

Servicemember separations from the military for non-disability mental conditions are processed as administrative separations, and DOD has requirements that the military services—Army, Air Force, Navy, and

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<sup>1</sup>Enlisted servicemembers are those in the active duty component and Reserve component—reservists and National Guard members. Officers may also be separated from the military; however, the separation process for officers is different from that of enlisted servicemembers and was not the focus of this review.

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Marine Corps—must follow when processing these separations.<sup>2</sup> DOD’s current processing requirements apply to separations for all non-disability mental conditions;<sup>3</sup> however, prior to 2011, most of the department’s requirements only applied to separations for one type of non-disability mental condition—personality disorder, which is defined as a long-standing, inflexible pattern of behavior that deviates markedly from expected behavior, has an onset in adolescence or early adulthood, and leads to distress or impairment.

In 2008, we conducted a review of records of enlisted servicemembers who had served in Operation Enduring Freedom or Operation Iraqi Freedom and had been separated from the military because of a personality disorder.<sup>4</sup> We found that DOD and the military services did not have adequate oversight to ensure that separation requirements were being adhered to when servicemembers were separated for personality disorders. We made recommendations to improve DOD’s and the military services’ oversight of such separations. As a result of our review, in January 2009, DOD required the military services to annually review a sample of personality disorder separations to determine whether DOD separation requirements were being followed and to report the results to DOD.

The National Defense Authorization Act (NDAA) for Fiscal Year 2014 mandated GAO to examine issues regarding separations of servicemembers for non-disability mental conditions. For our review, we examined (1) the extent to which DOD and the military services are able to identify the number of enlisted servicemembers separated for non-disability mental conditions, and (2) the extent to which the military services are complying with DOD requirements when separating enlisted servicemembers for non-disability mental conditions, including personality disorders, and how DOD and the military services oversee such

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<sup>2</sup>We use “separation” to refer to administrative separations for non-disability mental conditions. DOD’s requirements for these separations are in Department of Defense Instruction 1332.14 *Enlisted Administrative Separations*.

<sup>3</sup>These include mental conditions such as acute adjustment disorder, disruptive behavior disorder, impulse control disorder, personality disorder, and other mental conditions, such as attention-deficit hyperactivity disorder.

<sup>4</sup>GAO, *Defense Health Care: Additional Efforts Needed to Ensure Compliance with Personality Disorder Separation Requirements*, [GAO-09-31](#) (Washington, D.C.: Oct. 31, 2008).

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separations. The NDAA also mandated GAO to report on the ability of servicemembers administratively separated for a non-disability mental condition to receive VA health benefits, which is addressed in appendix I.

To analyze the extent to which DOD and the military services are able to identify the number of enlisted servicemembers that were administratively separated because of a non-disability mental condition, we reviewed DOD and the military services documents, such as DOD's policy on the use of codes to track specific types of separations,<sup>5</sup> and interviewed DOD and military service officials to understand the type of tracking conducted and data maintained on separations for non-disability mental conditions, and any requirements related to tracking such separations. Our review of documents and interviews allowed us to determine the type of information that DOD and the military services have available to identify servicemembers separated because of non-disability mental conditions. We assessed this information against DOD policy—which requires separation codes to be used by the military services so that DOD can track and analyze separations by their cause, as well as against the federal internal control standards. The federal internal control standards require agencies to have control activities that help ensure management's directives are carried out.<sup>6</sup> For example, management should have a control that all transactions—such as the separations of enlisted servicemembers—are clearly documented and the documentation should be available for examination.

To determine the extent to which the military services are complying with DOD requirements when separating enlisted servicemembers for non-disability mental conditions, including personality disorders, and how DOD and the military services oversee such separations, we reviewed DOD's and the military services' separation policies to identify requirements for separating servicemembers for non-disability mental conditions, how these requirements evolved since our last review in 2008, and whether the requirements have been consistent between DOD and each of the military services' policies. We also interviewed DOD and military service officials to understand the services' administrative

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<sup>5</sup>Department of Defense Instruction 1336.01 *Certificate of Release or Discharge from Active Duty (DD Form 214/5 Series)* (Aug. 20, 2009).

<sup>6</sup>See GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999).

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separation processes for non-disability mental conditions and any oversight conducted by DOD or the military services to ensure the processes in place are effective in ensuring DOD separation requirements are met. Lastly, we reviewed and analyzed annual reports the military services submitted to DOD from fiscal year 2008 through fiscal year 2012 on their compliance with DOD's separation requirements when separating servicemembers for a personality disorder. Our interviews and review of policies and compliance reports allowed us to determine the practices that DOD and the military services use to oversee separations of enlisted servicemembers for a personality disorder or other non-disability mental conditions. We assessed the information we collected against DOD's separation policy. In addition, we assessed the information against the federal internal control standard for monitoring, which states that there should be reasonable assurance that ongoing monitoring occurs in the course of normal operations.<sup>7</sup> The standard also states that, when deficiencies have been identified, there should be a process to resolve them; and that the resolution process is not complete until action has been taken to correct deficiencies, produce improvements, or demonstrate that findings and recommendations do not warrant management action.

We conducted this performance audit from April 2014 to February 2015 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.

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## Background

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### Military Services' Separation Process

Enlisted servicemembers can be separated from the military when they are found to be unsuitable for continued military service. If a servicemember is diagnosed with a non-disability mental condition that interferes with the servicemember's ability to function in the military, a commanding officer may initiate the separation process. Separated

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<sup>7</sup>See [GAO/AIMD-00-21.3.1](#).

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servicemembers may appeal their separation to a discharge review board within 15 years after separation from the military. Further, separated servicemembers may appeal the discharge review board's decision by applying to a board for the correction of military records.<sup>8</sup>

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## Separation Documentation

Once enlisted servicemembers have been separated from military service, they receive a certificate of release from the military—Department of Defense Form 214 (DD Form 214)—that includes dates of service, last duty assignment, pay grade and rank, awards received, and a characterization of their service—such as honorable or general under honorable conditions.<sup>9</sup> Copies of the DD Form 214 are sent to various entities, such as the applicable military service, VA, and the servicemember. Servicemembers receive two copies of the DD Form 214—a copy that includes the characterization of their service and the reason for the separation and one that does not. The reason for the separation is noted by a separation code, as well as a narrative that explains the reason for the separation.

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## Separation Codes

According to DOD policy, separation codes are to be used by the military services so that data on the cause of separations can be collected and trends in separations analyzed, which may, in turn, influence changes in DOD separation policy. DOD established six separation codes that the military services may use for non-disability mental conditions on the DD Form 214, but the military services have discretion as to which codes they choose to use.<sup>10</sup> Five of these separation codes pertain only to non-disability mental conditions. They are (1) acute adjustment disorder, (2) disruptive behavior disorder, (3) impulse control disorder, (4) personality

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<sup>8</sup>Servicemembers who choose to challenge the reason for their separations beyond 15 years after separation apply directly to the board for the correction of military records.

<sup>9</sup>According to DOD policy, servicemembers separated from the military for non-disability mental conditions receive a service characterization of honorable or general under honorable conditions.

