

REVIEW OF VETERANS DISABILITY
COMPENSATION BENEFITS
IN THE 21ST CENTURY

- - -

THURSDAY, SEPTEMBER 17, 2009

United States Senate,
Committee on Veterans Affairs,
Washington, D.C.

The committee met, pursuant to notice, at 9:34 a.m., in Room 418, Russell Senate Office Building, Hon. Daniel K. Akaka, chairman of the committee, presiding.

Present: Senators Akaka, Brown, Tester, Begich, Burris, Burr, and Johanns.

OPENING STATEMENT OF CHAIRMAN AKAKA

Chairman Akaka. This hearing will come to order. This morning, the committee continues our work on veterans disability compensation. Specifically, we will be focusing on issues relating to compensation payments for service-connected disabilities.

Discussions about the Veterans Disability Compensation System often involve two separate but related elements of how the government pays compensation to those injured in military service. The first part is the timeliness and accuracy of compensation decisions, which we held a hearing on in July. This is an important issue which requires

UNCORRECTED COPY

reforming the current process by which VA adjudicates claims for benefits. The committee agrees that veterans deserve timely, accurate adjudication of their claims for benefits. We are now working to determine how best to meet that goal.

The second issue relates to the factors that determine how much a veteran should be compensated for his or her disability. This is a very complex question that the committee continues to consider and is a topic for today's hearing.

There are a number of considerations that must be taken into account when we look at what influences how much a veteran is compensated for injuries related to military service. How is a veteran's quality of life affected by a disability, is a question. How do we calculate loss of earnings related to the disability? How accurate is VA's current ratings schedule? What is the role of rehabilitation in making a disability determination? These are but a few of the questions that we are addressing today.

Calculating the appropriate level of compensation for those disabled in service is a complex matter. For example, there is data based on comprehensive studies suggesting that some veterans do not receive an appropriate level of compensation while some others may be overcompensated. As a result, efforts designed to help some veterans could inadvertently hurt others. We need to be deliberate as we

work to develop solutions that will result in appropriate reform of the Disability Compensation System.

Again, I want to thank everyone for today's hearing. I look forward to the testimony from our two panels and to continuing to work with the many interested parties in the months ahead as we seek to craft a workable reform of the VA Disability Compensation System.

Senator Burr?

OPENING STATEMENT OF SENATOR BURR

Senator Burr. Thank you, Mr. Chairman. Aloha. Chairman Akaka. Aloha.

Senator Burr. Thank you for calling this hearing. I want to welcome our panel of experts and committed individuals to solve this.

Mr. Chairman, the brave men and women who have served and sacrificed on our behalf deserve a disability system that meets their needs, and more importantly, a system that helps them to achieve full and productive lives. But in reality, the outdated disability system our nation's veterans currently have may not be able to meet the needs of the 21st century veteran.

As far back as 1956, the commission chaired by General Bradley stressed that, and I quote, "our philosophy of veterans' benefits must be modernized and the whole structure of the traditional veterans program be brought up

to date." But no fundamental changes were made then or since, despite a number of reports, laying out for all of us the system's shortcomings.

Just last Congress, the Veterans Disability Benefits Commission and the Dole-Shalala Commission again stressed the needs to update the system. Those commissions outlined many fundamental problems, including the fact that the purpose of disability compensation, and I quote, "is unduly restrictive and inconsistent with current models of disability." They also found that the aim of the veterans' disability program should be rehabilitation, but the goal was not being met.

Both commissions recommended updating the VA disability rating schedule to reflect modern medical criteria and current injuries. They recommended compensating veterans for loss of quality of life in addition to the loss of earnings capacity. And perhaps more importantly, they stressed the need to emphasize treatment and rehabilitation of injured veterans.

In light of these commissions' reports, VA requested a detailed study of how the recommended changes could be made, and today we will hear about the results of that study. But we will also discuss a recent report from VA suggesting maybe even more studies are needed before changes should be made to the disability system.

Although I realize the VA may be reluctant to take on additional challenges at this time, it is understandable that many veterans, including a group in North Carolina that write me frequently, have quite frankly lost patience with five decades of studies that have not been acted on by this committee or by the VA. Our Nation's veterans, particularly those now coming back from war with devastating injuries, deserve better than a system that was outdated before they were born.

As we now know, their disabilities may affect all aspects of their lives, including community activities, household chores, and time spent with family. They deserve a system that will compensate them for the full impact of their injuries and will give them every opportunity to overcome their disabilities and succeed in civilian life.

Mr. Chairman, I hope, I desperately hope this is the last hearing we have to have on the recommendations for changes to our disability system. I know that Admiral Dunne, I know that General Scott, and I know that Senator Dole, I know that Secretary Shalala, they didn't do this just because it was a job or it was an offer. They did it because there is a problem there. Many have spent countless hours preparing reports that, if this committee doesn't act, will continue to collect dust like the studies that have come before it.

At a time that we take every opportunity to talk about the increased investment we make in veterans services, now is not the time to fall short of what is tough, and that is getting the disability schedule right, making sure that the next generation of warriors understand that we understand now, but more importantly that we understand their expectations and we are willing to make sure that they have got the tools to meet those expectations, not just in treatment, but in the way we treat the reimbursements.

So it is my hope that we will see today a commitment to move forward and I look forward to working with my colleagues on whatever that path is. I thank the Chair.

Chairman Akaka. Thank you very much, Senator Burr.

Now we will hear from members of the committee with their opening statements. Senator Tester?

OPENING STATEMENT OF SENATOR TESTER

Senator Tester. Thank you, Mr. Chairman. I want to thank you for holding this hearing. Thank you for your statements, and I want to thank the Ranking Member for his statement, too. I want to thank the witnesses for being here. Admiral Dunne, General Scott, thank you in particular for your service and thank you for your continued service to the country by being here today.

I meet regularly with veterans across the State of Montana. I have been at homeless shelters and visited

amputees. I have talked with men and women who have suffered from PTSD and TBI. I have been to Walter Reed and Bethesda Naval to see young men from Montana whose lives have been profoundly changed by serious injury in their service to this country.

Today, I am thinking about them, and quite honestly, I am worried about them. I am worried about those physical and mentally disabled folks who suffer from injuries both invisible and all too visible. How do we put a price tag on traumatic disability and diminished quality of life caused by war? We have established commissions and committees, reorganized, restructured, and revamped.

Today, we once again talk about the complexity of overhauling an outdated schedule for rating disabilities and it seems we have been here before. In fact, General Scott, I believe I first met you in 2007 when you were before this committee presenting your work from the Veterans Disability Benefits Commission, and now you are back with a new commission and new recommendations, and don't get me wrong, I love to see you here, it is good to see you again, but on this issue, this complicated issue, there is no doubt about that we need to measure twice and cut once, not the other way around.

But ultimately, we are here to get things done for the veterans. We all know that. They are an important part of

this process and I want to thank the VSOs for answering the call to duty once again by preparing some important recommendations for disability claims and disability benefit reform. Those are voices that we need to listen to, as well, during this discussion.

So thank you, Mr. Chairman. I look forward to the solutions that we will be offered and getting the rating system right. Thank you.

Chairman Akaka. Thank you very much, Senator Tester. Senator Johanns?

OPENING STATEMENT OF SENATOR JOHANNIS

Senator Johanns. Mr. Chairman, thank you very much, and to the Chairman and Ranking Member, thank you for your determination here. These are enormously important issues.

I don't want to speak long, because I don't want to be repetitious. So much of what is said this morning, I could just add my words of support and that actually would be sufficient for an opening statement.

But I did want to underscore something. I was especially interested in the Economic Systems Report that found that mental disabilities are oftentimes more disabling in terms of the loss of earning capacity than physical ones, yet our disability system really doesn't mirror that. This is an area of significant interest for me. It was when I was the Governor of Nebraska and continues to be as I am a

member of the United States Senate.

So my hope is that as we concentrate on what we need to do here, we concentrate on that mental disability aspect in a very, very aggressive way, because I think it has just been left way behind. We have so much better understanding of mental disability today than we did even five or ten years ago. It is time to bring that to our age, if you will.

So I do appreciate your dedication. One thing I have especially appreciated about being on this committee is working with the people who work in this area. I think they care deeply about the veterans, want to do the right thing, are frustrated when things aren't going the way they should. And now we just simply have to figure out how we grab these issues and move them forward. My hope is that in a very bipartisan way, we can do that. Thank you.

Chairman Akaka. Thank you very much, Senator Johanns.
Senator Brown?

OPENING STATEMENT OF SENATOR BROWN

Senator Brown. Thank you, Mr. Chairman and Ranking Member Burr for doing his hearing.

Like many of my colleagues, as Senator Tester said, in August, we went home to listen on a whole host of issues. One of the most productive couple of hours I spent was listening to--really did a roundtable with veterans and

veterans advocates and people who had served their country, like Admiral Dunne and General Scott, in Chillicothe, Ohio, in the heart of Appalachia.

Chillicothe is home to a VA medical center which serves veterans in Southeast Ohio in its main medical center and its five community-based outreach clinics, which are increasingly important, especially in rural areas around my State and other States. Thirty-five-hundred inpatient admissions last year. The hospital is known for its excellence in psychiatric services, in primary and secondary medical services, and in post-acute care.

About 90,000 Ohio veterans receive monthly disability compensation. Many were in that audience that today, in the roundtable and people that were watching. Each is affected, as we know, by the VA schedule of rating disabilities. Each faces a difficult task of understanding its complexities.

We need to continue to dig deeper, as this committee is doing, as you three are doing, into why there is not uniform disability compensation. A service-connected disability should be rated the same whether the veteran is in Dayton, Ohio, or Daytona Beach, Florida. These problems, the backlog in the rating disparities, in many ways, relates back to the VA's schedule of rating disabilities. There must be commonalities with veterans at every rating level, wherever they may live, but we aren't seeing that.

I am concerned, too, about the quality of life component of disability compensation. It is a qualitative evaluation that produces a quantitative result. We need to be sure that this evaluation isn't creating arbitrary benefit differentials. Trust in the VA is eroded when a complicated, subjective formula spits out a rating and a dollar amount, leaving the veteran in the dark as to the process and the rationale behind the compensation, and you could just see that frustration in the hearts and minds of so many veterans that were at that roundtable that morning.

VA could improve the situation by simplifying and rationalizing the benefits formula. More broadly, we should simplify the process by which veterans receive these earned benefits. By providing a fully integrated system from the Veterans Health Administration to the Veterans Benefits Administration, we could make VA run more efficiently and be more veteran-friendly.

