

Submitted Statement  
for the  
Veterans Affairs Committee  
United States House

March 18, 2010



*"Serving Citizen Warriors through Advocacy and Education since 1922."*<sup>TM</sup>

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The Reserve Officers Association of the United States (ROA) is a professional association of commissioned and warrant officers of our nation's seven uniformed services, and their spouses. ROA was founded in 1922 during the drawdown years following the end of World War I. It was formed as a permanent institution dedicated to National Defense, with a goal to teach America about the dangers of unpreparedness. When chartered by Congress in 1950, the act established the objective of ROA to: "...support and promote the development and execution of a military policy for the United States that will provide adequate National Security." The mission of ROA is to advocate strong Reserve Components and national security, and to support Reserve officers in their military and civilian lives.

The Association's 63,000 members include Reserve and Guard Soldiers, Sailors, Marines, Airmen, and Coast Guardsmen who frequently serve on Active Duty to meet critical needs of the uniformed services and their families. ROA's membership also includes officers from the U.S. Public Health Service and the National Oceanic and Atmospheric Administration who often are first responders during national disasters and help prepare for homeland security. ROA is represented in each state with 55 departments plus departments in Latin America, the District of Columbia, Europe, the Far East, and Puerto Rico. Each department has several chapters throughout the state. ROA has more than 450 chapters worldwide.

ROA is a member of The Military Coalition where it co-chairs the Tax and Social Security Committee. ROA is also a member of the National Military/Veterans Alliance. Overall, ROA works with 75 military, veterans and family support organizations.

#### DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Reserve Officers Association is a private, member-supported, congressionally chartered organization. Neither ROA nor its staff receive, or have received, grants, sub-grants, contracts, or subcontracts from the federal government for the past three fiscal years. All other activities and services of the Association are accomplished free of any direct federal funding.

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Mr. Chairman and distinguished members of the Veterans Affairs Committee, on behalf of its 63,000 members, the Reserve Officers Association expresses its appreciation for the opportunity to submit testimony to the claims summit discussion.

ROA is particularly concerned because National Guardsmen and Reservists are more likely than Active Duty Operations Iraqi Freedom and Enduring Freedom veterans to have their disability claims denied. Additionally they are also more likely to receive lower ratings even though they are half as likely to file claims to begin with.

As contingency operations bring about increased mobilizations and deployments, many of these outstanding citizen Soldiers, Sailors, Airmen, Marines, and Coast Guardsmen have put their civilian careers on hold while they serve their country in harm's way. As we have learned, they share the same risks and their counterparts in the Active Components. Since September 11, 2001, more than 725,000 Reserve and Guard service members have been on Active Duty (AD). The United States is creating a new generation of combat veterans that come from its Reserve Components (RC). It is important, therefore, that they be afforded benefits consistent with their selfless service to their country and in parity with their Active Duty compatriots.

***ROA is thankful for Congress' passage of the Veterans' Benefits Improvement Act of 2008 that established initiatives to improve the Veterans Benefits Administration (VBA).***

## **Introduction**

The growing disability claims backlog has been an ongoing issue for some years now and reached an all-time high in December with more than one million claims in 2009, a 75 percent increase from 2000 in a system hobbled by antiquated processing technology. The problem is further compounded by new dynamics in which the Department of Veterans Affairs (VA) is receiving considerably more claims and they are far more complex than in the past in part due to issues such as post traumatic stress disorder and traumatic brain injury. In addition to this the VA has stated that the growth level is expected to continue through 2011 and 2012 which is projected to increase by 30 percent in 2011.

The productivity in processing claims has improved, but the improvement has not kept pace with escalating demand. The VA progressed in reducing the average number of days it takes to process a claim to 158 days, an 11 percent improvement, yet it has not met the goal of processing a claim within 125 days. Nevertheless, the VA believes at least for a few months into 2011 it will take up to 190 days for a claim to be processed. The expected increases over 2011 and 2012 will come from an increased number of returning Operations Iraqi Freedom and Enduring Freedom veterans seeking treatment, as well as Agent Orange-related claims from Vietnam and Korean veterans.