<sup>10</sup>A separation code is a three letter code, with the last two letters indicating the condition for which the servicemember was separated, and the first letter indicating other information regarding the separation. In this report, when we refer to the separation code, we are referring to the information in the last two letters specifically.

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disorder, and (5) other non-disability mental disorder.<sup>11</sup> The sixth code available for use by the military services, “condition, not a disability,” is a broader separation code that includes both non-disability physical and mental conditions.<sup>12</sup>

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## DOD’s Separation Requirements

DOD’s separation policy, dated January 27, 2014, contains eight separation requirements that the military services must follow when separating enlisted servicemembers for non-disability mental conditions.<sup>13</sup> Of the eight separation requirements, five apply to all enlisted servicemembers and three more apply only to enlisted servicemembers who served in an imminent danger pay (IDP) area, such as Iraq or Afghanistan.<sup>14</sup>

1. The servicemember must be notified in writing that a non-disability mental condition is the basis of the proposed separation,
2. the servicemember must be formally counseled concerning deficiencies and afforded an opportunity to overcome those deficiencies,
3. evidence must demonstrate that the servicemember is unable to function effectively because of a non-disability mental condition,

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<sup>11</sup>The other non-disability mental disorder category allows military services to group the four mental conditions listed above along with other conditions not assigned a specific code under one broad separation code.

<sup>12</sup>Examples of non-disability physical conditions for which servicemembers can be administratively separated include obesity and travel sickness.

<sup>13</sup>Department of Defense Instruction 1332.14 *Enlisted Administrative Separations* (Jan. 27, 2014). This DOD separation policy was the most current policy available at the time of our review. On December 4, 2014, DOD released an updated separation policy but this update did not affect the separation requirements discussed in this report.

<sup>14</sup>Servicemembers receive imminent danger pay (IDP) when they are on duty outside of the United States and are subject to the threat of physical harm or imminent danger due to wartime conditions, terrorism, civil insurrection, or civil war. In some locations, IDP applies only for duty on the ground; and in other locations, ground, airspace, or duty aboard a ship at sea qualify.

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4. the servicemember must receive a non-disability mental condition diagnosis by a authorized mental health provider,<sup>15</sup> and
  5. the servicemember must be counseled in writing that the diagnosis of a non-disability mental condition does not qualify as a disability.

For servicemembers who served in an IDP area, the non-disability mental condition diagnosis must

6. be corroborated by a peer- or higher-level mental health professional,
7. be endorsed by the military service's surgeon general, and
8. include an assessment to determine whether the servicemember has symptoms of PTSD or other mental illness co-morbidity.

Over time, DOD has expanded its separation requirements. In 2011 and 2014 DOD revised its policy by extending its separation requirements to apply to servicemembers being separated for any non-disability mental condition. See table 1 for an explanation of the policy changes since 2008.

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<sup>15</sup>Based on DOD policy, an authorized mental health provider is a psychiatrist or clinical psychologist, a person with a doctorate in clinical social work, or a psychiatric nurse practitioner. In cases of outpatient mental health evaluations only, licensed clinical social workers who possess a master's degree in clinical social work will also be considered authorized mental health providers.

**Table 1: Changes to Department of Defense (DOD) Separation Requirements for Non-Disability Mental Conditions, August 2008 to January 2014**

DOD requirements as of August 28, 2008	DOD requirements as of September 30, 2011	DOD requirements as of January 27, 2014
Servicemember must be notified in writing of the basis of the proposed separation.	No change	No change
Servicemember must be formally counseled concerning deficiencies and afforded an opportunity to overcome those deficiencies.	No change	No change
Evidence must demonstrate that the servicemember is unable to function effectively because of a <b><u>personality disorder</u></b> .	No change	Requirement expanded to include <b><u>other non-disability mental conditions</u></b> .
Servicemember must receive a <b><u>personality disorder diagnosis</u></b> by a psychiatrist or PhD-level psychologist who determines that the personality disorder interferes with the servicemember's ability to function in the military.	No change	Requirement expanded to include <b><u>other non-disability mental conditions</u></b> , and diagnosis may be made by an authorized mental health provider who determines that the disorder interferes with the servicemember's ability to function in the military. <sup>b</sup>
Servicemember must be counseled in writing that <b><u>the diagnosis of a personality disorder</u></b> does not qualify as a disability.	No change	Requirement expanded to include <b><u>other non-disability mental conditions</u></b> .
<b>Additional requirements that apply to enlisted servicemembers who have served or are currently serving in imminent danger pay areas:<sup>a</sup></b>		
<b><u>A personality disorder diagnosis</u></b> must be corroborated by a peer- or higher-level mental health professional.	Requirement expanded to include <b><u>other non-disability mental conditions</u></b> .	No change
<b><u>A personality disorder diagnosis</u></b> must be endorsed by the surgeon general of the military service concerned.	Requirement expanded to include <b><u>other non-disability mental conditions</u></b> .	No change
<b><u>A personality disorder diagnosis</u></b> must address post-traumatic stress disorder or other mental illness co-morbidity.	Requirement expanded to include <b><u>other non-disability mental conditions</u></b> .	No change

Source: GAO analysis of DOD policy. | GAO-15-266

Notes: The separation requirements are based on DOD Instruction 1332.14 *Enlisted Administrative Separations*. Underlined and bolded text indicates the requirement in the August 2008 version of the instruction that applies to a personality disorder diagnosis only and the text in the subsequent versions of the instruction that expands the requirement to apply to all non-disability mental conditions.

<sup>a</sup>Servicemembers receive imminent danger pay (IDP) when they are on duty outside of the United States and are subject to the threat of physical harm or imminent danger due to wartime conditions, terrorism, civil insurrection, or civil war. In some locations, IDP applies only for duty on the ground; and in other locations, ground, airspace, or duty aboard a ship at sea qualify.

<sup>b</sup>Based on DOD policy, an authorized mental health provider is a psychiatrist or clinical psychologist, a person with a doctorate in clinical social work, or a psychiatric nurse practitioner. In cases of outpatient mental health evaluations only, licensed clinical social workers who possess a master's degree in clinical social work will also be considered authorized mental health providers.

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## DOD and Three of the Four Military Services Cannot Identify the Number of Enlisted Servicemembers Separated for Non-Disability Mental Conditions

DOD and three of the four military services—Army, Navy, and Marine Corps—cannot identify the number of enlisted servicemembers separated for non-disability mental conditions because, for most separations, they do not use available codes to specifically designate the reason why servicemembers were separated. Instead, they use the broad separation code, “condition, not a disability,” that mixes non-disability mental conditions with non-disability physical conditions, making it difficult to distinguish one from the other without a time-consuming and resource-intensive record review. In contrast, the Air Force is able to track the specific reasons for its servicemember separations because it uses the full array of separation codes available.