There is also an information overflow problem. Veterans are inundated with paper. This only adds confusion to an already confusing system. As it stands, there is a brisk market for VA "how-to" books.

[Laughter.]

Senator Brown. The system is that complicated. One book, *The Complete Idiot's Guide to Your Military and Veteran Benefits*, is 400 pages. Another book, *the Veterans*

Survival Guide: How to File and Collect on VA Claims, there are almost 300 pages. The VA's own guide for Federal benefits for veterans is more than 150 pages.

If we work to modernize the payment structure, four principles should be followed. One, any change to the system must make it more fair.

Two, transparency must be an overarching goal. Veterans must be able to much more easily understand the system and the reasons and the amounts of their compensation.

Third, it must reduce red tape and focus on increasing efficiency in order to increase timeliness of claims processing and payments.

And last, the system must be designed to maximize earned benefits for veterans, not to minimize compensation awards or the size of those awards.

I am glad we are having this hearing today. I am encouraged that VA and Congress are working together with veterans and with VSOs to find ways to modernize and bring into the 21st century the way that VA handles veterans disability compensation, and I thank you, all three of you, for your service to our country.

Chairman Akaka. Thank you, Senator Brown.

And now we will hear from Senator Begich.

Senator Begich. Mr. Chairman, I will actually pass and

be anxious to hear from the witnesses.

Chairman Akaka. Thank you.

I want to welcome our principal witness from VA, the Honorable Patrick W. Dunne, Under Secretary for Benefits. I also want to welcome Dr. George Kettner, who is President of Economic Systems, and General James Terry Scott, who is the Chairman of the VA Advisory Committee on Disability Compensation.

Thank you all for being here this morning. Your full testimony will be, of course, will appear in the record.

Admiral Dunne, will you please proceed?

UNCORRECTED COPY

STATEMENT OF PATRICK W. DUNNE, UNDER SECRETARY FOR
BENEFITS, VETERANS BENEFITS ADMINISTRATION, U.S.
DEPARTMENT OF VETERANS AFFAIRS

Admiral Dunne. Mr. Chairman, Ranking Member Burr, and members of the committee, thank you for inviting me here today to speak on the timely and important issues related to disability compensation for our nation's disabled veterans.

Compensation for service-connected disabilities is based on replacing the average loss in veterans' wage earning capacity. The Congressional directive mandates that ratings shall be based, as far as practicable, upon the average impairments of earning capacity. As a result, the VA ratings schedule was developed as a means to compensate veterans for the income from employment that they would have received if not for the service-connected disability.

Recently, this approach to disability compensation has been challenged as inadequate because it focuses only on employment loss and not on the larger issue of quality of life loss. Definitions of quality of life loss vary and may focus on the domains of physical and mental health or may address the individual's general overall satisfaction with life.

The Dole-Shalala Commission recommended compensating a veteran for the inability to participate in favorite activities, social problems related to disfigurement or

cognitive difficulties, and the need to spend a great deal of time performing activities of daily living.

General Scott and Dr. Kettner have also overseen studies on quality of life and I look forward to their testimony today. Each of these studies has provided valuable information about quality of life and has also shown there are many issues to be addressed. My written testimony provides written comments and I would like to highlight several areas.

First, VA does not have statutory authority to incorporate quality of life payments into its disability compensation scheme.

Second, there is no universally recognized method to determine how to adequately and fairly compensate for the impact of a disability or combination of disabilities on a veteran's quality of life.

Third, VA already has a number of special benefits that implicitly compensate for quality of life loss. Among these are ancillary benefits, Special Monthly Compensation, and total disability based on individual unemployability. Special Monthly Compensation and ancillary benefits are provided to veterans in addition to compensation for service-connected disabilities under the current rating schedule.

Fourth, any proposal must, in our view, be

administratively feasible and ensure consistency across decision makers.

And finally, VA stands ready to work closely with this committee and Congress to ensure that all veterans' benefits meet the criteria to care for him who has borne the battle.

Mr. Chairman, this completes my statement and I would be happy to respond to questions.

[The prepared statement of Admiral Dunne follows:]

UNCORRECTED COPY

Chairman Akaka. Thank you very much, Admiral Dunne.
Dr. Kettner, your testimony, please.

UNCORRECTED COPY

STATEMENT OF GEORGE KETTNER, PRESIDENT, ECONOMIC SYSTEMS, INC.

Mr. Kettner. Chairman Akaka, Ranking Member Burr, and members of the committee, thank you for the opportunity to appear before you today.

I served as Project Director of a recent study of lost earnings and loss of quality of life of veterans with service-connected disabilities and a transition benefit for veterans undergoing vocational rehabilitation. We compared veterans with service-connected disabilities to a matched group of veterans without service-connected disabilities.

We found that, overall, actual earnings plus disability compensation for veterans with service-connected disabilities was seven percent above the earnings of the respective comparison group without service-connected disabilities. On average, veterans rated 30 percent or less did not experience serious wage loss. Approximately 55 percent of 2.6 million veterans receiving disability compensation are rated at 30 percent or less. Veterans rated 40 to 90 percent experienced wage loss, but their VA disability compensation more than made up for the loss. For veterans rated at 100 percent, their earnings and disability compensation was nine percent less than expected and, hence, did not fully compensate for lost earnings.

We also found considerable differences in earnings loss

across different diagnoses for a given rating level, resulting in serious inequity in the disability payment system. Several of the most prevalent diagnostic codes are candidates for changes to the rating schedule because there is no earnings loss associated with those diagnoses at the ten percent or 20 percent rating levels. Examples include arthritis, hemorrhoids, tinnitus, and diabetes.

We found that mental health disorders, in general, have a much more profound impact on employment and earnings than do physical disabilities. Adjustments to the ratings criteria could overcome much of this disparity, but not for those already rated 100 percent, unless the benefit amount for the 100 percent rating were increased, as well.

Veterans receiving disability compensation have, on average, 3.3 rated disabilities. VA uses a look-up table for combining individual disability ratings into a combined degree of disability rating. The earliest known table dates from 1921 and have changed very little since then. The formulas result in ratings that overcompensate veterans for lost earnings, particularly when combining multiple disabilities with loss ratings.

Special Monthly Compensation is a series of awards for loss of limbs, organs, or functional independence. SMCs are not awarded to compensate for average loss of earnings capacity and can be viewed as payments for loss of quality

of life. The amount of SMC monthly payments above the regular scheduled payment for the 100 percent rating ranges from about \$600 to \$1,900 for the most severely disabled veterans. SMC payments are not made for PTSD and other mental health conditions.

Certain SMCs are paid to veterans for assistance with activities of daily living. For example, SMCL provides \$618 per month above the normal 100 percent amount, and SMCS for housebound veterans provides \$302. Survey results indicate that the monthly cost of hiring an assistant ranges from about \$500 to \$11,000, depending on how many hours of care are provided. A recent study estimated the lost wages and benefits of family caregivers of severely injured and active duty service members at \$2,800 per month. The current amount of the SMCs for assistance is well below these estimated costs.

The literature generally defines quality of life as an overall sense of well-being based on physical and psychological health, social relationships, and economic factors. We found that quality of life loss occurred for veterans at all levels of disability. We also found that loss of quality of life increases as disability increases, but there is wide variation in the loss of quality of life at each disability rating.

QOL is an individualized perception and people adjust

to disability differently. About half of those individuals with severe disabilities report relatively high degrees of life satisfaction. We also found that veterans receiving individual unemployability and SMC payments report significantly greater QOL loss, as well as greater earnings loss. Veterans with mental disabilities rated 100 percent show much greater quality of life loss than veterans with physical disabilities rated at 100 percent.

Putting an economic value on quality of life is subjective and value-laden. Hence, we developed different options for quality of life loss payments, ranging from an average amount of \$100 a month to almost \$1,000 a month, depending on the benchmark for measuring loss of quality of life. Examples of benchmarks include veteran self-assessment, societal views, awards made by foreign governments, SMC payments, and IU benefits for veterans over the age of 65.

We identified options for payment of living expenses for disabled veterans participating in vocational rehabilitation and employment. Options include monthly payment for core living expenses of about \$1,900 to \$3,000 for veterans living alone, or with two dependents to cover housing, food, and transportation. Additional daily living costs, such as apparel and services, could be provided for about \$500 to \$935 per month.

A major issue to be decided in providing a transition benefit is which VR&E participants would be eligible depending on severity of disability, medical discharge, and time since discharge. Options presented range from as few as 3,400 applicants per year to as many as 29,000 applicants.

Mr. Chairman, I thank you for the opportunity to appear before you today. I welcome any questions you or the committee members may have.

[The prepared statement of Mr. Kettner follows:]

UNCORRECTED COPY

Chairman Akaka. Thank you very much, Dr. Kettner.
And now we will receive testimony of General Scott.

UNCORRECTED COPY

STATEMENT OF LIEUTENANT GENERAL JAMES TERRY SCOTT,
USA (RET.), CHAIRMAN, ADVISORY COMMITTEE ON
DISABILITY COMPENSATION

General Scott. Chairman Akaka, Ranking Member Burr, members of the committee, it is a real pleasure to be with you today representing the Advisory Committee on Disability Compensation.

The committee is charged by the Secretary of Veterans Affairs under the provision of 38 U.S.C. Section 546 in compliance with Public Law 110-389 to advise the Secretary with respect to the maintenance and periodic readjustment of the VA Schedule for Rating Disabilities. Our charter is to assemble and review relevant information relating to the needs of veterans with disabilities, provide information relating to the character of disabilities arising from services in the armed forces, provide ongoing assessment of the effectiveness of the VA's schedule for rating disabilities, and provide ongoing advice on the most appropriate means of responding to the needs of veterans relating to disability compensation in the future.

The committee has met ten times and has forwarded an interim report to the Secretary that addresses our efforts as of July 7, 2009. Copies of this interim report were furnished to majority and minority staff in both Houses of Congress, and I can provide additional copies for the record

if so desired.

Our focus is in three areas of disability compensation: Requirements and methodology for reviewing and updating the VASRD; adequacy and sequencing of transition compensation and procedures for service members transitioning to veteran status, with special emphasis on seriously ill or wounded service members; and disability compensation for non-economic loss, often referred to as quality of life.

You asked me to present the views of my committee on the structure of payments for disability compensation and what reform, if any, the Advisory Committee recommends. Our efforts to date have addressed the structure of payments for disability compensation in the following ways.

