



COMMONWEALTH of VIRGINIA

Department of Veterans Services

Colbert L. (Bert) Boyd
Chief Operating Officer

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June 8, 2009

Dear Vendor,

You are invited to submit a response to the request set forth in the attached Request for Information (RFI) dated June 8, 2009. The attached RFI and its appendices are issued by the Department of Veterans Services (DVS) to seek information related to products, services, and solutions that could potentially support the DVS Claims Processing initiative as described. DVS appreciates your full review and consideration of all materials prior to formulating and submitting a response. DVS will not pay for the information requested or services/time expended in formulating, packaging and delivering it.

If a competitive procurement is conducted in the future, vendors providing a response to this RFI will automatically be included on the vendor list to receive a copy of the solicitation document.

Responses to this RFI must be received by DVS no later than 4:00 PM on Monday July 6, 2009. Responses from vendors with information regarding complete solutions as well as partial solutions will be accepted. If you choose to submit a response to this RFI, please submit one electronic copy (using CD or flash drive) in PDF format along with 1 printed copy with an authorized signature and full contact information. Please be advised that DVS' records related to this solicitation may be subject to public inspection; all trade secrets or proprietary information must be identified in writing or other tangible form and conspicuously labeled as "proprietary" at the time of submission to DVS. DVS will honor all proprietary exclusions that are legally permissible. If a responder has questions regarding legal permissibility prior to submission, they should be directed as stated below.

All inquiries, comments, questions, etc, regarding this RFI must be sent via email to Patricia Hutchinson (patricia.hutchinson@dvs.virginia.gov).

All final responses to this RFI must be sent to Patricia Hutchinson at the following address:

Patricia Hutchinson
Virginia Department of Veterans Services
PO Box 6129
Roanoke, VA 24017

Sincerely,

Colbert L. Boyd
Chief Operating Officer

Attachment: RFI dated June 8, 2009

Background: DVS Organizational Overview, Strategy for Delivering Services, Existing Technical Environment

DVS is a governmental agency in the Executive Branch of Virginia state government (<http://www.dvs.virginia.gov>). Under the direction of the Secretary of Public Safety, the Department of Veterans Services serves Virginia's veterans and their beneficiaries by ensuring they receive the benefits, support, quality care, and recognition they have earned through service and sacrifice. The Department operates 20 benefit services offices where representatives assist veterans and their family members in filing claims for benefits from the United States Department of Veteran Affairs (VA) and Commonwealth of Virginia. The agency operates two cemeteries for veterans and two long-term care facilities offering nursing and domiciliary care for veterans. DVS also certifies that post-secondary educational institutions meet G.I. Bill funding and eligibility requirements, enabling veterans and family members to pursue educational opportunities.

The DVS organization also includes four Boards and Committees:

1. Board of Veterans Services (BVS) – This Board is responsible for monitoring the welfare of Virginia's veterans and setting policies to enhance veteran services across the Commonwealth.
2. Joint Leadership Council (JLC) – This Council provides a vehicle for veteran service organizations to collaborate with the Department of Veterans Services on meeting the needs of Virginia's veterans. The JLC is open to one representative from each qualifying veteran service organization in Virginia that chooses to participate. Additional organizations will be added as certification documents are submitted. All veteran organizations are encouraged to join this initiative to support Virginia's veterans and their families, by contacting the Secretary of the Commonwealth.
3. Veteran Services Foundation (Foundation) – This Foundation is established as a body politic and corporate supporting the Department of Veterans Services, in the executive branch of state government. The Foundation is governed and administered by a board of trustees. The Foundation shall (i) administer the Veterans Services Fund (the Fund), (ii) provide funding for veterans services and programs in the Commonwealth through the Fund, and (iii) raise revenue from all sources including private source fundraising to support the Fund.
4. Veterans Care Center Advisory Committee (VCCAC) -- The VCCAC advises the Commissioner of Veterans Services on matters pertaining to the administration of the Virginia Veterans Care Center and the Sitter & Barfoot Veterans Care Center.