DOD policy requires a separation code to be used by the military services so that DOD can track and analyze the reason for separations and evaluate DOD’s separation policy to determine if changes are needed. However, according to DOD officials, the military services can choose to use any of the six available codes that DOD provides the military services to record non-disability mental conditions, including the “condition, not a disability” code. Moreover, under the internal control standard for control activities, all transactions—such as separations of enlisted servicemembers—need to be clearly and accurately documented so they can be examined when needed; for example, to monitor trends in the reasons for servicemembers’ separations.<sup>16</sup>

The three military services had varying reasons for using the broad separation code, “condition, not a disability.” Navy and Marine Corps officials stated that they have historically used this code for most separations but Navy officials could not explain why they use this broad code instead of using one of the separation codes specific to non-disability mental conditions. Marine Corps officials cited concerns with potential stigma the servicemember may face if a more specific code is used. Army officials had a similar concern, stating that they use the broad separation code for most non-disability mental condition separations to protect enlisted servicemembers after they leave the service. Army and Marine Corps officials told us they were concerned that employers may request the servicemember’s copy of the DD Form 214 that has the separation code on it, and having a code specific to a mental condition

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<sup>16</sup>See [GAO/AIMD-00-21.3.1](#).

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might stigmatize the servicemember. Army officials stated that this issue has been discussed in media articles for several years.<sup>17</sup>

In contrast, both Air Force and DOD officials told us that they do not have evidence that including the separation code on the DD Form 214 has caused problems for servicemembers, as suggested by the Army. An Air Force official said that, unlike the Army, the Air Force does not have information that using these codes has caused problems for separated Air Force servicemembers. Likewise, DOD officials told us that they have not heard that this is a problem. According to DOD officials, characterization of service, such as honorable or dishonorable, is usually the piece of information that employers want from the form. By including the characterization of service on both of the servicemember's copies of the DD Form 214, DOD believes that the servicemember could provide an employer with the copy that does not contain the reason for the separation and the employer will be satisfied because the characterization of service is indicated.<sup>18</sup>

Because the three military services are using the broad separation code "condition, not a disability" for most separations, the resulting data cannot be used to identify the number of servicemembers separated for non-disability mental conditions. There is no other systematic way to track these separations; that is, without a tedious and time-consuming manual

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<sup>17</sup>While the Army, Navy, and Marine Corps use the broad code for most non-disability mental condition separations, these services also use the separation code specific to personality disorder. Army and Marine Corps officials stated that they use the personality disorder separation code because of DOD's interest in analyzing these types of separations. Navy officials could not explain why the Navy uses this code. The Navy and the Marine Corps use the personality disorder separation code for all personality disorder separations. The Army uses the personality disorder separation code for servicemembers that served less than 24 months; all other separations for personality disorder fall under the broad separation code "condition, not a disability." Army officials told us that they tried to discontinue using the personality disorder separation code in an effort to protect servicemembers from possible stigmatization of having a specific code that indicates a mental condition on the DD Form 214. However, according to Army officials, DOD officials told Army that it must use the specific code for personality disorder. In 2009, in response to DOD, Army continued using the personality disorder separation code for servicemembers that served less than 24 months, but began using the broader code of "condition, not a disability" for other servicemembers in an effort to protect those servicemembers who had served longer, according to Army officials.

<sup>18</sup>DOD officials stated that they have discussed adding the characterization of service to both copies of the DD Form 214 that the servicemember receives; however, no action has been taken.

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review. In one instance for example, in response to a request from DOD for information on the number of separations for non-disability mental conditions, the Army undertook a 6-month manual review of over 2,000 servicemember files—all because it does not delineate separations for non-disability mental versus non-disability physical conditions in any data system. If DOD and the military services cannot systematically identify or periodically evaluate the number of enlisted servicemembers separated for non-disability mental conditions, they cannot assess how well the separation policy and process is working or respond specifically to key stakeholders, including the Congress, about trends in or concerns about separations for non-disability mental conditions.

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## **Military Services’ Separation Policies Do Not Address All DOD Requirements for Non-Disability Mental Conditions Separations, and DOD and the Services Lack Oversight of Such Separations**

From fiscal years 2008 through 2012, when the services were filing compliance reports, most services did not report full compliance with DOD separation requirements for separations for personality disorder. We also found that the reports contained incomplete and inconsistent data, and DOD conducted limited review of these reports. Further, based on a review of separation policies, we found that none of the services’ policies address all DOD requirements for non-disability mental condition separations. Additionally, DOD and the military services do not have oversight processes in place to ensure compliance with DOD requirements in this regard.

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## Most Services Did Not Report Full Compliance with Requirements for Personality Disorder Separations, the Reports Contained Incomplete and Inconsistent Data, and DOD Conducted Limited Review

### Most of the Military Services Had Not Reported Full Compliance When DOD Discontinued the Compliance Reports

From fiscal years 2008 through 2012, DOD required the military services to monitor and report to DOD on their compliance with DOD requirements for separating servicemembers for personality disorders; however, while the services generally reported improved compliance over the 5 years of reporting, we found in the 2012 compliance reports that three of the services had not yet achieved full compliance with all of DOD's 2008 separation requirements. For each of the 20 compliance reports the services submitted for fiscal years 2008 through 2012, the military services were required to review a sample of at least 10 percent of their personality disorder separations for the fiscal year and assess the service's compliance with DOD's 2008 separation requirements. Compliance, according to DOD, was achieved if the sample reviewed met a 90 percent compliance threshold for each requirement. According to DOD officials, the annual compliance reports were discontinued in 2013 because the military services' 2012 compliance reports indicated that the services were compliant with all of DOD's 2008 requirements. However, it is unclear how DOD came to this conclusion when our review of the 2012 compliance reports found that the Air Force, Marine Corps, and Navy did not report compliance with all DOD requirements. Specifically, the Marine Corps reported compliance below 90 percent with one requirement and the Air Force was below this compliance rate for two requirements.<sup>19</sup> Further, the Navy did not report on its compliance with three of the eight

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<sup>19</sup>The Marine Corps was out of compliance with the requirement to notify the servicemember that the diagnosis of a personality disorder does not qualify as a disability (78 percent). Air Force was also out of compliance with this requirement (89 percent), as well as the requirement that the diagnosis be endorsed by the Air Force's Surgeon General (75 percent).

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separation requirements, so DOD could not have known the Navy's level of compliance in those areas.<sup>20</sup>

Among the 20 compliance reports submitted during fiscal years 2008 through 2012, the services reported the most difficulty meeting the requirement to notify all servicemembers that a personality disorder diagnosis does not constitute a disability. For example, the Marine Corps reported 78 percent or less compliance with this requirement in 3 of its 5 reports.<sup>21</sup> In the Air Force's fiscal year 2009 compliance report, after finding itself noncompliant with this DOD requirement, the Air Force acknowledged that its policy incorrectly stated that servicemember notification was only required for servicemembers who served in an IDP area. However, even after the Air Force updated its policy in September 2010 and made a correction in this regard, the Air Force's compliance with this requirement was 81 percent in fiscal year 2011 and 89 percent in fiscal year 2012. Because three of the four services were noncompliant with at least one requirement in their 2012 reports, DOD's discontinuation of these reports was premature. The federal internal control standard for monitoring states that there should be reasonable assurance that ongoing monitoring occurs in the course of normal operations. Further, it requires reasonable assurance that deficiencies are identified and corrected or otherwise resolved.<sup>22</sup>

### Many Compliance Reports Were Incomplete or Contained Inconsistent Information

Our review of the services' compliance reports found examples of incomplete and inconsistent information in many of the 20 compliance reports submitted by the military services to DOD between fiscal years 2008 and 2012.