We believe that an updated and clarified ratings schedule will enable rating, examining, and reviewing officials to make a more accurate and timely assessment of a veteran's disability and its effect on average earnings loss. An updated and clarified ratings schedule should improve first-time accuracy and reduce the number of appeals and backlog that the appeals create. The updated rating schedule should address the recognized inconsistencies in the mental versus physical disabilities and in the differences in age at entry into the disability system. Any remaining discrepancies between mental and physical disabilities could be addressed via the SMC system.

Recent studies by the Veterans Disability Benefits Commission, the Institute of Medicine, the Government Accountability Office, and the others have consistently recommended a systematic review and update process for the VASRD. The Congress has repeatedly demanded the same. I believe that the case for such a system is made and that sufficient data currently exists to proceed with a review and update.

My committee has informally recommended to the Secretary that the Deputy Secretary be tasked with oversight of the VASRD systematic review and update process to ensure that the VBA, VHA, and General Counsel are fully integrated into the process. We are also offering a proposed level of permanent staffing in both VBA and VHA to ensure that all 15 body systems are reviewed and updated as necessary in a timely way. We are proposing a priority among the body systems that takes into account the following: Body systems that are at greater risk of inappropriate evaluation; body systems that are considered problem-prone; and relative numbers of veterans and veterans' payments associated with each body system.

At a previous hearing, I was asked if I thought the review and update of the VASRD could be done by contract. If the VA is unable to devote the entire resources to accomplish a timely review and update, contract assistance

is a possibility. However, I believe that the expertise and background knowledge of the VA professionals are critical in the process and I encourage the VA to accomplish this very high priority task internally.

Regarding disability compensation for non-economic loss, also referred to as quality of life, we are reviewing the Special Monthly Compensation program as a potential model for a quality of life system and we are analyzing options for the forms of compensation beyond a monetary stipend. One of our concerns is to avoid a compensation system for economic loss that encourages seeking increasingly higher levels of compensation. Our current view is that the quality of life compensation should be limited to clearly defined and very serious disabilities.

Regarding disability compensation related to the transition from service member to veteran status, we are reviewing the many recent changes and improvements to the transition program to determine if and where gaps in coverage and assistance may remain for veterans and families. We are also reviewing the vocational rehabilitation and education program as it relates to transition for disabled veterans.

In summary, our committee's work is progressing on a broad front. The parameters of our charter offer us the opportunity to look at all aspects of disability

compensation and we are doing so. The committee has excellent access to the Secretary and his staff. The VA staff is responsive and helpful to the committee's request for information. It is our intent to offer interim reports to the Secretary semi-annually and to provide copies to the Veterans Committees of both Houses.

Mr. Chairman, this concludes my statement and I welcome comments or questions.

[The prepared statement of General Scott follows:]

UNCORRECTED COPY

Chairman Akaka. Thank you very much, General Scott.

I would like to open with a question to all witnesses. If we are going to act as a committee, as some of our colleagues suggest, what would you suggest as the highest priority, or what would you suggest we tackle immediately here? So let me start with Admiral Dunne.

Admiral Dunne. Sir, I wouldn't be so bold as to tell the committee what responsibilities they should take on. We are working as quickly as we can to work on the recommendations that have been given to us.

Specifically, just to give you an example, General Scott talked about personnel, et cetera. We have already hired two clinicians to work on modifying the schedule. We are coordinating with VHA to set up a committee that will be working very closely with the folks in VBA who are working on changing the schedule, and we have already done some preliminary work over the past couple of months to start in the mental health part of the rating schedule. By coincidence, tomorrow is the first all-day meeting with the VHA and VBA experts to start looking at mental health, to include review of PTSD, sir.

Chairman Akaka. Thank you.

Dr. Kettner?

Mr. Kettner. Well, I would agree with what Admiral Dunne just said. I think the burden is really on VA to work

at adjusting, revising the rating schedule. I would say that over the past several decades, the rating schedule has never really been based on an economic analysis of lost earnings. It has been based on medical criteria and decisions made by medical practitioners, but the underlying benefit amounts linked to different criteria have never really been based on economic analysis of lost earnings. So this would be an opportunity for the first time to really integrate the economic loss analysis into revising the schedule along with reviewing and revising medical criteria.

Chairman Akaka. General Scott?

General Scott. Well, I certainly agree that the VASRD should be the initial priority because it, if properly, accurately, and done in a timely basis, will address many of the anomalies that we face and many of the concerns that the members of this committee have expressed in their opening statements, to include timeliness, accuracy, the backlog, et cetera. So I really believe that a concerted effort by the VA to update and revise, as necessary, the 15 body systems that make up the VASRD will go a long way toward solving a number of these issues.

I think that both the Economic Systems studies and the study done by CNA, chartered by the Veterans Disability Benefits Commission, indicate that there is a solid economic basis for the VASRD in terms of average loss of earnings.

Arguably, there are pluses and minuses and puts and takes in there that need to be looked at, and I believe that most of them can be addressed in the revision of the VASRD.

As I commented, I think that we might have to look at something extra-schedular, so to speak, for the 100 percent mentally disabled, something along the lines of an SMC, if we can't get the VASRD to address that.

But I believe the data is there to validate the VASRD as a measure of average economic loss and that we should proceed with the revisions and try to fix those different problems that have come up and cited in terms of percentage, particularly for mental and the like, and age of entry. I think we are ready to go with that and we should move out with it.

I think the quality of life as a system is a second but close behind priority. Again, we are looking now at something that might be modeled on the SMC system so that it addresses the loss of quality of life at the extreme levels of disability and does not burden VA with a grafted system or some sort of a need for a totally different analysis to come up with a quality of life assessment for each veteran.

As you know, sir, as well as anybody else, the VA struggles with the administrative load as presently constituted in terms of processing the claims on a fair and equitable and timely basis.

And then I believe that the third thing is, as has been pointed up in the Dole-Shalala Commission and others, is that the transition from service member to veteran needs a continuing look, particularly the emphasis that was made in one of the opening statements that the goal should be to return the veteran to, as nearly as possible, to full membership in the society, and the VR&E program is a great opportunity for improvement to accomplish that end. Thank you, sir.

Chairman Akaka. Thank you very much.

We will have other rounds here, so let me call on Senator Burr for his questions.

Senator Burr. Thank you, Mr. Chairman.

Admiral Dunne, in July, you were here and I discussed with you my desire that the reports from the Commission and from Dole-Shalala not become part of that repository that everything else has. I asked you specifically to discuss it with General Shinseki and specifically what the next steps were in moving forward in recommendations. Have you had an opportunity to do that?

Admiral Dunne. Yes, sir. I discussed with the Secretary my evaluation of the Economic Systems report in terms of the action that we would take within VA to respond to that in terms of, first off, thinking that from the compensation, the evaluation of too much, too little, et

cetera, that the information there, while I recognize that Dr. Kettner and his group had a very short period of time to work with and only one year's worth of data, as a result of that, I was not prepared to recommend any changes based solely on one year's worth of data.

I was not about to recommend that all our veterans who are currently receiving compensation for tinnitus should go to zero immediately, because as you know, you can only get ten percent for tinnitus. So if you are receiving disability for that right now, if we were to follow this recommendation, no one would be receiving compensation for that anymore, so--

Senator Burr. The Secretary was in agreement with your conclusions?

Admiral Dunne. With my discussion, yes, sir.

Senator Burr. And would it be safe for me to make the statement that VA feels that further studies are required before they could make any changes, act on any of the recommendations out of this--

Admiral Dunne. No, sir. I can give you a few examples. First off, in the transition benefits area, there is already an additional study going on which actually Economic Systems is performing for us to take a look at the rehabilitation program that we currently have. As you know, there are some recommendations in there about levels of

potential compensation during a transition period. We want to get the results from that study, which should be available by late spring next year, which will give us additional information on veterans' reaction to the VR&E program--

Senator Burr. What was the VA's expectations of Dr. Kettner's six-month study?

Admiral Dunne. That there would be some options presented, sir.

Senator Burr. And those options all require further study to refine, is sort of the way I interpret everything. Is that accurate?

Admiral Dunne. No, sir, I--

Senator Burr. Most of them?

Admiral Dunne. In--

Senator Burr. Most of them require further study?

Admiral Dunne. Most of them, yes, sir, require more evaluation.

Senator Burr. And let me just ask, I will turn to Dr. Kettner, was it your understanding that you were going to do a study that had recommendations that required additional study or recommendations that were--is this indicative of the study, the six-month study?

Mr. Kettner. Yes. That is our report right there.

Senator Burr. And in your estimation, does that lack

the specificity needed to make a determination?

Mr. Kettner. Well, I think where the issue lies on this is the level of analysis we were able to perform in the seven-month study that we did, we were hindered to a certain degree in not being able to analyze data at the individual level.

Senator Burr. Was that discussed at--

Mr. Kettner. Oh, yes. Right.

Senator Burr. At the preliminary review, did you share with the VA--

Mr. Kettner. Absolutely. Yes, sir.

Senator Burr. --we are not provided this information. We are not going to be able to give you specific recommendations that you can act on?

Mr. Kettner. Well, I may differ in assessing which options might be more practical to act on versus other options we presented. I think that where we had the most difficulty in our analysis was in looking at different combinations of disabilities, we were not able to sort out exactly what were the combinations in terms of identifying exactly what was second or third disability, and--

Senator Burr. I am trying to better understand for the committee. I am not--listen, I am not trying to play "gotcha" on any of this. I am trying to figure out, what did they share with you they wanted to accomplish from a

standpoint of the information that came out of your study, because other than compiling in these books information that was available and making recommendations off of it, but the recommendations don't seem to have the basis proven in them to move forward, they require additional studies, I am trying to figure out, why did we do this?

Mr. Kettner. We asked for and were not able to get earnings data at the individual level.

Senator Burr. And was that discussed during the review--

Mr. Kettner. Yes.

Senator Burr. Before the review?

Mr. Kettner. Before, during, and after.

Senator Burr. So what was the answer before the review? If you said, we can't get to it--

Mr. Kettner. The answer is that the Social Security Administration, which is the source of our data, does not release data at the individual level. We have recommended that we obtain the data at the individual level so that we can do a more detailed analysis.

Senator Burr. And before this process started to take place, that one thing triggered to you that you would not get to the degree of clarity that would trigger VA to say, we need to move forward?

Admiral Dunne. Senator, I had the privilege of being

involved in setting up the statement of work for this study in a prior job, and at the time, what we realized after we got into it that we would be unable to get the data from Social Security in the time frame to enable Dr. Kettner to finish the study within the amount of time that was available to do it. And so we are continuing to pursue that.