Virginia state government agencies develop and implement **Strategic and Service Area Plans** to fulfill their missions and mandates, support achievement of their long-term objectives and deliver their services. In accordance with Virginia state laws and policies, all agencies measure their performance in four ways:

1. **Key Measures** related to their core missions
(<http://vaperforms.virginia.gov/agencylevel/index.cfm>)
2. **Productivity Measures** related to the costs associated with core business functions
(<http://vaperforms.virginia.gov/agencylevel/index.cfm>)
3. **Administrative Measures** related to critical management and compliance categories
(<http://vaperforms.virginia.gov/agencylevel/index.cfm>)
4. **Other Measures** related to performance and service area functions
(<http://vaperforms.virginia.gov/agencylevel/index.cfm>)

DVS, as an agency in the Executive Branch, has fully met its obligation to provide this planning material and it can be found at the following link:

<http://vaperforms.virginia.gov/agencylevel/stratplan/spReport.cfm?AgencyCode=912>

(Note: Potential responders to this RFI are strongly encouraged to review the DVS Agency Strategic Plan in its entirety.)

DVS staff have the basic technology tools (up-to-date computers, operating systems, office productivity software, and email services) to efficiently conduct general business functions. The more specific veterans-related business functions of daily operations are not all as up to date. Within DVS there are four business unit specific applications and one enterprise specific application, Mitchell-Humphries Financial Management System II (FMSII). The DVS-FMS application has allowed implementation of an internal automated financial management system, reduced audit problems relating to internal controls and financial reporting, and reduced delays associated with producing financial information and management reports. DVS IT needs have historically been considered on an “as needed” and case by case basis – with each service delivery section selecting or developing IT systems and solutions to meet section-specific needs as they arose – rather than having been considered on an agency-wide (or enterprise-wide) basis and in a systematic, planned matter.

Existing (primary) technology tools that directly support the current disability claims process are as follows:

1. Representatives Veterans Database (RVD) system – An Access 2003 application owned by DVS that is used to input data for the VA Form 21-526 form. It accepts the data, performs minor editing / data validation and stores the veteran record in the database associated with the physical office location. It is also used to ultimately print the hardcopy VA Form 21-526 that gets submitted as part of the Package sent to the VA.

Important Note: RVD is used to access and complete a number of VA forms and some Department of Defense forms, although it is far from complete. However, the focus on RVD for the purposes of this RFI involves the VA Form 21-526 form.

2. VA Automated Reference Materials System – DVS staff throughout the State access this VA system to reference circulars, manuals, handbooks, and other reference materials such as Title 38 Code of Federal Regulations and Court of Veterans Appeals documents.
3. VA MAPD – DVS staff access this VA application to see notes regarding the progress of a claim in the adjudication process.
4. SHARE – This system contains certain information from the claims Package. VA staff key in the information manually, and DVS staff use the system to look at the claims once they've been adjudicated (or are nearly complete in terms of adjudication).

The Purpose and Scope of this RFI

The purpose of this RFI is to obtain information regarding market solutions (products and services) that will allow DVS staff to fully understand the range of options for improving and automating the DVS portion of the Disability Compensation Claims Process (DCCP). The DCCP involves the original creation and storage/retrieval of Disability Compensation Claims Packages (i.e. Packages) and their ultimate submission to the VA for adjudication.

Important Note: This RFI only addresses the DVS portion of the DCCP and applies to original claim submissions using the VA Form 21-526. The reader should understand that much work occurs once the claims Package is inside the VA in terms of additional data/evidence gathering and final adjudication. While the VA portion of the DCCP may have opportunities for improvement, it is not in scope for this RFI.

Please know that this is not a procurement action. Rather, this is market research that will be used to inform appropriate State staff and leadership who may elect to create a business case to pursue funding and a formal project in the future. Again, please be advised that DVS' records related to this solicitation may be subject to public inspection. All trade secrets or proprietary information must be identified in writing or other tangible form and conspicuously labeled as "proprietary" at the time of submission to DVS. DVS will honor all proprietary exclusions that are legally permissible.