Regarding incomplete information in the compliance reports, we found three areas of concern:

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<sup>20</sup>The three requirements were (1) servicemember received formal counseling and was afforded the opportunity to improve behavior prior to being separated; (2) servicemember received written notification of impending separation based on personality disorder diagnosis; and (3) servicemember was advised that the diagnosis of a personality disorder does not qualify as a disability.

<sup>21</sup>The Marine Corps reported 90 percent compliance in its fiscal year 2008 report and 100 percent compliance in its fiscal year 2011 report.

<sup>22</sup>See [GAO/AIMD-00-21.3.1](#).

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- **Compliance information for reservists and National Guard members was missing.** Nineteen of the 20 compliance reports did not assess compliance with separation requirements for reservists and National Guard members who were separated while not on active duty.<sup>23</sup> Some military service officials stated that they did not provide information on these reservists and National Guard members because DOD did not specifically ask for them to be included in the reports. However, DOD instructed the Secretaries of the Army, the Air Force, and the Navy and the Commandant of the Marine Corps to include a random sampling of all personality disorder separations for each military department, in which reservists and National Guard members are included as part of their respective departments.
  - **Compliance information for servicemembers who served in an IDP area was missing.** Eight of the 20 compliance reports did not indicate how many of the servicemembers in their review sample had served in an IDP area, if any.<sup>24</sup> As a result, it is not clear the extent to which compliance was assessed in these reports for the three separation requirements that apply only to servicemembers who served in an IDP area. Further, in its fiscal year 2011 report, Navy reported that its review sample did not include any servicemembers who served in an IDP area. Therefore, Navy could not have assessed compliance with the three separation requirements that apply to these servicemembers, even though Navy reported 100 percent compliance with them. While DOD did not explicitly state that servicemembers that served in an IDP area should be included in the sample reviewed by the military services, three of the eight separation requirements only apply to such servicemembers, so the need to include these types of servicemembers in the review sample in order for DOD to gauge compliance should have been clear.

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<sup>23</sup>The Air Force provided Reserve and National Guard data in its fiscal year 2011 compliance report. The Air Force attempted to provide this information in its fiscal year 2012 report but noted problems identifying and assessing these two groups, and therefore, they were not included in that year's report. Otherwise, the services stated that they only included reservists or National Guard members in their reports if they were on active duty orders when they were separated for a personality disorder.

<sup>24</sup>Of the five reports submitted by each military service between fiscal years 2008 and 2012, the Army did not include this information in three reports, the Air Force did not include this information in one report, the Navy did not include this information in two reports, and the Marine Corps did not include this information in two reports.

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- **The Navy had incomplete information in its fiscal year 2010 compliance report.** The Navy failed to complete the reporting requirement for its fiscal year 2010 compliance report because its findings were based on a 4 percent sample of the total number of servicemembers separated for a personality disorder in that fiscal year—not the 10 percent required by DOD. In its compliance report, Navy stated that additional separations would be reviewed to fulfill DOD’s sample size requirement, but according to DOD and Navy officials, the results of this review were never reported to DOD. When asked about these additional reviews, Navy officials could not offer an explanation regarding whether the reviews were conducted.

In addition to incomplete information in the compliance reports, we found that two of the four services—Army and Navy—reported inconsistent numbers in several of their compliance reports. Specifically, DOD required the services to include in each annual compliance report the total number of personality disorder separations. However, the Army’s and the Navy’s reports of these numbers were not consistent across the 5 years, as demonstrated in table 2. According to DOD officials, DOD could not find documentation of follow-up with the services regarding these inconsistencies.<sup>25</sup>

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<sup>25</sup>Navy officials could not explain to us why their reported numbers for a given fiscal year changed in subsequent reports and which numbers were correct. Army officials provided us with explanations as to why their reported numbers for a given fiscal year changed in subsequent reports. Army officials stated that the correct numbers are as follows: in fiscal year 2008 there were 641 personality disorder separations and in fiscal year 2009 there were 575 personality disorder separations.

**Table 2: Examples of Inconsistent Data Reported in the Army and the Navy Annual Compliance Reports on Separations of Servicemembers for Personality Disorders**

Army	Navy
<p><i>Example 1:</i>  <b>The Army reported in its fiscal year 2008 report that there were <u>567</u> separations in that year.</b></p> <ul style="list-style-type: none"> <li>In its fiscal year 2010 report, the Army stated there were <u>641</u> separations in fiscal year 2008.</li> </ul>	<p><i>Example 1:</i>  <b>The Navy reported in its fiscal year 2008 report that there were <u>946</u> separations in that year.</b></p> <ul style="list-style-type: none"> <li>In its fiscal year 2010 report, the Navy stated there were <u>1086</u> separations in fiscal year 2008.</li> <li>In its fiscal year 2012 report, the Navy stated there were <u>975</u> separations in fiscal year 2008.</li> </ul>
<p><i>Example 2:</i>  <b>The Army reported in its fiscal year 2009 report that there were <u>255</u> separations in that year.</b></p> <ul style="list-style-type: none"> <li>In its fiscal year 2010 report, the Army stated there were <u>575</u> separations in fiscal year 2009.</li> </ul>	<p><i>Example 2:</i>  <b>The Navy reported in its fiscal year 2011 report that there were <u>189</u> separations in that year.</b></p> <ul style="list-style-type: none"> <li>In its fiscal year 2012 report, the Navy stated there were <u>173</u> separations in fiscal year 2011.</li> </ul>

Source: GAO analysis of Department of Defense data. | GAO-15-266

**DOD’s Review of the Military Services’ Compliance Reports for Personality Disorder Separations Was Limited**

Based on interviews with officials from DOD and the military services, we found that almost no follow-up was conducted by DOD with the military services regarding the compliance reports even though the services reported noncompliance with separation requirements across the 5 years of reports. DOD officials stated that they received the annual compliance reports from the military services and assumed that the information provided in these reports was accurate, given that they were signed by each of the three military service secretaries and a representative of the Commandant of the Marine Corps.

By not reviewing the information provided, DOD did not know that the reports contained inconsistent and incomplete information, and the agency made the decision to end the compliance reports based on what we found to be faulty assurances of compliance. To discontinue compliance reporting and not institute any other type of oversight is inconsistent with the standards for internal control in the federal government, which states that there should generally be assurance that ongoing monitoring occurs in the course of normal operations.<sup>26</sup>

<sup>26</sup>See [GAO/AIMD-00-21.3.1](#).