One of the things that we feel that we need to do going into the future, if we are going to be able to maintain a viable rating schedule, is we are going to need to be able to get this data routinely, almost on an annual basis, from Social Security so that we can build a program which will allow us to get the data from Social Security and then process it in-house every year and be able to recommend or evaluate where the disparities exist over a period of time.

Senator Burr. I am going to get into the annual update of ratings schedules in the next pass, and the Chairman and the members have been very accommodating to me to let me run over.

Let me just ask one last question. How much did this study cost?

Admiral Dunne. I would have to get you that answer for the record, sir. I don't recall.

Senator Burr. Dr. Kettner, do you know how much you charged for it?

Mr. Kettner. Approximately \$3 million.

Senator Burr. Three million dollars. I find it incredible that we knew before it started that we couldn't access the information we needed to conclusively come to a determination and we invested \$3 million in a product that would do little more than trigger additional studies. I would only say that I guess my expectations shouldn't have been different because we do have five decades of this.

I will only say to my colleagues and to those from the VA, I am not going to let this out of my teeth. I don't care who I insult as I go through it, but we are going to get to the bottom of this and we are either going to move forward or we will find another avenue we need to use within or outside of the Veterans Administration to accomplish it. It is not a promise to veterans out there that they are going to get a windfall check or that they are going to lose something. But we can come to a determination as to how broken this is, more importantly, how we fix it, and we can get on a pathway to fixing it and quit studying the damn thing.

I thank the Chair.

Chairman Akaka. Thank you, Senator Burr.

Now, Senator Tester, your questions.

Senator Tester. Yes. Thank you, Mr. Chairman. I am going to follow up a little bit on Senator Burr's questions.

The answer you gave indicated to me that if you would have had the information from Social Security, the wage information, then you could have come forth with recommendations. Is that accurate?

Mr. Kettner. Well, we were not asked to provide recommendations. We were asked to provide options, and that is what we did. We pointed out where there was economic loss and where there was not economic loss. So, for example--

Senator Tester. Okay. I appreciate that, and I don't mean to cut you off, but so what you are saying is when it comes to quality of life issues as based around what kind of compensation they are going to get, your study based it off of wages?

Mr. Kettner. We conducted two separate studies within our study, one on earnings loss and another on quality of life loss. The two were very separate and distinct from each other.

Senator Tester. Okay. So what went into the quality of life loss?

Mr. Kettner. We analyzed loss of quality of life based on a sample of 21,000 veterans. The survey of that information was conducted by a previous contractor. We took that study. We analyzed the--

Senator Tester. Do you remember the criteria that was

used? In other words, what were you using for criteria to determine quality of life lost? What were they using?

Mr. Kettner. The survey was based on a series of questions that get a loss of quality of life. The instruments, the questions were largely based on a set of questions developed by RAND Corporation many years ago and have been repeatedly used by many organizations in assessing loss of quality of life.

Senator Tester. But what are those issues? I mean, I know they asked--

Mr. Kettner. They cover a variety of different dimensions, loss of functional independence, the ability to walk or climb stairs, quality of life in terms of self-perception--

Senator Tester. Okay.

Mr. Kettner. --one's satisfaction--

Senator Tester. Okay. That is good. So when you make your recommendations for further study, how do you dovetail wage loss in with some of those quality of life things? Did you make any recommendation on that, because from my perspective, you have got two issues that are very distinct. You have got one, the ability to make a few bucks, and then the other one, the ability to actually do things like go fishing or go swimming. I am an outdoors kind of guy, so those are the kinds of things I relate it on. Somebody else

might be the ability to read books or something like that.

Mr. Kettner. Right.

Senator Tester. So were you able to make a recommendation on how you value those?

Mr. Kettner. We presented a range of different options for payments for loss of quality of life. There is--it is a very subjective kind of thing to make judgment on, and the judgments could rest on the veteran's self-perception of loss of quality of life, SMCs, other criteria.

Senator Tester. All right. I think you stated in your testimony, I think both you and Dr. Kettner stated that the studies agree that certain mental health conditions in particular are undercompensated. Are they undercompensated because of the rating system, because of a bias in the rating system, or because of a bias somewhere else?

Mr. Kettner. I believe that where the VASRD is off the mark is simply for the reason that the criteria and the benefit amounts are linked to specific criteria, have never been based on economic analysis. If you don't do the economic analysis, you are never going to hit your target.

Now, is the VASRD in the general ballpark? Perhaps yes. But within the ballpark, it is totally misaligned in terms of certain codes--

Senator Tester. Okay. It wasn't based on economic analysis. Was it based on quality of life analysis?

Mr. Kettner. No. The economic loss analysis is totally separate from the quality of life analysis.

Senator Tester. I would like you to give your opinion on that same question, Admiral Dunne. Is the rating system deficient in the things that Dr. Kettner talked about or is it something else?

Admiral Dunne. Sir, in the mental health area, the rating schedule has been called into question as to whether it adequately compensates the veteran, and we are determined to investigate that. As I mentioned to the Chair earlier, we are into that already. There is a meeting tomorrow with experts to take a look at it and to evaluate the current rating schedule and see if it needs--

Senator Tester. Do you have a time line for that?

Admiral Dunne. As soon as possible, sir, and I don't mean to say that flippantly, sir. I have learned from the TBI reg which we did modify last year that when we get these experts in the room and get them talking and consulting about the impact of these disabilities and how it should be evaluated and subsequently compensated, I can't really put a clock on it. They have got to talk it out until they are able to reach consensus because that is really what we need to go forward.

Senator Tester. First of all, I, like the Ranking Member, I don't want to be critical on anything that is

being done because you have got a difficult job, make no mistake about it. And I would hope that part of that group of experts that you get in the room are some of the fighting men and women that have come back, because quite honestly, as I went around Montana, and I don't think Montana is any different than anybody else, they are not afraid to give you their opinion. And they also understand when people deserve the benefits and they understand when people don't deserve the benefits and they are willing to tell it straight up both ways. And so I hope that you do use the VSOs or whatever method you want to use, but get the information from the folks that are receiving the benefits because I think it is critically important.

Admiral Dunne. Sir, one thing I might add to that. When we do get to a proposed rating schedule on mental health or any other area, we publish it in the Federal regulations for comments from anyone and we will address those comments, sir.

Senator Tester. I would--this is my opinion, you guys have to do your business, but I will push for this. I would bring them into the process much more than after the fact. I would bring them in early. I could make a lot of comparisons to what happens in offices. But if you bring them in early, you get their perspective early and it is more likely to be included in the final analysis that is put

out for publication and still have them comment.

Chairman Akaka. Senator Begich?

Senator Begich. Thank you, Mr. Chairman. I am going to follow up a little bit on Senator Tester and Senator Burr and your comments, Mr. Chairman.

But first, again, not to be critical, but you spend three-plus million dollars, you expect some steps that will be pretty aggressive, but let me put that aside.

I am going to take what Senator Tester has said and go one more step, and that is my father-in-law is a retired veteran receiving disability. He doesn't read the Federal Register. I would venture to say most veterans aren't sitting around pulling out the Federal Register. You must engage them in the beginning of the process, not after. I have seen this Federal process where they do the 30-day notification, and then once it is done, they check the box and they say they are done. Honestly, that is unacceptable.

So I would ask you to take what Senator Tester has said and take it to the real step. Do it early. Engage them and not the Federal process way of posting it in the Federal Register. I mean, I am just giving you my--if I called my father-in-law right now and I said, have you looked at the Federal Register today, I know what he would say to me. And I bet you if I called my brother-in-law and asked him the same thing--he was active--he would say the same thing. I

would just encourage you to step it at a little different level, not just consider it, but do it, to be very frank with you. You run the show, but I am just giving you my two bits here.

Admiral Dunne. Senator, I have no problem with including veterans in the process and we will find a way to do it.

Senator Begich. Thank you very much.

I am trying to figure out your response in regards to the questions with the rating system. Mr. Dunne, how do you think--I know you are doing an analysis, because we have heard more about it today, but do you think personally there is a problem with the system? Do you?

Admiral Dunne. I believe that we need to go through and evaluate the rating schedule and determine how we can improve it. And there are the appropriate experts that we need to bring together in the course of doing that and we need to take them, each of the disabilities and pull it apart and take a look at it and update it and make that presentation. I do believe that.

Senator Begich. So if you--I don't want to put words in your mouth, but you think there is room for improvement?

Admiral Dunne. Yes, sir. There is always room for improvement.

Senator Begich. Here is the difficulty, and Dr.

Kettner and to Mr. Dunne, you have the economic analysis and then you have the quality of life. If--and I am not an attorney, no disrespect to any attorneys, I am not--but if I was a trial lawyer, they would argue economic damage and punitive damages. The punitive is always very difficult based on the circumstances. I mean, you see juries all the time kind of trying to figure that out.

I would hope as you get to whatever proposal or recommendation that you recognize to put a finite number on that quality of life will be very difficult, but creating a range may be more reasonable, because the conditions can vary based on the person. I mean, you see juries going through this all the time. And so as you described, when you get a bunch of consultants in a room, I can only visualize what that is like. As a former mayor, I have experienced that many times. But sometimes, you have got to just pull the trigger and say, this is what we are doing, here is the range, move forward and see how it works.

I would hope that at some point, maybe both or either one could respond to this, that that would be kind of the objective, that we--to find a perfect system will be very difficult, but finding a system that we can move forward to start getting realistic results out of knowing the system needs to be improved is what should be the goal. Any comment? Mr. Dunne?

Admiral Dunne. Well, yes, sir. I agree that we need to evaluate things and we need to move forward, but exactly how that is structured, I don't think is defined yet because there is no definitive decision on quality of life should be an element of the compensation process. I mean, we are still struggling with that and trying to figure out the right answer. You can see I have one recommendation for quality of life. I have another recommendation for take it out of the SMC tables.

Senator Begich. Right.

Admiral Dunne. I want to do the right thing for veterans. I don't want to jump into this fast, and I want to get the benefit of the advisory committee which the Secretary has set up as well as the consideration of the work that Dr. Kettner has done before I make any recommendations on something that impacts the lives of our veterans.

Senator Begich. I appreciate that.

My time is up, and I know your response to Senator Tester on the timing. I know it is difficult to put some sort of time, and as you said, as soon as possible. I would ask, can you be a little bit more definitive? And the reason I ask it, I have never known anyone in the military to not be able to have a time schedule of a goal and target. So is it within six months? Three months? A year? I mean,

when will we see a reform to the system--

Admiral Dunne. Sir--

Senator Begich. --whatever that reform might be?