Definition of a Disability Compensation Claims Package

A disability compensation claims package (the Package) is a product of the DCCP. DVS staff create and submit it to the VA on behalf of a veteran (or veteran family) for compensation related benefits. At present, the final Package received by the VA is completely hardcopy and may vary in terms of content, depending upon a veteran's specific circumstances. However, it will always include VA Form 21-526 (Appendix A) and certain military service documents such as DD214s. VA Form 21-526 is very long and may consume a great deal of time during completion because complex issues can often arise as to what a veteran should be claiming (sometimes multiple conditions) and what types of evidence are required. DVS staff provide the experience needed during the completion of the form, collection of the evidence and assembly of the Package. Clearly, not all DVS staff have the same level of experience regarding US Code Title 38 and the various VA materials.

Appropriate data/evidence documents must also be included in the Package in order to support the disability claims being made. Data/evidence routinely comes from multiple sources in the private sector and federal government. Some data/evidence may be easily located and requested while other data/evidence may be protected by laws such as HIPAA. Data/evidence that is included in the Package may sometimes be accessed through online systems, but is often (if not primarily) hardcopy. In any case, at present, hardcopies are printed for final packaging and submission to the VA in Roanoke, Virginia. Examples of data/evidence commonly included in the final Package sent to the VA are:

<u>Data/Evidence</u>	<u>Typical Location</u>
DD Form 214	Veteran or National Personnel Records Center (NPRC), Navy, Marine Corp, National Guard, Reserve Unit, Adjutant General
Marriage License	Veteran or State Vital Records
Divorce Decrees	Veteran or State Vital Records
Birth Certificates of Children	Veteran or State Vital Records
Service Medical Records	Veteran or NPRC, Navy, Marine Corp, National Guard, Reserve Unit, Adjutant General
Private Medical Records	Veteran or Treating Facility (numerous options)
VA Medical Center Records	Veteran or VA Medical Center
Military Personnel Records (any)	Veteran or NPRC, Navy, Marine Corp, National Guard, Reserve Unit, Adjutant General
Adoption Orders	Veteran or State Vital Records
Social Security Determinations	Veteran or Social Security Administration

Description of the Current DCCP

Important Note: This process is depicted as occurring during an "interview" involving the veteran and DVS staff. The reality is that it may happen in one interview or across several interviews depending upon the complexity of the veteran's situation and the availability of needed data/evidence. It is also possible for veteran's spouse (for example) to actually initiate and participate in the process. However, for the purposes of the description below, the process is described as involving the veteran. At any point in this process, DVS staff may leverage the use of an "informal claim" if they determine a formal claim Package won't be ready in a timely fashion. An informal claim Package protects the effective compensation date for the veteran, which is the 1st of each month. Example: Allowing a claim started in April to continue into May without filing an informal claim before May 1st would force the effective compensation for the veteran to be moved to at least June 1. This would have a negative economic impact on the veteran (lost compensation for May) and must not be allowed to happen.

General Steps:

1. Veteran enters DVS Field Office and requests assistance from DVS in the preparation of a disability compensation claim.
2. DVS staff ask questions and discuss the veteran's overall situation – including but not limited to the nature of the disability(ies) they would like to claim and an assessment of documentation they have on hand and or documentation that will need to be obtained.
3. Based upon the results of that discussion, and the DVS staff's experience with US Code Title 38 and VA policies, DVS staff will use the RVD system to begin the completion of the VA Form 21-526.
4. As VA Form 21-526 is completed, DVS staff make copies of all relevant and available documentation the veteran has brought with them (to become a part of the Package).
5. DVS staff, applying their knowledge and experience with US Code Title 38 and VA policies, continue to ask questions to reveal more details regarding the veterans situation and potential opportunities for additional benefits. Preparation of VA Form 21-526 continues.
6. To the extent other conditions are discovered or other data/evidence needs arise during the interview, DVS will work with the veteran to identify the source(s) for that data/evidence and make calls, write letters or make online enquiries to request it. Veterans are sometimes asked to take care of some of these tasks. Note: DVS actions on behalf of the veteran are made possible through the right of representation granted by the veteran to DVS (also known as a Power of Attorney).
7. DVS staff and veteran then jointly determine if the Package properly represents the veteran's situation (meaning all desired claims are indicated, all relevant data/evidence is obtained or, if not obtained, sources have been identified). If it does not, then work continues by returning to step 5. If it does, then see step 8 below.
8. DVS staff prepare the Package for ground mail delivery, and send it to the DVS Roanoke office.
9. Once in Roanoke, the Package is sometimes checked by highly experienced staff for inconsistencies and inaccuracies (basically, Packages from field offices where there are some less experienced DVS staff tend to be reviewed as they come in).
10. Once DVS staff in Roanoke complete their check, if there are issues the Package is discussed with the DVS staff in the appropriate field office, effectively returning to step 7. If there are no issues, the Package is walked up to the VA regional office in Roanoke (which happens to reside in the same building with DVS) and the VA triage process begins.