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## The Military Services' Policies Have Not Been Updated to Fully Address DOD Requirements for Separating Servicemembers for All Non-Disability Mental Conditions

In addition to problems we identified with compliance reports focusing on personality disorder separations, we also found that the Army, the Navy, the Marine Corps, and components of the Air Force—namely, the Reserves and National Guard—have been separating servicemembers for non-disability mental conditions according to policies that are not consistent with all DOD requirements.<sup>27</sup> Each of the services has policies for separating servicemembers for non-disability mental conditions; however, we found these policies to be inconsistent with DOD policy because they have not been updated to include all of the changes in DOD requirements over time. Specifically, we found the following.

- The Army active duty separation policy is not consistent with one of DOD's separation requirements.<sup>28</sup> Specifically, one requirement has not been expanded to apply to servicemembers separated for all non-disability mental conditions.<sup>29</sup> In addition, the Army Reserves and National Guard separation policy was updated in March 2014 yet does not contain all of DOD's separation requirements, such as the requirement that servicemembers be counseled in writing that their diagnosis does not qualify as a disability.<sup>30</sup>

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<sup>27</sup>During our review, we found that the Air Force active duty separation policy [Air Force Instruction 36-3208 *Administrative Separation of Airmen* (July 2, 2013)] is not consistent with two of DOD's separation requirements. The Air Force policy does not require that servicemembers be assessed for PTSD or other mental illness co-morbidity prior to being separated for a non-disability mental condition, nor does it require servicemembers to be counseled in writing that such a diagnosis does not qualify as a disability. However, we found that these requirements are included in a checklist that is used by commanders and reviewed by a central personnel office during the separation process.

<sup>28</sup>Army Regulation 635-200 *Personnel Separations Active Duty Enlisted Administrative Separations* (Washington, D.C.: Sep. 6, 2011) and Army OTSG/MEDCOM Policy Memo 14-049 *Administrative Separation of Soldiers for Personality Disorder (PD) under Chapters 5-13 and 5-17, or Other Designated Physical or Mental Conditions under Chapter 5-17* (Fort Sam Houston, T.X.: Jun. 23, 2014).

<sup>29</sup>The DOD requirement that the Army has not updated in its separation policy is that the servicemember must be counseled in writing that the diagnosis of a non-disability mental condition does not qualify as a disability.

<sup>30</sup>Army Regulation 135-178 *Army National Guard and Army Reserve Enlisted Administrative Separations* (Washington D.C.: Mar. 18, 2014).

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- The Navy's separation policy has not been updated to be fully consistent with DOD policy.<sup>31</sup> The Navy officials stated they were unaware that DOD had revised its separation policy in 2011, and again in 2014, until we discussed this with them in May 2014 during the course of our review.
  - The Marine Corps' separation policy has not been updated to be fully consistent with DOD policy, since the Navy is responsible for revising and implementing such policies for the Marine Corps.<sup>32</sup>
  - The Air Force Reserves and National Guard separation policy was created in 2005 and has not been updated over time as DOD has updated its separation requirements for non-disability mental conditions.<sup>33</sup> For example, the policy does not contain the separation requirements applicable to servicemembers who served in an IDP area.

Because the services have been separating servicemembers based on outdated DOD policy, some servicemembers may not have been afforded the protections intended by DOD's updated separation requirements. For example, servicemembers who served in an IDP area may not have had their diagnosis endorsed by the military services' Office of the Surgeon General as required by DOD and have been separated without the benefit of a confirmation of their diagnosis by this senior medical entity.

During the course of our review, we also found that the Air Force National Guard does not have a process to separate National Guard members for non-disability mental conditions. In 2013, Air Force National Guard reported that it had not been separating Guard members for non-disability mental conditions because it did not have a process to get a mental health assessment or diagnosis for National Guard members. National Guard members believed to have non-disability mental conditions were either returned to duty or separated for another reason such as

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<sup>31</sup>MILPERSMAN 1910-120 *Separation by Reason of Convenience of the Government – Physical or Mental Conditions* (Mar. 15, 2012). This policy applies to both active-duty and reserve servicemembers.

<sup>32</sup>Marine Corps Order 1900.16 *Separation and Retirement Manual* (Washington, D.C.: Nov. 26, 2013). According to Marine Corps officials, this policy applies to both active-duty and reserve servicemembers.

<sup>33</sup>Air Force Instruction 36-3209 *Separation and Retirement Procedures for Air National Guard and Air Force Reserve Members* (Washington D.C.: Apr. 14, 2005).

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misconduct or unsatisfactory performance of duty. According to DOD policy, when separation for unsatisfactory performance or misconduct is warranted, separating a servicemember for a non-disability mental condition is not appropriate.<sup>34</sup> Under federal internal control standards, control activities should be established to help ensure that performance is correctly assessed and transactions are accurately recorded.<sup>35</sup> Accordingly, there should be processes in place so that, if a servicemember is identified as potentially having a non-disability mental condition that affects the member's ability to perform military duties, that servicemember can be separated for such a condition in accordance with DOD requirements, if appropriate.

The Air Force developed a corrective action plan to address the National Guard's inability to separate National Guard members for non-disability mental conditions; however, this plan was never implemented. According to officials, the biggest challenge in implementing the plan was that the Air Force National Guard does not have authorized mental health providers who can diagnose non-disability mental conditions. Without a mental condition diagnosis by an authorized mental health provider, a servicemember cannot be separated for a non-disability mental condition, according to Air Force policy.<sup>36</sup> According to officials, the Air Force National Guard would need to be tasked and provided related funding to have these providers available. The officials could not provide any further information on why no further action was taken to correct this identified

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<sup>34</sup>Air Force officials told us that in order to separate a National Guard member for a non-disability mental condition, the commander would first have to notice that the National Guard member may have a non-disability mental condition and take action to get the member medically evaluated, before moving forward with that type of separation. The officials added that if a commander only sees a National Guard member once a month at drills, for example, they may not notice that the member may potentially have a non-disability mental condition; or if the National Guard member does not show up to drill, the commander would not notice such a condition and instead would likely separate the member for unsatisfactory duty performance.

<sup>35</sup>See [GAO/AIMD-00-21.3.1](#).

<sup>36</sup>Air Force officials told us that National Guard members in initial active-duty training and those that have just returned from active-duty service in an IDP area may be separated for a non-disability mental condition. The officials stated that in these cases, the servicemembers would be on active-duty orders, and therefore, able to receive a medical evaluation from an Air Force medical provider. The officials added that if the provider diagnosed the servicemember with a non-disability mental condition that interfered with the performance of the servicemembers' military duties, the servicemember would be separated for a non-disability mental condition.

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problem. Further, Air Force officials stated that they could not identify the number of servicemembers potentially affected by this problem without conducting a comprehensive file review. Air Force National Guard members that are thought to have a non-disability mental condition but are separated for another reason, such as misconduct, risk not receiving the protections of DOD's separation requirements.