Admiral Dunne. Our estimate is that if you take an individual body system of the rating schedule and take that apart and build that back up again, that is a year process.

Senator Begich. Okay. Thank you very much. Thank you all three for your testimony.

Chairman Akaka. Senator Burris?

Senator Burris. Thank you, Mr. Chairman.

Interesting. Interesting testimony, and I want to follow up on Senator Burr's question. Dr. Kettner, were you a sole source or did you do this competitively?

Mr. Kettner. It was competitively awarded, full and open competition.

Senator Burris. Full and open competition?

Mr. Kettner. Yes.

Senator Burris. Can you tell how many--maybe Admiral Dunne can tell us how many contractors were there, or you weren't there at the time--

Admiral Dunne. Sir, I don't recall that I ever knew the answer to that, sir, but I can find that out.

Senator Burris. Okay. And I assume, now, we are saying that there are further studies, so this will follow the Federal guidelines for dealing with contracting, and I

would assume that there are some budget dollars for these. Do you have any idea what your allocation is for these studies?

Admiral Dunne. I do not, sir. My office is not supervising that contract.

Senator Burris. Is not supervising the contract.

Admiral Dunne. I will also find that answer out, sir.

Senator Burris. I would appreciate that.

I am concerned with some of my other colleagues' questions, too, because I am looking at the TBI and I wanted you to talk about the challenges in rating the TBI and how is the VA attempting to improve diagnosis, diagnostics of some of the signature diseases of this war. I mean, there is going to be something else coming up. So can you give me some insight on how we are attempting to improve diagnosis of the traumatic brain injuries?

Admiral Dunne. Senator, I have no medical background and I do not supervise the medical portion of VA, but I can certainly make arrangements for a briefing for you from our medical experts.

Senator Burris. Okay, because that seemed to be the latest thing, the PTSD, which is really the biggest thing on our veterans, and the TBI, which is very hard to diagnose. So I would assume that there are just different levels for different individuals because individuals are going to react

differently to various circumstances. I would assume, Dr. Kettner, that that is some of the problems that would come out in your study, would they not? How do you really get a norm in reference to what would be applicable to a compensated situation for a person. I would assume all of these criteria come into effect, you know, age and education, family life. Are some of those criteria what you put into your analysis?

Mr. Kettner. Yes. We controlled for human capital differences, such as education, age, whether or not the veteran was an officer versus an enlisted, and to the best of our ability, we controlled for those differences.

I might also mention that we did analyze TBI as a separate diagnosis and found that they were being--in those instances, there was undercompensation for TBI cases.

Senator Burris. I assume, or I understand I heard General Scott say that most of those were underestimated, is that correct? A lot of those compensated amounts are just off-kilter. I get all these veterans coming to me saying that they are not really paying enough money for what I really suffered. Is that what you said in your testimony, General Scott?

General Scott. The analysis that was done for the VDBC regarding average earnings loss would indicate that the average earning loss for mental disabilities does not--that

the average loss is in excess of the compensation. And the second part, the study that Dr. Kettner referred to that was done also for the VDBC regarding quality of life clearly indicated that the quality of life for those veterans suffering from mental disabilities was markedly lower than the quality of life suffered for those with physical disabilities. So yes, sir. I think the answer to your question is yes in both cases.

Senator Burris. Now, help me out here, because I am new to the Senate and I wasn't here when Senator Burr and our distinguished Chairman were here, but you mentioned something about Social Security and having to get the data from Social Security. So is there an offset? If you are getting Social Security or some disability under Social Security, is there an offset for the veterans compensation? What does Social Security data have to do with the veterans?

Mr. Kettner. We simply use the Social Security Administration earnings data for purposes of our earnings loss analysis. We went to that source because it provides a relatively accurate source of data on earnings as opposed, for example, to using survey data, self-reported data. You don't get data as accurate. But when you--

Senator Burris. Pardon me, Doctor. You mean you are not going to Social Security to see whether or not these veterans are collecting Social Security, but you are just

trying to get basic information and the Social Security wouldn't give you that basic information for you to continue your study? Is that what you are saying?

Mr. Kettner. They gave us data aggregated to a certain level. We couldn't get the data at the individual level for privacy reasons. Now, since our study was--

Senator Burris. Pardon me. Why would you need--

Mr. Kettner. We have uncovered another possibility of getting at this data, which would be that we could instruct the--we could give instructions to the Social Security Administration on exactly how to run the analysis at the individual level and thereby that would be an avenue that could be taken to circumvent the problem we have talked about, the Social Security Administration not releasing--

Senator Burris. Well, I am still not clear on why you need Social Security data, and my time has expired, Mr. Chairman. I don't know whether I am going to have time to pursue that or not, but I am not clear on the need of the Social Security data for comparison. It is not--may I have a couple extra minutes, Mr. Chairman?

Chairman Akaka. If you pursue that, yes.

Mr. Kettner. Okay. Let me try this again.

Senator Burris. Please.

Mr. Kettner. We measure the actual earnings of veterans with disabilities and compare them to veterans--the

earnings of veterans without disabilities, okay. So the veteran over here, he has a disability, he makes \$20,000 a year. Another veteran over here that we have matched in terms of the same education level and age and other characteristics, his income is \$30,000 a year. His earnings are \$30,000 a year. So that is a difference of \$10,000. That is what we are trying to find out.

And we go to the Social Security Administration because we know they have accurate data. It has to be accurate. It is reported. The earnings data is reported by employers to the Social Security Administration.

Senator Burris. Wouldn't the IRS have the same data?

Mr. Kettner. Well, yes, IRS is another possibility, but there are certain issues involved as to how best to get the data. There are bureaucratic obstacles always involved in getting the data. We only had seven months for our study and we had to move very quickly on this and we took certain courses to--

Senator Burris. Well, I am with Senator Burr. I don't see how you could have seven months and not know that you are going to need this and get caught up and now there has got to be another study and you have got to spend another \$3 million.

Mr. Kettner. Well, part of the study was discovery. We didn't know all of this at the beginning. We did ask for

individual data at the beginning, so we knew from the beginning that we would be facing a certain obstacle. But in the course of our study, we discovered more things than we knew when we first started.

We feel very confident in a lot of our studies. For example, on tinnitus, tinnitus is a ten percent rating. I can say unequivocally that there is no earnings loss for tinnitus veterans. Whether or not you want to--we are just reporting our result, our statistical result. Whether or not you want to change their rating from ten percent to zero percent, that is a value judgment that others in government have to make. We are not making that judgment. We are just reporting what the statistical results.

At the same time, we can say that those veterans rated at 100 percent are not getting compensation. They are, on average, nine percent below where they should be getting. We are very confident about that. We would not say we need to do more study for that.

Where our confidence starts to decline is when we have to look at different combinations of disabilities. We have tinnitus there, hemorrhoids, diabetes. When you put them all together, you get a certain combined rating and we are very confident that the VA is overcompensating at the lower levels, but you would have to look at--to get even more accurate, you would have to look at what are the exact

combinations of different disabilities to really fine-tune this as accurately as possible, and that is where our hands are tied behind our back in terms--

Senator Burris. Thank you, Doctor. My time has expired. Thank you, Doctor. Thank you, Mr. Chairman.

Chairman Akaka. Thank you very much, Senator Burris.

Dr. Kettner, the question of whether to compensate for loss of quality of life has the potential to change veterans disability compensation considerably. Let me ask you this question, and I am going to ask General Scott to also comment on this. Do you believe that VA should work on changes to the rating schedule before--before addressing whether loss in quality of life should also be compensated?

Mr. Kettner. Absolutely. They should get the VASRD in better alignment before adding on quality of life, because you could be compounding current inequities in the system right now.

When we look at quality of life, you know, there is a tremendous amount of variation across ratings. It jumps around quite a bit. And we believe part of the reason is that the rating schedule itself, the regular schedule ratings schedule is so misaligned that when you try to line up quality of life loss analysis, it is more of a random kind of thing and there is more variation than you would expect to see. So we strongly recommend fix the VASRD first

before taking on quality of life.

Chairman Akaka. Thank you for that. When I asked about what are your priority of any change, you mentioned rating, the rating schedule.

General Scott?

General Scott. Sir, you did indeed ask for a priority and that is what each of us gave you. I think it is a good thing in terms that we all have the same priority when we talk about it.

I guess my perspective on working quality of life would be that an assessment of the different models for determining how to compensate for quality of life can go on in parallel with the updating and revision of the VASRD. But the application of dollars, if you will, to a quality of life model might want to wait until the VASRD, we had been through it and the updated revision done.

So that may be an equivocal statement, sir, but I think that you can work the model and I believe that is what the VA is doing, is they are working--they are taking the input from us, they are taking the input from the studies that have been done and from the other advisory efforts that are ongoing to try to develop a model or models for quality of life compensation, and I think that can go on in conjunction with updating the VASRD. But again, you might want to wait to put the dollars against it until the VASRD is updated.

Thank you, sir.

Chairman Akaka. Admiral Dunne and General Scott, last year, Congress passed the Veterans Benefits Improvement Act of 2008, which became law. It was Public Law 110-389. This law required VA to establish an Advisory Committee on Disability Compensation. Congress intended that the committee would be composed of individuals with experience with VA's Disability Compensation System or who are leading experts in fields relevant to disability compensation.

My question to both of you is how are the requirements of the Congressionally-chartered committee met by the Advisory Committee that General Scott now chairs? Stated differently, which members are experts in which fields of expertise? General Scott, will you begin, and I will ask Admiral Dunne to comment.

General Scott. Well, let me start by saying that I will send you the bio sketches of the members of the committee for the record. The previous Secretary selected the current members of the committee. The legislation offered the opportunity, as I recall, for 18 members and the Secretary at the time chose not to fill it entirely, leaving the opportunity for the new Secretary or the Veterans Committees in the House and Senate to offer candidates.

The legislation, as I recall, requires the committee to report out to the Congress on a biennial basis, and in my

statement, I told you that we are submitting interim reports to the Secretary twice a year, semi-annually, and that we are obviously providing copies to the committees. So we are probably over-reporting in terms of what the law required, but not in terms of what we think we should be doing in terms of keeping both the Secretary and you informed.