Sample DCCP Process

Please see attached sample of the DCCP process (Appendix B). This sample shows an entire cycle for one compensation related claim. Responders to this RFI should observe the entire process in the attachment; however, responses should focus on how to improve and automate the DVS portion of the process.

Relevant Supplemental Information regarding the Current DCCP

1. There are over 800,000 veterans in Virginia; approximately 112,000 receive disability compensation benefits.

2. Veterans who have chronic disability due to or aggravated by some event in service or coincident with military service may be entitled to compensation for that disability and should be encouraged to file a claim for compensation.
3. The VA adjudicates the claim based on evidence submitted or subsequently gathered.
4. DVS believes it takes (on average) 8 months for a claim to be adjudicated once submitted to the VA.
5. If a claim is approved, a veteran may receive between \$117 and \$3,000 per month, depending on degree of disability and number of eligible dependents.
6. If a claim is denied, a veteran may appeal – a process that generally take 2-3 years.
7. Complex laws, with entitlements linked to rigorous documentation and proof of eligibility, make the process of developing and filing a disability claim time-consuming, confusing, and complicated.
8. Redundant information must be entered on multiple forms that must be visually checked.
9. Returned claims greatly delay the adjudication process and increase DVS manpower costs.
10. DVS human resources and IT solutions have reached capacity. DVS cannot keep up with the ever-increasing demands to assist veterans applying for disability compensation benefits.
11. The number of disability claims filed by DVS on behalf of Virginia veterans is increasing by over 1,000 each year and places an added burden on an already overloaded VA system.
12. Given the characteristics of the current process and technology, DVS must add one additional claims agent for every 500 new claims filed.
13. Additionally, DVS is losing qualified claims agents. Because the claims-filing process is as complicated as the tax code, it takes 3 – 5 years to fully train new claims agents.

Guidance and Constraints when Preparing a Response

The following constraints are applicable to all submitted responses:

1. DVS believes that the current DCCP is labor-intensive, inefficient and is made extremely complex due to the quantity of rules and regulations governing the DCCP (similar in scale to the complexities of the US tax statute) and the diffusion of data/evidence. DVS believes the DCCP can be improved in terms of the efficient, accurate, consistent and automated application of rules and regulations, collection of data/evidence, creation of claims Packages, organized storage/retrieval of claims Packages and automated submission to the VA. Solutions may include (but not be limited to) process improvement methodologies, hardware, software, sourced services, etc.
2. DVS is interested in the best, most-cost-effective ideas and approaches the market has to offer. However, DVS considers viable solutions to have a clear and obvious balance between innovation, maturity and reliability.
3. DVS' productive past research has resulted in the expectation that the following characteristics/features will be a part of any economically and technologically feasible solution:
 - a. A web enabled application that allows both the Veterans and the DVS officials to initiate the claims process. Though more of an implementation discussion at some possible

- point in the future, DVS would anticipate its staff making use of any implemented solution before releasing it to veterans for self-service.
- b. The 'intake' process should be intelligent and intuitive (like an interview) and not be "form driven."
 - c. It should be easy to configure the solution to add and modify business rules.
 - d. The solution should provide robust "case management" capabilities.
 - e. The solution should be able to interface with other systems leveraging industry accepted "web services" standards.
 - f. The solution should make use of a modern relational database.
 - g. The VA has indicated that it will accept electronic submission of claims Packages from DVS using secure email based upon public key encryption (128 bit), leveraging the Commonwealth of Virginia's standard Microsoft Outlook email environment.

Note: Alternative ideas and approaches will be reviewed.