Furthermore the VA's system-wide average rate of errors is 17 percent. As Assistant Inspector General Belinda Finn of the VA Office of the Inspector General testified in mid-February the errors are even worse in some regional offices such as 41 percent in Puerto Rico, 29 percent in Alaska, 25 percent in Virginia, and 20 percent in Maryland (according to a sample study). These error rates are an enormous contributor to the claims process backlog because the errors must be found and a large number of appeals cases are caused by the errors. Presumably if the errors are decreased then the backlog of both the claims' and appeals' processes will benefit.

## **Agent Orange**

In October 2009 Secretary Shinseki announced that the VA would establish service-connection presumptuous illnesses based on evidence of association with Agent Orange for Vietnam veterans. The number of military personnel affected during the Vietnam War is estimated at 2.6 million. An estimated 86,069 Vietnam beneficiaries will be eligible to receive retroactive payments in 2010. According to the VA's Fiscal Year (FY) 2011 budget summary the VA expects an estimated 27,909 veterans currently on the compensation rolls to reopen their claims to receive a higher disability rating. Moreover the VA believes about 28,000 and 10,000 potential accessions are expected in 2010. Ultimately the VA expects close to 200,000 veterans over the next two years will file claims under the new presumptive illnesses.

Secretary Eric Shinseki stated in the VA March 9th press release that, "With the latest, fastest, and most reliable technology, VA hopes to migrate the manual processing of these claims to an automated process that meets the needs of today's Veterans in a more timely manner." The department proposed to publish a formal request for private-sector corporations to suggest automated solutions for the elements of the claims process that take the most time. Through this enterprise the VA expects to shorten the time it takes to collect evidence, which now takes an average more than 90 days. The contract is projected to be awarded in April with proposed solutions presented to the VA within 90 days and implementation of the solution is expected within 150 days.

***ROA fully supports expediting the development of an IT system for claims yet there is concern that the heightened urgency of completing the project may cause a lack of oversight by the VA. ROA urges Congress to intently oversee the process and arrange a schedule with the VA so that this committee can be informed on an ongoing basis.***

***There is a continued need to expand VA health services to the airman who were exposed at Agent Orange storage sites and airfields, and sailors who drank and cleaned in contaminated waters while serving offshore of Vietnam, which will only add to the backlog of claims.***

## **Reserve Components**

According to a benefits analysis report in 2008 by the Veterans Benefits Administration, Veterans for Common Sense, Guard and Reserve members received more ratings between zero and ten percent when compared to active duty who on the other hand received significantly more ratings between 30 and 100 percent. Following up on this and other information the House and Senate Veteran's Affairs committees requested that the VA conduct a study on the variances in disability benefits, to include disparities in different areas of the country and between whites and nonwhites, urban and rural, military retirees and those that did not serve full careers, Guard and Reserve members, and other veterans, and give recommendations on eliminating disparities. The VA was allocated one year.

***ROA asks that the VA's study and recommendations be released to the public.***

***ROA is deeply concerned that the Reserve Components have not been adequately tracked disallowing appropriate oversight and evaluation. Additionally other unique groups, such as women, need to be tracked. ROA adamantly urges Congress to mandate that the VA should track all groups as part of the standard procedure to process claims.***

## **Budget**

ROA is pleased with the President's FY-11 VA budget request which is exempted from the three year Federal freeze from non-defense discretionary spending as well as heeded the Independent Budget's recommendations. The budget, revealed in February, includes a 27 percent funding increase for the VBA as well as funding to hire a little more than 4,000 permanent full time equivalent (FTE) employees to process benefits claims, of which 1,800 will convert from temporary to permanent positions. The Board of Veterans Appeals (BVA) only received a three percent increase despite the fact the backlog has exceeded 200,000 unprocessed appeals causing some veterans to wait up to four years for a decision. In the FY-10 supplemental, \$13.4 billion was provided for the new presumptions related to Agent Orange, and \$15.8 billion was allocated in entitlements fully funding 2010 and 2011. The paperless claims processing system received \$145 million.