As a matter of fact, I remarked to Admiral Dunne this morning that this committee is reaching its one-year anniversary next month and that he and the Secretary might want to consult with you and with the House and offer some additional recommendations for putting some more people on it so that we don't all expire at the same time next year, at the end of the two-year mark. The appointments of the people that are on it now were for two years and so far no one has indicated they weren't going to serve out the two years. What I would propose to do is, again, at the end of the two years, is have the Secretary ask the committees if they would have recommendations regarding what should occur.

In response to one of the staffers who asked essentially the same question, was there proper expertise there and all that, at the time, my answer was I really don't know because I haven't gotten to know the members that well, but I also told them that if the committees wanted to make changes, it was available in terms of adding people now, and so that would be my basic response to your

question.

I will say this. There are some distinguished members of that committee. I don't necessarily include myself in that, but there is a former Surgeon General who is a true expert in the transition from military to veteran and who thoroughly understands the medical side. There is a medical doctor whose background is psychiatry who is very, very helpful. There is a Ph.D. from Johns Hopkins on it.

And so this is a committee made up of people with a wide variety of experiences and talents, and as I said, sir, at the beginning, I will furnish copies of the bio sketches of all the members and perhaps your staff can take a look at them and then I believe, sir, that the committee can make up its own mind of whether the people that you more or less intended or anticipated would be involved are on it or not, and then the opportunity is there to change the make-up of the committee as we go along, sir.

Chairman Akaka. Thank you, General. I would like the committee to have your request and would also like to know what else you may need for the record.

General Scott. Yes, sir.

Chairman Akaka. Admiral Dunne?

Admiral Dunne. Mr. Chairman, first, I would offer that I think General Scott is one of the distinguished members of the Advisory Committee, but beyond that, I would say that

the circumstances as he presented them are as I understand them and I would have nothing to add, sir.

Chairman Akaka. Thank you.

Let me pass it on to Senator Burr for his questions.

Senator Burr. Thank you, Mr. Chairman, and Admiral, I don't think you took my last comments personally and I hope you didn't. They were not intended to be personally directed to you. I don't suggest to you or to the VA that we move on important decisions before we have all the information we know to get it right.

But I do want to try to present for you why there is a level of frustration on my part. You very clearly said in your testimony, being critical of the study for several reasons, you said it, and I quote, "did not provide the detail and longitudinal analysis to warrant significant policy changes," yet my interpretation of Dr. Kettner's testimony reflects that the information that he provided is reliable and accurate enough to be the basis for policy decisions.

So I hope that VA, company, contractor, will have some conversations that better lay out what the clarity is that we need to make the important policy decisions before we begin the next study.

Now, the study, and I quote, said "consideration could be given to addressing the loss of quality of life for

additional disabilities through Special Monthly Compensation," and you mentioned it, as well. There are currently 260,000 veterans that receive Special Monthly Compensation. Is the VA planning to send the Congress proposed legislation to expand Special Monthly Compensation?

Admiral Dunne. If as we look through the ratings schedule and come up with changes, if legislation is required to implement that, sir, we certainly would do that. I am thinking, case in point, what I have been talking about with the folks at CMP right now, of course, is on the mental health side. There is some discussion about mental health versus coverage under SMC. What I am not certain of right now is modifications to that. Are we able to, if we determine they are necessary, can we make them simply through regulation or is legislation required? So we may have the capability to do it right now.

Senator Burr. But we are in agreement, mental health is not currently covered under Special Monthly Compensation and it is just a question of whether we need to make some changes legislatively--

Admiral Dunne. Yes, sir--

Senator Burr. --correct?

Admiral Dunne. I am not an expert in SMC, but to the best as I understand it--

Senator Burr. That is my understanding. I may be

wrong, but--

Admiral Dunne. Yes, sir. To the best of my understanding, it is not covered right now.

Senator Burr. I think we all agree that the VA rating schedule is probably the cornerstone of the entire Disability Compensation System. In its first report to the Secretary, the Advisory Committee on Disability Compensation indicated that the VA has not dedicated sufficient full-time employees to keeping the VA disability rating schedule up to date. Would I take that the comment that you made about the addition of two new clinicians is part of that review process?

Admiral Dunne. Yes, sir, that is correct. As we go through this, there may be the need to have different experts, depending upon which part of the ratings schedule we are looking at. So in some cases, we are contracting for an expert for a period of time to support that.

Senator Burr. Admiral, how many full-time employees are hired to continually look at this rating schedule and update it?

Admiral Dunne. I would have to get you the exact number, sir. I am aware of the addition of two, and I know several of the senior members of the CMP work on it periodically but are not dedicated to it 100 percent of their time. However, those individuals, in my mind, are key

and essential to making this happen. For instance, the Director and the Deputy Director, who will be involved all day tomorrow, are not working on it 100 percent of the time, but they are essential to the success of tomorrow's event.

Senator Burr. How important do you believe keeping this schedule up to date is?

Admiral Dunne. Very important, sir. I am not sure how to--

Senator Burr. You know, clearly, I think it is. I think that is part of the problem, is that we haven't regularly updated it. Until I know the number of folks, I couldn't make an assessment as to where it shows the level of commitment to continuing. To me, two new clinicians is not a major additional commitment. It may be if there are 500 people that look at it all the time--if there are two people that look at it all the time and we are doubling, two to four, then we might both look at it and say that is not indicative of the type of commitment that we should have.

What role do you believe the Advisory Committee on Disability Compensation should play in making sure that the rating schedule is updated?

Admiral Dunne. Sir, they have the opportunity to, first off, look and evaluate what we are doing. General Scott and the Director of CMP Service are in routine communication. The committee looks at what we are doing,

makes recommendations based on that, and we are trying to act on those recommendations.

Senator Burr. Now, the Economic Systems, and again I quote, said, "We believe that recurring studies of earnings loss relationships should be conducted on a regular schedule to ensure that the changes to the ratings schedule accurately compensate to the extent practical for earnings loss." Admiral, do you know of any significant study that has been done since the 1970s on that earnings loss relationship?

Admiral Dunne. I am aware of a study which is referred to as the ECVARS study, which I believe was done in the early 1970s. I have not read that, sir, but I believe that at that point in time, it took a look at the economic parameters of the ratings schedule.

Senator Burr. But there hadn't been a--General, do you have anything that you might be able to shed some light on that from the standpoint of how long it has been?

General Scott. The Center for Naval Analysis did a study for the Veterans Disability Benefits Commission that essentially validated the relationship between the average earnings loss and the compensation schedule, broadly speaking. Now, with the exceptions that we discussed off and on here today--age of entry, seriously disabled, mental versus physical, et cetera, et cetera.

So in the sense that has any economic validation been done, I would say that the ECVARS study, which was mentioned by Admiral Dunne, is one. The CNA study done on behalf of the VDBC is a second one. And significant parts of the study done by Economic Systems recently all address sort of the economic foundation of the VASRD.

Now, one can conclude that it is generally on the mark, but has variations that should be fixed and can be fixed mostly in the VASRD, or one can conclude that it is off by some small percentage and more studying should be done to determine exactly what and exactly how. I am of the view that sufficient information has been provided by those three studies to enable, as I mentioned before, the continuing revision and updating of the VASRD, which should fix a lot of these problems. So yes, sir, I think that those three studies are relevant.

Senator Burr. But to dig just a little bit deeper, are you at odds with the VA relative to the conclusion you have come to that there exists enough data to proceed with review and update, or is there less light in between the two of you than I interpret?

General Scott. I think you will have to ask the VA representative whether the VA believes that adequate economic analysis had been done, but clearly from my comments, I think we can proceed with what we have here.

Senator Burr. Admiral?

Admiral Dunne. Sir, I don't think there is disagreement on the fact that, let us say, we need to take a look at the mental health part of the ratings schedule. But I would disagree with saying, just based on looking at 2006 data, that we should do something specifically like take a ten percent to a zero. I would want to go back and take a look at that and I would want more years' worth of data to see what it is.

So I believe we need to take a look at it. We need to evaluate it. I am just not ready to say everything, every conclusion in here is one that should be acted on precisely.

Senator Burr. General, one last question. The Chairman has been incredibly accommodating to me this morning. You stated that you felt that updating the ratings schedule was a very high priority task. Do you believe that the Veterans Administration agrees with that being a very high priority task?

General Scott. Well, I believe that they agree that it is a high priority task. I am not sure that the level of concern that I have regarding how quickly we need to move on it is reflected in what I have seen come out of the VA so far. But again, you have obviously read this report that we submitted to the Secretary where we in no uncertain terms not only told them what they should do, but probably in too

much detail told them how to do it. We may have been a bit out of bounds by saying they should hire nine people to do this, et cetera, et cetera.

But the point was, we felt--the committee felt that it was important that the VA focus full-time effort on updating the ratings schedule and we fully understand that it will take about a year to do a body system. But it is our position--the committee's position is that we ought to be doing about three or four of these at a time so that it doesn't take 15 years to get from one through 15.

I can't speak to whether the VA agrees with that approach to it or not, but that is the committee's recommendation, unanimous as a committee to forward that to the Secretary and suggest that that is the way we should go on it. So we believe it is a very high priority and it will fix so many of the small things that we talk about, not small in terms of impact on veterans. But all the second-, third-order issues that we are all confounded by, in my judgment, can be fixed inside that.

Senator Burr. I thank you for your observation, and more importantly, your involvement on the Advisory Committee. I hope all of you understand that what I am trying to do is establish points that we can begin to move forward from. If we can't do it on all of them, we can't. Let us know that up front. If we can, then let us find the

agreement to move forward. I tend to look at agency issues in four-year segments. There are some natural things that cause me to do that, and I know that when you get on the downhill side of the four years, you are less likely to get agencies to make major changes because all of a sudden you have individuals that have been there a long time that say all I have to do is wait out until this happens and I don't have to go through the tough decisions and the tough work.

So we have a very short window to accomplish high priority tasks, and I hope if you as chairing the Advisory Committee sees it as a high priority task, then I want to understand up front, is that where the VA sees it or is it a lesser, and if there is a difference, can we work this out to all come up with a common time line. But I think my expectations, my hopes, are that we are not talking about 15 years to accomplish many of these things and hopefully we are looking at studies in the future that don't require follow-up studies, because I think it does play into the hands of some that would prefer to see this carried from four years to four years to four years.

Admiral, Doctor, General, thanks.

Chairman Akaka. Thank you very much, Senator Burr.

I want to thank Admiral Dunne, Dr. Kettner, and General Scott for your responses. We continue to look to working together with you in trying to resolve this as quickly as we

can. So thank you very much for your time here in our hearing.

[Pause.]