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## DOD and the Military Services Do Not Conduct Oversight for Servicemember Separations for Non-Disability Mental Conditions

Beyond the limited review DOD conducted of the military services' compliance reports conducted for personality disorder separations, which was discontinued after fiscal year 2012, DOD and military service officials stated they do not conduct any oversight of all non-disability mental condition separations. In September 2011, DOD revised its separation policy by expanding the three requirements that apply to servicemembers who served in an IDP area to include servicemembers separated for any non-disability mental conditions, not just for personality disorders.<sup>37</sup> In January 2014, DOD again revised this policy and expanded the separations requirements so that all eight requirements apply to servicemembers separated for any non-disability mental condition. However, DOD officials stated that they have not required the military services to conduct any review of their compliance with DOD's separation requirements for all non-disability mental conditions to determine whether they are being followed. As noted previously, the internal control standard for monitoring states that controls should be designed to assure that ongoing monitoring occurs in the course of normal operations.<sup>38</sup>

According to DOD officials, the military services are responsible for conducting oversight of their separation processes, not DOD. However, while some of the military services have review steps within their process for separating servicemembers for non-disability mental conditions, none of the services have an entity-wide oversight process, such as conducting an annual review, to oversee separations and provide reasonable assurance that the review steps they have in place are effective at

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<sup>37</sup>The three requirements expanded were that non-disability mental condition diagnosis must (1) be corroborated by a peer- or higher-level mental health professional, (2) be endorsed by the military service's surgeon general; and (3) include an assessment to determine whether the servicemember has symptoms of PTSD or other mental illness co-morbidity.

<sup>38</sup>See [GAO/AIMD-00-21.3.1](#).

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ensuring DOD separation requirements are met. Specifically, we found their review processes are the following:

- The Air Force separation process includes reviews of separation packages—which is prepared by a commanding officer—by the Air Force central personnel office and a Judge Advocate General (JAG) Corps attorney prior to separation.<sup>39</sup> Officials from these offices told us that the purpose of the reviews is to ensure that the appropriate documentation is present to support the separation.<sup>40</sup>
- The Army's JAG Corps also reviews all separation packages prior to separation to ensure documentation is present and is consistent with law and policy, according to Army officials.<sup>41</sup> While this is the current practice, Army officials also told us that they have plans in place to start conducting oversight of separations for non-disability mental conditions. Specifically, Army officials stated that separations for non-disability mental conditions will be included as part of the Army Organizational Inspection Program, which will review a sample of active duty servicemember separations at local commands to see if documentation is present that indicates that DOD separation requirements have been met. These inspections will not include

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<sup>39</sup>The Air Force, the Army, and the Navy each have a Judge Advocate General's (JAG) Corps that is composed of uniformed and civilian licensed attorneys. These attorneys provide legal advice to the command and staff, and represent servicemembers on military legal issues. The Marine Corps have a Judge Advocate Division where licensed attorneys provide advice on legal matters and oversee the Marine Corps legal community.

<sup>40</sup>For servicemembers that served in an IDP area, DOD requires that the servicemember's diagnosis be endorsed by the military service's surgeon general. According to officials, in order to fulfill this requirement, the Air Force central medical office, on behalf of the Air Force Surgeon General, reviews the separation packages of these servicemembers to see if all DOD separation requirements are met; whereas, the comparable medical offices in the Army and the Navy—which reviews medical information on behalf of the Marine Corps—review the separation packages of these servicemembers, but only to see if the DOD separation requirements that are medical in nature, such as the diagnosis addressing PTSD, have been met.

<sup>41</sup>According to Army officials, the National Guard JAG Corps does not generally review separation packages of National Guard members prior to their separation.

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reserve and National Guard member separations. Army officials stated they plan to conduct the first inspection in January 2015.<sup>42</sup>

- The Marine Corps Judge Advocates review the separation packages for personality disorder separations—but not for other non-disability mental conditions separations—to ensure documentation is present and is consistent with law and policy, according to Marine Corps officials.
- The Navy does not conduct any review of the separation package prepared by a commanding officer prior to the servicemember's separation.

The absence of a routine and comprehensive entity-wide oversight mechanism—such as an annual compliance review—prevents the military services from knowing if they are complying with all of DOD requirements and appropriately separating servicemembers with non-disability mental conditions.

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## Conclusions

The inability to easily identify the number of enlisted servicemembers separated for non-disability mental conditions hinders oversight by DOD and the military services to ensure that servicemembers are being separated appropriately. For example, without such data, DOD cannot determine how many separated servicemembers have served in IDP areas—who may be at greater risk of having a service-related mental condition, such as PTSD—or determine if these servicemembers have been afforded the protections intended by the separation requirements, such as ensuring they are assessed for service-related mental conditions prior to being separated for a non-disability mental condition. Further, lack of such data prevents DOD from being able to conduct analyses—such as trends in non-disability mental condition separations over time—that are important for determining whether the separation policy is working, and if not, how it should be changed.

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<sup>42</sup>Army officials also stated that they completed a review of the medical records of those servicemembers separated for all non-disability mental conditions from September 11, 2001, to August 31, 2012, to see if separation requirements that are medical in nature were met. However, officials could not provide the results of the review, or any related documentation, as the review has not yet been finalized and approved by the Army.

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Absent an effective process for monitoring and reporting compliance, DOD and the military services cannot assure that the military services are complying with DOD requirements for separating servicemembers with non-disability mental conditions. The fact that some military services were not aware of or had not yet aligned their policies or processes with updated DOD requirements for separating servicemembers with non-disability mental conditions is of particular concern. Because the services have been separating servicemembers based on outdated DOD policy, the military services may not have been affording all servicemembers with the protections that DOD intended through its recent updates of separation requirements for non-disability mental conditions. As a result, some servicemembers may have been separated for non-disability mental conditions inappropriately. It is also of concern that, although the Air Force reported its inability to separate National Guard members for non-disability mental conditions in 2013, it has made no progress in correcting this issue. Meanwhile, these members risk not receiving the protections intended by DOD's separation requirements.

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## Recommendations for Executive Action

To improve identification of enlisted servicemembers separated for non-disability mental conditions, and to provide reasonable assurance that enlisted servicemembers, including Air Force National Guard members, are separated for non-disability mental conditions as appropriate and in accordance with DOD requirements, we recommend that the Secretary of Defense take the following six actions:

- Direct the Under Secretary of Defense for Personnel and Readiness and the Secretaries of the Army and the Navy and the Commandant of the Marine Corps to use the separation codes specific to a non-disability mental condition or develop another uniform method to track servicemembers who have been separated for specific non-disability mental conditions so that this information can be easily retrieved.
- Direct the Under Secretary of Defense for Personnel and Readiness and the Secretary of the Air Force to take steps to ensure there is an appropriately staffed process to identify and administratively separate enlisted National Guard members who are unable to function effectively in the National Guard because of a non-disability mental condition.

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- Direct the Secretaries of the Army, the Air Force, and the Navy and the Commandant of the Marine Corps to update their services' administrative separation policies to be consistent with DOD regulations for those servicemembers separated for all non-disability mental conditions.
  - Direct the Secretaries of the Air Force and the Navy and the Commandant of the Marine Corps to implement processes to oversee separations for non-disability mental conditions, such as reinstating the requirement of annual compliance reporting of a sample of administrative separations, using current DOD policy requirements as review criteria for servicemembers of all military services and their Reserve components.
  - Direct the Secretary of the Army to ensure that Army's planned oversight of separations for non-disability mental conditions is implemented and incorporates reservists and National Guard members separated for such conditions, or that Army implement another process to oversee such administrative separations using current DOD policy requirements as review criteria for all servicemembers, including reservists and National Guard members.
  - Direct the Under Secretary of Defense for Personnel and Readiness to review any processes used by the military services to oversee such administrative separations to ensure compliance with DOD requirements.