## **Improvements**

The VA has taken steps to improve the claims and appeals processing, but the impact is unknown. The agency has and continues to hire new disability claims staff, VBA has redistributed the workload, pilot programs and other testing approaches are ongoing (such as shortening response periods for certain claims and appeals through the Expedited Claims Adjudication (ECA) and reorganizing claims processing units), expanding quality assurance, upgrading claims processing software, and the biggest push is to move towards a paperless processing system.

The Department of Veterans (VA) and Department of Defense (DoD) created a Joint Virtual Lifetime Electronic Record (VLER) which is a comprehensive system meant to streamline transition of health care records between the departments. Eventually the system will contain administrative and medical information from the start when individuals enter military service, through their careers, and during the remainder of their lives as veterans if they enter the VA system. The departments intend to establish at least three sites capable of bi-directional information exchange between the VA-DOD and the private sector by 2011. The prototyping and pilot phases are purported to be complete by 2012. VLER allows claimants' records to be more readily available to claims adjudicators.

Secretary Shinseki has said that there are long term plans to harness technology to hasten claims processing, but there is not a short term solution. The VA intends to implement the paperless claims processing system by 2012 and as previously mentioned reduce the average disability claims processing time to 125 days.

***ROA urges Congress to robustly oversee that the VA continues such initiatives as well as evaluate all new initiatives and existing programs.***

## **Solutions**

The VA faces many challenges, some of which have recently shown slight improvement, but the department must address problems more comprehensively and resolutely. As the claims backlog continues to grow at an expeditious rate the solutions must do so at the same rate in order to have a meaningful and lasting impact.

ROA has studied various potential solutions and believe the following will create the greatest positive results:

- ❖ Support vigorous Congressional oversight of the VA claims process and initiatives.
  - Urge the VA and DOD to setup regular evaluations of existing and new initiatives, and when necessary conduct investigations to address discrepancies.
  - Oversee that the VA and specifically VBA comply with the Veterans' Benefits Improvement Act of 2008.
  - Oversee VA's initiative to expediently set up an IT system capable of processing Agent Orange-related claims per the new presumptions.
  - Fund permanent full-time equivalent VBA claims staff at every military discharge location including Guard and Reserve in addition to all VHA medical centers and clinics.
  - Set a sunset on VA pilots beyond a certain point (to be decided between the VA and Congress) so that they do not run for an excessive amount of time without significant progress.
  - Increase the BVA's budget capable of addressing the designated workload and amount of time to process appeals.
- ❖ Simplify as much as possible and adhering to maintaining a high level of quality information disseminated to beneficiaries and staff to include procedures, training, and forms.
- ❖ Convert to the paperless claims processing system as soon as possible, utilizing institutional knowledge of the private sector as well health care contractors that work for the VA and DOD.
- ❖ Monitor hiring and training of additional VA claims adjudicators.
  - Establish cyclical professional training sessions in order to refresh original training, instruct on new methods and/or regulations, gain feedback and constructive suggestions, as well as continue to build up relationships between employees and employers and among employees.
  - Ensure VA provides certifications for claims adjudicators.
- ❖ Complete forward deployment of VBA staff at all military bases including Guard and Reserve armory and demobilization sites.
- ❖ Track servicemembers' service, active duty, or National Guard or Reserve.
  - Annually assess the differences among the services, components, and unique groups to ensure parity.

## **Conclusion**

Mr. Chairman and distinguished members of the Committee, America's service men and women from the Reserve Components come from the heart of communities across this great country and its territories. Many were among the first to respond to their nation's call after September 11, 2001. They have proven themselves to be worthy heroes and capable warriors and have earned the respect they so richly deserve from their fellow citizens. What they also deserve is the equality and access in benefits that are given to their Active Component brothers and sisters.