Chairman Akaka. I want to welcome our second panel this morning. Our first witness is Katy Neas, who is Vice President of Government Relations for Easter Seals; Susan Prokop, who is Associate Advocacy Director for the Paralyzed Veterans of America; and retired Air Force Colonel John L. Wilson, who is Associate National Legislative Director for the Disabled American Veterans.

Thank you all for being here this morning. Your full testimony will be, of course, in the record.

Ms. Neas, will you please present your testimony first.

UNCORRECTED COPY

STATEMENT OF KATY NEAS, VICE PRESIDENT, GOVERNMENT
RELATIONS, EASTER SEALS

Ms. Neas. Sure. Certainly. Thank you, Mr. Chairman. It is an honor to be here today to give Easter Seals' perspective on the Department of Veterans Affairs Disability Compensation System.

Easter Seals is a 90-year-old organization that works with all people of all ages with all types of disabilities and our goal is to help them live, learn, work, and play in their communities. We work with each individual in the context of their families and in the context of their communities and we can't address each individual's needs in isolation.

My goal today is to provide some insights on Federal policy affecting people with disabilities that hopefully can inform you as you consider your work ahead.

Americans with disabilities have made great strides over the past three decades and it is essential that the VA build on these gains. I would like to list just three of the main victories we have witnessed.

In 1973, thanks to Section 504 of the Rehabilitation Act, all programs funded by the Federal Government need to be accessible and usable by people with disabilities. In 1975, with the passage of the Education for All Handicapped Children's Act, children with disabilities secured the right

to an appropriate public education. And in 1990, all children and adults with disabilities won the right to be free from discrimination in employment services provided by State and local governments, public accommodations, transportation, and telecommunications, thanks to the passage of the Americans with Disabilities Act.

As a result of these important laws, people with disabilities expected to be fully included in their families and in their communities and have the supports they need to live the lives that they choose. There is a rallying cry within the disability rights movement about "nothing about us without us," and I think, if anything we learned from the first panel, that that is something that we hope the VA takes to heart. Again, nothing about us without us.

I would like to provide some specific recommendations about how veterans with disabilities should be helped by the VA. Most importantly, veterans with disabilities and their lives need to be considered holistically. A veteran with a disability is likely to have increased expenses through their years beyond medical and therapeutic care. For instance, they may have additional out-of-pocket expenses such as assistive technology, transportation, home modification, and other supports to maintain their independence.

One of the things that was racing through my mind

during the first panel was an individual's quality of life is something that only that individual can determine for themselves. Some people like to play rugby. I am not a rugby player. If you see people who play wheelchair rugby, they are a different breed of person who like risks and things. There are a lot of other people that we have served that are farmers that simply want a lift on their tractor so they can go back to work, or a home modification.

A lot of our folks come from rural areas, and as Senator Tester commented, they just want to go fishing. That is all they really want to do. That is what they enjoyed in life before their service and when they go home after their service, they want to go fishing. Can they get into their boat? Is there a dock that will accommodate their wheelchair? Can they do the things that they wanted to do before they acquired their injury? And I think those are the kinds of things that only an individual can make for themselves, and no rating system can be complete if it doesn't accommodate that individual's perspective on what is important to them as an individual.

I would like to ask you to keep in mind some basic disability policy precepts that affect certainly our work and the work that we try to have Congress consider, that whenever you make a decision, that those decisions are based on fact, objective evidence, state-of-the-art science, and a

person's needs and preference, not based on administrative convenience and generalizations, stereotypes, fear, and ignorance. Again, a quality of life is something that is very personal.

I have met thousands of families over the 20 years I have been working in this field. When they have a child with a disability, at the beginning, they think their world has ended. And if you ask them at a later point in their life, they will tell you having that child was the best thing that ever happened to them because that child gave them perspective they wouldn't have otherwise had.

I think a person who acquires a disability through their service to our country needs to be afforded that opportunity to determine for themselves what is important for them and not have the rest of us dictate to what their life should be all about.

I think providing the supports for a person to have independent living skills--what is it going to take for them to go back to their homes and their families, to go back to being a dad or a brother or a son? Those things need to be accommodated.

We need to allow people to be in the most inclusive setting based on what they want. We need to recognize economic self-sufficiency as a legitimate outcome of public policy. And we need to provide support systems for

employment-related supports.

In conclusion, Easter Seals recommends that revisions of the Disability Compensation System should take into account the totality of a person's potential ability as well as future supports that they may need to maintain independence. Thank you very much for the opportunity to be here today.

[The prepared statement of Ms. Neas follows:]

UNCORRECTED COPY

Chairman Akaka. Thank you very much, Ms. Neas.
Ms. Prokop?

UNCORRECTED COPY

STATEMENT OF SUSAN PROKOP, ASSOCIATE ADVOCACY
DIRECTOR, PARALYZED VETERANS OF AMERICA

Ms. Prokop. Thank you, Mr. Chairman. On behalf of the Paralyzed Veterans of America, we appreciate this opportunity to share with you some observations about Federal disability policy as it affects veterans with disabilities.

As you requested, our testimony today focuses on several areas of Federal disability policy affecting our members as people with disabilities--Social Security, employment, and housing. You have the details in our written statement. Though not intended as exhaustive, this information should, we hope, prompt you and other policy makers to ask in future disability policy deliberations, how might this affect veterans with disabilities.

What I will do in my remarks this morning is highlight several principles recently expressed by the National Council on Disability for evaluating disability programs and how the VA disability system stacks up against those principles.

NCD urges the Federal Government to ensure that its programs and services for people with disabilities are consistent with the overarching goals of the ADA, promoting equality of opportunity, full participation, independent living, and economic self-sufficiency. NCD criticizes

policies that force individuals with disabilities to impoverish themselves, give up jobs, and otherwise limit their freedom in order to obtain the basic necessities of life.

As you know, veterans with service-connected disabilities receive a wide array of services and supports from the VA. The same can be said for veterans with catastrophic non-service-connected disabilities. All of these benefits are provided regardless of income. Compare these VA benefits to those available to non-veteran people with disabilities on SSDI or SSI in which benefits are limited by earnings and many services and supports are provided only under certain restricted circumstances. What separates veterans with disabilities who receive Social Security benefits from their non-veteran counterparts is their access to the VA health care system and its ancillary supports and services, regardless of their income.

As PVA has stated in past testimony, VA compensation is meant to offset more than economic loss. It reflects the fact that even if a veteran works, the disability doesn't stay at the office when he or she goes home at the end of the day. In many respects, VA compensation and its ancillary benefits, and even the benefits for veterans with non-service-connected catastrophic disabilities, reflect many of the standards embodied in the first principle

outlined by NCD.

NCD's second principle says that ensuring sound fiscal policy in disability programs should be based on long-term human costs and benefits. Here, NCD cautions against policies that fail to take into account the overall cost to society or to other programs when cost shifting occurs. A case in point is the VA pension program cash cliff, which limits the ability of low-income veterans to reenter the workforce, unlike their counterparts on SSI.

A related perverse aspect of public policy involves VA benefits interaction with civilian disability systems. As noted in our statement, some married veterans eligible for compensation and pension elect to receive only pension because their service-connected benefits would knock their spouses off SSI and cost them their Medicaid.

Third, NCD notes that there are gaps between many Federal programs where there should be bridges. According to this standard, veterans who clearly meet SSA's criteria for disability should not have to undergo a second disability determination after receiving their 100 percent rating from the VA, nor should low-income veterans deemed permanently and totally disabled by the VA have to obtain a separate doctor's note attesting to their disability to receive assistance from HUD.

The foregoing positive description of VA benefits is

not meant to dismiss the many challenges still facing the VA system. It is merely to suggest that policy makers may want to look to the VA system as a model that at least breaks the chain between health care and poverty for people with disabilities. Indeed, compared to other Federal disability programs and systems, the VA system recognizes that there are factors beyond someone's earnings capacity that call for ongoing supports and services in order to maintain a decent quality of life.

I appreciate this opportunity to testify and would be happy to answer any questions you may have. Thank you.

[The prepared statement of Ms. Prokop follows:]

UNCORRECTED COPY

Chairman Akaka. Thank you very much, Ms. Prokop.
Colonel Wilson?

UNCORRECTED COPY

STATEMENT OF LIEUTENANT COLONEL JOHN L. WILSON,
USAF (RET.), ASSOCIATE NATIONAL LEGISLATIVE
DIRECTOR, DISABLED AMERICAN VETERANS

Colonel Wilson. Thank you, sir. Mr. Chairman, Ranking Member Burr, and members of the committee, I am pleased to have this opportunity to appear before this committee this morning on behalf of Disabled American Veterans to address the report by the Advisory Committee on Disability Compensation.

The Advisory Committee focused on three general parts. Part one, the necessity and methodology of updating the Veterans Administration Schedule of Rating Disabilities, or VASRD. Part two, physician compensation adequacy and sequencing for service members moving to veteran status. And finally, part three, quality of life compensation.

In reference to part one, we agree with the importance of a systematic review and update of the VASRD as it is the source of all disability compensation ratings. It has a ratings scheme that addresses illnesses and conditions that run into the hundreds and should reflect the most recent medical findings in each and every case.

DAV agrees with the Advisory Committee's assessment that a systematic process is lacking and one is a necessity. We also agree with the committee's recommendations that, one, the Deputy Secretary of the VA provide oversight of the

VASRD process with the VHA and Office of General Counsel fully integrated into this VBA process.

Two, immediately increase staff at the VBA at the nine full-time employees per the committee's specifications.

And three, VHA must be allowed to establish a permanent administrative staff for this VASRD review. At least one permanent party medical expert must be on this team and have authority to liaise with VBA, assign VHA medical staff to participate in VBA body system reviews and to coordinate with medical experts. The experiential expertise that VHA professionals will bring to the discussion should prove invaluable and well worth the additional staffing.

We also agree with the committee's body systems prioritization, beginning with mental health disorders. It is essential that different criteria be formulated to evaluate the various mental disorders under appropriate psychiatric disorders. Criteria for evaluating mental disorders under Title 38, Code of Federal Regulations, Section 4.130 are very ambiguous. One veteran service-connected for schizophrenia and another veteran service-connected for another psychiatric condition, such as an eating disorder, should not be evaluated using the same general formula.

Moving to part two, transition compensation adequacy and sequencing for service members moving to veteran status.

DAV supports legislation that offers limited dual entitlement to vocational rehabilitation and employment under Chapter 31 and the Post-9/11 Education Assistance Program under Chapter 33 to ensure disabled veterans are not forced to choose the lesser of two benefits. Such a disparity will ultimately force service-connected disabled veterans with employment handicaps, either utilize less financially supportive programs than their non-disabled counterparts, or even more tragically, opt out of vocational rehabilitation for the more financially beneficial Post-9/11 G.I. Bill.