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## Agency Comments and Our Evaluation

We provided DOD and VA a draft of this report for advance review and comment. DOD provided written comments, which we have reprinted in appendix II. DOD generally concurred with our six recommendations. Regarding our recommendation that DOD direct the Secretaries and Commandant to use the existing separation codes specific to a non-disability mental condition or develop another uniform method to track such servicemember separations, DOD provided several reasons why it would not use the existing separation codes specific to non-disability mental conditions, including the possible stigmatization of the servicemember, but DOD agreed with the need to develop a method to uniformly track such separations. In its comments, DOD did not outline how it would develop a method to track these servicemember separations, nor when it would implement this or other of our recommendations. DOD and VA also provided technical comments, which we incorporated as appropriate.

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We are sending copies of this report to the appropriate congressional committees; the Secretary of Defense; the Secretaries of the Army, the Air Force, and the Navy; the Commandant of the Marine Corps; the Under Secretary of Defense for Personnel and Readiness; the Secretary of Veterans Affairs; and other interested parties. In addition, this report is available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-7114 or [williamsonr@gao.gov](mailto:williamsonr@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix III.



Randall B. Williamson  
Director, Health Care

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# Appendix I: Eligibility of Servicemembers Separated for Non-Disability Mental Conditions for Veterans' Health Benefits

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Like any veteran separated from military service under other than dishonorable conditions, veterans separated for non-disability mental conditions are eligible to receive Department of Veterans Affairs (VA) health care benefits, if they meet certain service requirements.<sup>1</sup> Generally, servicemembers must have served 24 continuous months, or the full period for which they were called or ordered to active duty, in order to be eligible to receive VA health care benefits.<sup>2</sup>

Once VA determines the eligibility of veterans who have applied for VA health care, it assigns them to an enrollment priority group.<sup>3</sup> Generally, VA assigns veterans separated for non-disability mental conditions to priority groups 5 through 8.<sup>4</sup> VA assigns the veterans as follows:

- **If the veteran has served in an imminent danger pay (IDP) area:**<sup>5</sup> the veteran is afforded what is known as enhanced enrollment status and is generally assigned to priority group 6.<sup>6</sup> The veteran is not

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<sup>1</sup>According to Department of Defense (DOD) policy, veterans separated from DOD for non-disability mental conditions receive a service characterization of honorable or general under honorable conditions.

<sup>2</sup>There are a number of exceptions to the minimum duty requirements that VA will determine once the veteran applies for VA health care benefits. 38 U.S.C. § 5303A.

<sup>3</sup>The number of veterans who can be enrolled in the health care program is dependent upon the amount of money VA receives in advance appropriations each year, 38 U.S.C. § 1710(a)(4). Since funds are limited, VA sets up priority groups to ensure that certain groups of veterans are able to be enrolled before others. The priority groups range from 1-8 with 1 being the highest priority. Priority is generally based on service-connected disability, low income, and other recognized statuses such as former prisoners of war. 38 U.S.C. § 1705; 38 C.F.R. § 17.36.

<sup>4</sup>Veterans separated for non-disability mental conditions may be assigned to a higher priority group if, for example, they have other illnesses or injuries possibly related to their military service.

<sup>5</sup>Servicemembers receive imminent danger pay (IDP) when they are on duty outside of the United States and are subject to the threat of physical harm or imminent danger due to wartime conditions, terrorism, civil insurrection, or civil war. In some locations, IDP applies only for duty on the ground; and in other locations, ground, airspace, or duty aboard a ship at sea qualify.

<sup>6</sup>Currently enrolled veterans and new enrollees, who were discharged from active duty on or after January 28, 2003, are eligible for the enhanced benefits for 5 years post discharge. Veterans discharged from active duty before January 28, 2003, who applied for enrollment on or after January 28, 2008, were eligible for the enhanced benefit until January 28, 2011. 38 U.S.C. § 1710(e)(3).

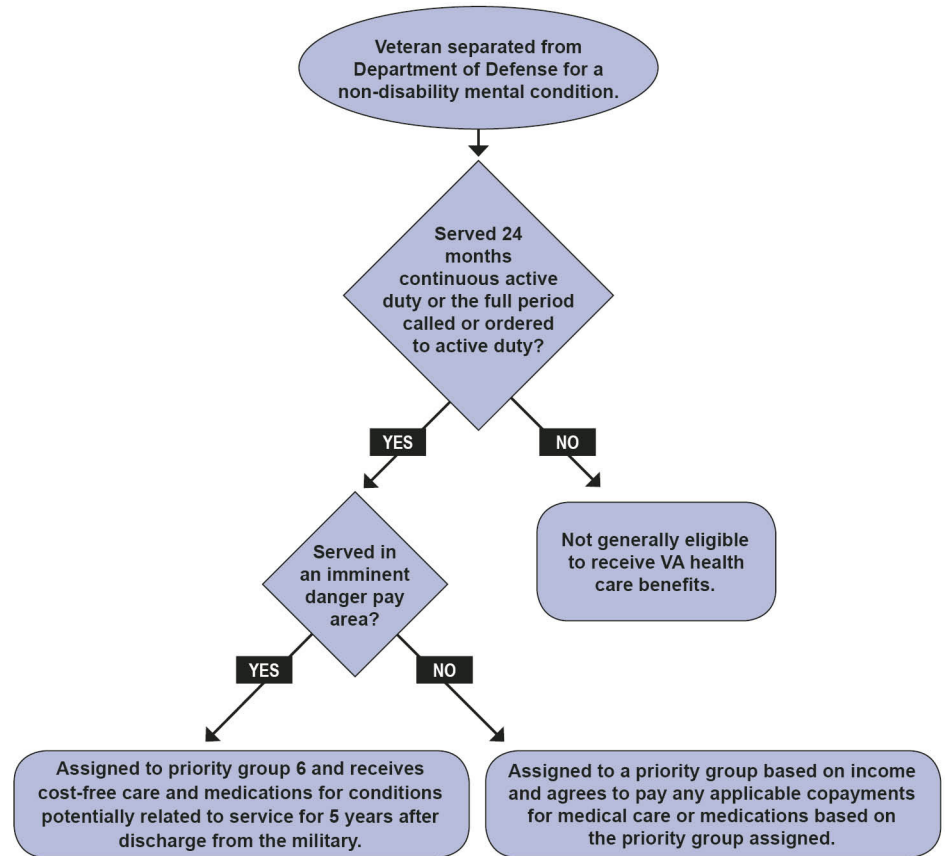
subject to copayments for visits or medications for conditions potentially related to their service in an IDP area, such as physical injuries incurred while in service.<sup>7</sup> The veteran remains enrolled as priority group 6 for 5 years after discharge from the military. If during this 5-year, post-discharge period an eligibility status is gained that affords enrollment in a higher priority group, such as the finding of a compensable service-related medical condition, the veteran is immediately moved to the higher priority group. Once the 5-year term has ended, the veteran remains enrolled in the VA health care system but his priority for enrollment is reassessed and the veteran may be shifted to priority group 5, 7, or 8 depending on his household income.