4. Responses must conform to the cost format and data requirements presented in Appendix C. Please incorporate this into the response.
5. Solutions must comply with applicable Commonwealth of Virginia technology-related policies, standards and guidelines (<http://www.vita.virginia.gov/library/default.aspx?id=537>). Please review and consider each of them. Responders should indicate in their responses where compliance does not exist and waivers may be needed.
6. Solutions must clearly demonstrate technical and economic feasibility as defined in the Virginia Information Technologies Agency (VITA) ITRM Guideline CPM 110-01 Section 2 – Project Initiation Phase (Appendix D).
7. In addition to the response to this RFI, responders may be invited to provide an oral presentation to further discuss and describe suggested solutions.

RFI Deliverable -- Technically and Economically Feasible Solution(s)

The following is an outline of the requested information related to the proposed products, services, and solutions. Please identify each response by the appropriate section number as identified below:

1. Statement of Understanding and Orientation

Based on your understanding of the information provided in this RFI, submit a detailed statement reflecting your perception of the business problems DVS currently endures relative to the DCCP and the opportunities for improvement you see for DVS in the future. Indicate, generally, how your proposed solution (products and/or services) could potentially improve and automate the DVS portion of the DCCP. Please provide a clear understanding of how your products and services architecturally fit together and their overall compliance with Commonwealth standards and guidelines.

2. Products and Services Details

Describe the specific capabilities of your proposed products and services. Describe your products and services and how they address the situation presented in this RFI including (but not limited to): (1) How they specifically meet business needs, (2) their standard features, (3) their optional features, (4) planned features, how they are relevant to this RFI, and when they will be available, (5) integration and customization options.

3. Implementation Approach and Requirements

Describe the business and technical requirements and/or impacts DVS would need to be aware of and accommodate in a hypothetical implementation. For instance, specific process changes,

necessary hardware and software and customizations, training for staff, phased .vs. comprehensive cutover, etc. Please indicate the estimated time to implement, including an estimate of calendar time, in months, required to complete the implementation. Indicate the estimated number of man-months required for analysis, development (including customization and integration), testing, training, installation, and other transition activities.

4. Estimated Costs

Describe the estimated costs for implementing the proposed products and/or services using Attachment D. If any cost estimates require additional explanation, please provide appropriate narrative in this section.

5. Solution Innovation, Maturity and Reliability

Describe the characteristics of the proposed products and/or services that demonstrate the degree of innovation provided, and how that innovation is balanced by maturity and reliability of the overall solution. To the extent the Responder is comfortable with disclosure of previous clients that have made use of the proposed solution, DVS certainly welcomes this information.

RFI Response Review

In terms of reviewing the submitted responses, all responders are reminded that this is NOT a procurement. It is a request for market solution information that will help DVS understand the range of options for improving and automating the disability claims process. This being the case, DVS will review the responses to gather the knowledge and awareness they seek.

To facilitate the submission of meaningful material, DVS would like for all responders to understand that the review criteria will, at a minimum, include the following:

1. Business Process Impact -- How the potential solution will impact the current business processes and what degree of organizational change and stakeholder resistance is anticipated.
2. Technical Feasibility – The level of technical complexity, standards compliance, special considerations such as technical experience required for project team members.
3. Maturity of Solution – The level of awareness organizations have regarding this solution, tool reliability/obsolescence/innovation.
4. Resources Required -- The personnel, facilities, software, hardware, supplies, etc, needed to implement the solution and their approximate level of usage and costs.
5. Constraints Impact – How well the solution fits within the constraints discussed in this RFI as well as consideration of any constraints brought forward as part of the response itself.
6. Cost Benefit Analysis – The balance between costs (implementation and ongoing), the projected measurable benefit expressed in terms of dollars, and the risks involved.
7. Return on Investment (ROI) – The value of making the investment in the solution ...

$$\text{ROI \%} = (\text{Net Benefit}) / \text{Cost} \times 100$$

Where ... Net Benefit = Benefits – Cost

Please note that DVS reserves the right to modify, add to or subtract from the above criteria in any way and at any time. DVS will review each response and leverage what is learned in future internal discussions pertaining to the improvement and automation of the DCCP. This would include (but not be limited to) internal discussions regarding potential future procurements.