An area where Congress could act now without having to wait on the next study is by providing increased funding for the Transition Assistance Program and Disabled Transition Assistance Program, TAP and DTAP, respectively. TAP and DTAP were created with the goal of furnishing separating service members with vocational guidance to aid in obtaining meaningful civilian careers. Their continuation is essential to easing some of the problems associated with transition. Unfortunately, the level of funding and staffing is inadequate to support the routine discharges of all the services in a given year.

Congress could enact legislation to eliminate employment barriers impeding the transfer of military job skills to the civilian labor market by requiring the DOD to

take appropriate steps to ensure that service members be trained, tested, evaluated, and issued any licensure or certification they may be required in the civilian workforce.

Lastly, part three addressed quality of life compensation. Although close family members are often willing to bear the burden of being primary caregivers for severely disabled veterans, thus relieving VA of that obligation or the cost of institutionalization, they seldom receive sufficient support services or financial assistance from the government. The DAV believes these informal caregivers should receive a comprehensive array of support services, to include respite care, financial compensation, vocational counseling, basic health care, relationship, marriage, and family counseling, and mental health care to address multiple burdens they face.

A caregiver tool kit should be provided to family caregivers to include a concise recovery road map to assist families in understanding and maneuvering through the complex systems of care and Federal, State, and local resources available to them. Policy and planning to better service such caregivers could include statistically representative data from a periodic national survey and individual assessments of family caregivers of severely injured and disabled veterans to address their quality of

life concerns.

There are other action items that are listed in the Advisory Committee's work. We look forward to working with the VA and members of Congress on them.

It has been a pleasure to appear before this honorable committee today, sir.

[The prepared statement of Colonel Wilson follows:]

UNCORRECTED COPY

Chairman Akaka. Thank you very much, Colonel.

You heard General Scott state that the Advisory Committee is now of the opinion that quality of life loss should be limited to those with serious disabilities. I am posing this to all of our witnesses on this panel. Quality of life loss should be limited to those with serious disabilities. Do you agree, is the question. So let me ask Ms. Neas to begin.

Ms. Neas. You won't be surprised that I don't agree. I think we have seen with these last conflicts that people with traumatic brain injury and PTSD have had very challenging times returning to the workforce. In our own work at Easter Seals, we are working with employers to help them understand what it means to have these conditions and how it affects their work. Someone who may have lost several limbs might be considered someone having a much more significant disability who may not have had a brain injury.

I also think that from our experience in working with returning veterans, those that didn't have a formal diagnosis of brain injury because so many of these individuals have been exposed to explosions that have affected their brains, for lack of a more likely term, that we are going to see more people needing help down the line who may not have had a formal diagnosis of a brain injury but who, in fact, have had a brain injury.

So I think limiting these to people who have what is only considered at a moment in time a serious disability would be very inappropriate.

Chairman Akaka. Thank you.

Ms. Prokop?

Ms. Prokop. I think--well, I would echo Ms. Neas's comments and note that the exchange that occurred earlier about asking the veterans themselves for a perspective of what their consideration of quality of life is is probably a key ingredient in ascertaining that. I got the impression that that sort of came late in the process in this study in terms of actually--and echoing the "nothing about us without us" philosophy of the broader disability movement, that you would really need to talk to or gain a sense from a wide variety of veterans with disabilities as to what exactly they feel quality of life loss is for them, because it can be very subjective.

Chairman Akaka. Colonel Wilson?

Colonel Wilson. Thank you, Senator. I would have to say that Ms. Neas certainly said it quite well, I think, and I would agree with her comments. I think that quality of life does not--I think the current situation of economic loss that deals with things such as how this is going to impact your capability to earn a living over an extended period of time does not--the quality of loss does not deal--

the quality of life, excuse me, does not deal with the current economic compensation and it does not factor in pain and suffering, changes in lifestyle as a result of being placed into a wheelchair, having to have hooks now in order to manipulate a door, to drive a vehicle, to play baseball, fishing with my child.

I think Senator Tester was absolutely correct. You ask a number of veterans, they will tell you exactly what they think very clearly about what they think is an appropriate level of compensation, what is not, and they should be actively involved in the process from the very beginning.

Chairman Akaka. Thank you.

Colonel Wilson. Yes, sir.

Chairman Akaka. This next question is for everyone on the panel, too. Do you have any suggestions for outside expertise that VA should engage with while contemplating reform of the system? Ms. Neas?

Ms. Neas. Absolutely. I think people like our three organizations that are in communities working with individuals every day are people who should be involved in this, and first and foremost, veterans and their families. They know what they need. They are the only ones who can dictate the quality of their lives. They are the only ones who can tell you what it was like to try to get a job and be turned down because you look different or you act different

than you did before you were injured.

One of the things that has been wonderful about working for Easter Seals all these years is many of the families that come to us have been told by a variety of different systems and professionals what they can't do. No one, until they came to us, said, what do you want to do and let us figure out a way to make it happen, and I think that is a perspective that is really important to have go forward with this. Let us not talk to you about all the things you are never going to be able to do, because quite frankly, nobody knows what that is. What we need to do is help veterans figure out what they want to do and what is going to be necessary to get them there. And unless you talk to them directly and know the communities from which they come, we are not going to be successful.

Chairman Akaka. Thank you.

Ms. Prokop?

Ms. Prokop. One of the benefits that PVA has is that it has joined Easter Seals and other disability advocacy organizations in a broader coalition, the Consortium for Citizens with Disabilities, that enables us to see disability issues from a broader perspective, and from that coalition we are able to talk with our allies in the disability community and learn from them about quality of life issues and studies and evaluations of disability

programs that are often tailored to or focused on the Social Security Disability System, but at the same time raise many of the same issues that were being talked about in this context.

And so there are studies, there are reports, evaluations such as from the National Council on Disability and elsewhere that speak to broader disability program features and issues that the VA Committee might be able to learn from, as well.

Chairman Akaka. Thank you.

Colonel Wilson?

Colonel Wilson. Just briefly, sir, I would think that the Veterans Health Administration professionals who have been doing such a fine job of taking care of veterans for these past many decades certainly have an excellent perspective to provide, will be beneficial to updating the VASRD and moving this whole process forward. And, of course, the Veterans Service Organizations are pleased and look forward to working with this particular committee and the VA and moving ahead on this particular process.

Chairman Akaka. Thank you.

This question is also for all of the panelists. The question of whether to compensate for loss of quality of life has a potential to change veterans disability compensation considerably. Do you believe that VA should

work on changes to the rating schedule before addressing whether loss of quality of life should also be compensated?

Colonel Wilson. If I could, Mr. Chairman, I would say, absolutely, yes. The first priority is to address the VASRD, look at it. The Disability Committee offered a viable option on how to go about doing this. I would like to see it adopted as soon as possible. I would believe that the VA, if serious about moving ahead on this particular issue, once I see it appear in their strategic plan, I would review the strategic plan. As being 33 years in the military, I find them very useful to determine where an organization was going. I look for that.

The new administration has inherited this product from previous years, but I have yet to see this issue, which has been discussed by this committee in other studies that the Ranking Member talked about earlier, but has never been incorporated into a change plan. There is no mention of the VASRD being reviewed in the strategic plan. There is no tactical application of how I go about doing this strategic business to the tactical level of making it happen at all, despite the many discussions, despite the many committee hearings, despite the many publications. Once I see that happen, then I know the leadership--and this new administration, I am sure, will move in that direction--will be moving properly to update the VASRD, followed closely by

the quality of life issues.

Chairman Akaka. Any other comments? Ms. Prokop?

Ms. Prokop. Mr. Chairman, I don't feel qualified to answer that question because that is an issue that many of my other colleagues at PVA have dealt with and worked on over many, many years. If there is something specific you would like us to answer on that question, we would be happy to do so in writing.

Ms. Neas. Yes. And Mr. Chairman, I don't feel qualified to answer that question, either.

Chairman Akaka. Thank you. This question, again, is for the panel. If VA compensation is modified to incorporate a specific element for quality of life, do you believe that each disabled veteran would require an individual assessment that was mentioned, or would it be feasible to develop averages for the impact on quality of life of specific disabilities? Ms. Neas?

Ms. Neas. I think you really--quality of life is such a personal issue, I don't know how you could do that without having maybe some broad criteria from which you could gain that information. But I think really making that determination would have to be left up to each individual.

Chairman Akaka. Ms. Prokop?

Ms. Prokop. Based on what I have heard from our folks in our Veterans Benefits Department, I would suspect they

would say that would need to be an individual assessment, that you can't--that you really do need to consider each person's specific circumstances.

Ms. Neas. Mr. Chairman, if I could add, I used to work for a member of the Senate who had a brother who was deaf and his brother was told that deaf people could only be printers, cobblers, or bakers, because at the time when he went to our State School for the Deaf, that was what was determined someone who was deaf, those were the choices that were appropriate to that disability.

I use that sort of extreme example because we don't want to have the VA have a system that says, if you have a spinal cord injury or if you have traumatic brain injury, that the only things you can do, or the only things you should consider being available to you are a limited set of jobs or circumstances or support. So I really do think it needs to be individualized and we don't need to go back to those days where, if you had a specific disability or condition, that that put you on a track that you could never otherwise get off.

Chairman Akaka. Colonel Wilson?

Colonel Wilson. I will be glad to provide a comment in writing on that rather complex question, sir.

Chairman Akaka. Thank you.

I want to thank you for your responses. As you know,

we specifically asked you to join us here in this hearing so that we could get responses from groups outside of VA, and I want to thank you very much to hear your responses from your experiences. So thank you very much for appearing today.

We know that there are many challenges to providing disability benefits in the 21st century. Deciding how to best compensate our nation's disabled veterans is a sensitive and complicated issue. We heard many options on how to calculate and implement disability compensation for the future and we can all agree that reforming the current system is imperative.

My goal is to ensure that this is done in an accurate and in a timely manner. The committee, along with the administration and those who advocate on behalf of veterans, intend to do all we can to improve the current system. To bring optimal change to a process as complicated as important as this, we must be deliberative, focused, and open to the input from all who are involved in this process. The committee has held a number of hearings on this matter in the past and will continue to work diligently until this issue is resolved.

I want to again thank you all for being here today. This hearing is adjourned.

[Whereupon, at 11:42 a.m., the committee was adjourned.]