- **If the veteran has not served in an IDP area:** the veteran is assigned to priority group 5, 7, or 8 based on income level. Veterans enrolled in these priority groups must agree to pay applicable copayments. Veterans remain enrolled in the VA health care system but are reassessed annually, and placed in a priority group based on the veteran's household income. (See fig. 1)

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<sup>7</sup>Unless otherwise exempted, veterans that served in an IDP area must either disclose their prior year gross household income or decline to provide their financial information and agree to make applicable copayments for care or services VA determines are clearly unrelated to their military service. This could include care or services for the non-disability mental condition for which the veteran was separated from the military since DOD and VA do not consider the condition to be service-related.

Figure 1: Eligibility of Servicemembers Administratively Separated for Non-Disability Mental Conditions to Receive Health Care Benefits from the Department of Veterans Affairs (VA)



Source: GAO summary of VA information. | GAO-15-266

Note: The figure contains a general description of the eligibility of servicemembers separated from the military for non-disability mental conditions to receive health care from VA as veterans. There are specific circumstances that are not depicted in this figure that may apply to some veterans. For example, there are a number of exclusions to the minimum duty requirement of 24 months. Veterans must apply for VA health care benefits so that individual eligibility may be determined. Further, if a veteran separated for a non-disability mental condition has another medical condition related to their service—such as a back problem—they may be placed in a higher priority group due to that condition.

Once assigned a priority group and enrolled in VA's health care system, the veteran is eligible to receive VA's medical benefits package, which covers most of VA's medical services such as preventive care, and outpatient and inpatient diagnostic and treatment services, and includes services for mental health conditions.

# Appendix II: Comments from the Department of Defense



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
4000 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-4000

16 JAN 2015

Mr. Randy Williamson  
Director, Health Care  
U.S. Government Accountability Office  
441 G Street, NW  
Washington DC 20548

Dear Mr. Williamson:

This is the Department of Defense (DoD) response to the GAO Draft Report, GAO-15-266, 'DEFENSE HEALTH CARE: Better Tracking and Oversight Needed of Servicemember Separations for Non-Disability Mental Conditions' dated December 18, 2014 (GAO Code 100021).

Thank you for the opportunity to review and comment on the draft report. We recognize the immense importance of executing procedures to get these separations right and to not inadvertently stigmatize or disclose sensitive medical information pertaining to our servicemembers.

The Department is providing official written comments for inclusion in the report.

Sincerely,

Juliet M. Beyler  
Director, Officer and Enlisted Personnel  
Management (Military Personnel Policy)

Attachment:  
As stated

cc:  
Deputy Assistant Secretary of the Army for Military Personnel and Quality of Life  
Deputy Assistant Secretary of the Navy for Military Personnel Policy  
Deputy Assistant Secretary of the Air Force for Force Management Integration

GAO DRAFT REPORT DATED DECEMBER 18, 2014  
GAO-15-266 (GAO CODE 100021)

“DEFENSE HEALTH CARE: BETTER TRACKING AND OVERSIGHT NEEDED OF  
SERVICEMEMBER SEPARATIONS FOR NON-DISABILITY MENTAL  
CONDITIONS”

DEPARTMENT OF DEFENSE COMMENTS  
TO THE GAO RECOMMENDATIONS

**RECOMMENDATION 1:** The GAO recommends that the Secretary of Defense direct the Under Secretary of Defense for Personnel and Readiness and the Secretaries of the Army and the Navy and the Commandant of the Marine Corps to use the separation codes specific to a non-disability mental condition or develop another uniform method to track servicemembers who have been separated for specific non-disability mental conditions so that this information can be easily retrieved.

**DoD RESPONSE: Partially Concur.**

DoD nonconcur with the recommendation to direct the Military Department Secretaries to use the separation codes specific to non-disability mental conditions. Use of specific Separation Program Designator (SPD) codes as a tracking mechanism for discharges related to specific non-disability mental conditions would capture only those servicemembers separating from active duty and would not encompass those members separating from the Reserves or National Guard who were not on active duty. Additionally, the Army has raised concerns that mandating disclosure of specific non-disability mental conditions has potential to stigmatize those veterans by disclosing sensitive medical information. However, DoD agrees there is a need to develop alternate methods to uniformly track this information in an easily retrievable manner, and as well to conduct a comprehensive review of SPD codes and the information portrayed on various copies of the DD Form 214.

**RECOMMENDATION 2:** The GAO recommends that the Secretary of Defense direct the Under Secretary of Defense for Personnel and Readiness and the Secretary of the Air Force to take steps to ensure there is an appropriately staffed process to identify and administratively separate National Guard members who are unable to function effectively in the National Guard because of a non-disability condition.

**DoD RESPONSE: Concur.**

**RECOMMENDATION 3:** The GAO recommends that the Secretary of Defense direct the Secretaries of the Army, the Air Force, and the Navy and the Commandant of the Marine Corps to update their administrative separation policies to be consistent with DOD regulations for those servicemembers separated for all non-disability mental conditions.

**DoD RESPONSE: Concur.**

**RECOMMENDATION 4:** The GAO recommends that the Secretary of Defense direct the Secretaries of the Air Force and the Navy and the Commandant of the Marine Corps to implement processes to oversee such administrative separations, such as reinstating the requirement of annual compliance reporting of a sample of administrative separations, using current DOD policy requirements as review criteria for servicemembers of all military services and their Reserve component.

**DoD RESPONSE: Concur.**

**RECOMMENDATION 5:** The GAO recommends that the Secretary of Defense direct the Secretary of the Army to ensure that Army's planned oversight of separations for non-disability mental conditions is implemented and incorporates reservists and National Guard members separated for such conditions, or that Army implement another process to oversee such administrative separations using current DOD policy requirements as review criteria for all servicemembers, including reservist and National Guard members.

**DoD RESPONSE: Concur.**

**RECOMMENDATION 6:** The GAO recommends that the Secretary of Defense direct the Under Secretary of Defense for Personnel and Readiness to review any processes used by the military services to oversee such administrative separations to ensure compliance with DOD requirements.

**DoD RESPONSE: Concur.**

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# Appendix III: GAO Contact and Staff Acknowledgments

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## GAO Contact

Randall B. Williamson, (202) 512-7114 or [williamsonr@gao.gov](mailto:williamsonr@gao.gov)

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## Staff Acknowledgments

In addition to the contact named above, Marcia A. Mann (Assistant Director), Zhi Boon, Deirdre Brown, Cathleen J. Hamann, Lisa Opdycke, Vikki Porter, and Laurie F. Thurber were major contributors to this report. Jacquelyn Hamilton provided legal support.

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