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REVIEW OF VETERANS' DISABILITY COMPENSATION:

THE INSTITUTE OF MEDICINE REPORT ON UPDATING THE

VA SCHEDULE FOR RATING DISABILITIES

Written Statement of

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Good morning, Chairman Akaka, Ranking Member Burr, and members of the Committee. My name is Lonnie Bristow. I am a physician and a Navy veteran, and I have served as the president of the American Medical Association. I'm joined on this panel by Drs. Dean Kilpatrick and Scott Zeger, who will introduce themselves shortly. On their behalf,

thank you for the opportunity to testify about the work of our Institute of Medicine (IOM) committees. Established in 1970 under the charter of the National Academy of Sciences, the IOM provides independent, objective advice to the nation on improving health.

My task today is to present to you the recommendations of the IOM committee I chaired, which was asked to evaluate the VA Schedule for Rating Disabilities and related matters. Dr. Kilpatrick will follow me to speak about his committee's work, which focused on post-traumatic stress disorder, which is a particular challenge for the VA top evaluate. Dr. Zeger will conclude our panel's presentation by briefing you on the findings of his committee, which was asked to offer its perspective on the scientific considerations underlying the question of whether a health outcome should be presumed to be connected to military service.

I had the great pleasure and honor of chairing the IOM Committee on Medical Evaluation of Veterans for Disability Compensation, which was

established at the request of the Veterans' Disability Benefits Commission and funded by the Department of Veterans Affairs (VA).

Updating the Basis for Disability Compensation

Our report, *A 21st Century System for Evaluating Veterans for Disability Benefits*, which was issued last July, makes a number of important recommendations regarding the VA Rating Schedule and related matters. Our first recommendation is to broaden the purpose of the VA disability compensation program, which currently is to compensate for average loss of earning capacity, or work disability. We recommend that VA also compensate for loss of ability to engage in the usual activities of everyday life other than work and, if possible, for diminished quality of life. We recognize that legislative action will be required to change the statutory purpose of the disability compensation program, but doing so would bring the compensation program in line with our current understanding that disability has broad effects (see attached figure 4-1 from the report).

Assessing the Rating Schedule

When the Committee reviewed the Rating Schedule, we found that:

- Although it is called the Schedule for Rating Disabilities, it currently evaluates degree of impairment (i.e., loss of a body part or function) rather than degree of disability (i.e., limits on a person's ability to function at work or in life).

- Even in rating degree of impairment, the Schedule is not as current medically as it could and should be.

- The relationship of the rating levels to average loss of earning capacity is not known.

- The Schedule does not evaluate impact on a veteran's ability to function in everyday life.

- The Schedule does not evaluate loss of quality of life.

Accordingly, we made a series of recommendations to update and revise the Rating Schedule.

Updating the Rating Schedule

First, the committee recommends that VA should immediately update the current Rating Schedule, beginning with those body systems that have gone the longest without a comprehensive update (i.e., the orthopedic part of the musculoskeletal system, the neurological system, and the digestive system). Revisions of the remaining systems could be done on a rolling basis, several a year, after which VA should adopt a system for keeping the Schedule up to date medically. Also, VA should establish an external disability advisory committee to provide advice during the updating process.

As part of updating the Rating Schedule, VA should move to the International Classification of Diseases (ICD) and Diagnostic and Statistical Manual of Mental Disorders (DSM)diagnostic classification systems that are used in today's healthcare systems, including VA's.

Evaluating Traumatic Brain Injury

We were asked by your staff about improving the criteria for traumatic brain injury, or TBI. TBI is an excellent example of where the rating

criteria in the Schedule need to be updated in accord with current medical knowledge and practice.

TBI is rated under diagnostic code 8045, "Brain disease due to trauma," which was last updated substantively in 1961. Today, we understand much better how concussions from blast injuries can affect cognition even though there is no evident physical injury. In Iraq, many service members have been subjected to multiple improvised explosive device blasts. The current criteria emphasize physical manifestations, such as paralysis and seizures. The Rating Schedule recognizes that symptoms such as headache, dizziness, and insomnia are common in brain trauma but limits them to a 10 percent rating. It is time to review how to properly evaluate and rate TBI in light of current medical knowledge, along with the rest of the neurological conditions, most of which have not been revised since 1945.

Relating the Rating Schedule to Average Loss of Earnings

In addition to updating the Schedule medically, VA should investigate the relationship between the ratings and actual earnings to see the extent to which the Rating Schedule as revised is compensating for loss of earnings on average. This would build on the analyses done by the CNA Corporation at the body system level but use samples large enough to study the most prevalent conditions being rated. Just 38 conditions account for two-thirds of the compensation rating decisions. If VA finds disparities in average earnings, for example, that veterans with a mental disorder rated 70 percent earn substantially less on average than veterans rated 70 percent for other kinds of disabilities, it could adjust the rating criteria to narrow the gap.

Compensating for Non-Work-Related Functional Limitations

The Committee recommends that VA compensate for non-work disability, defined as functional limitations on usual life activities, to the extent that the Rating Schedule does not. To do this, VA should develop a set of functional measures-e.g., ADLs (activities of daily living), IADLs (instrumental activities of daily living)-and specific performance

measures, such as time to ambulate a certain distance, or ability to do specific work-related tasks in both physical domains (e.g., climbing stairs or gripping) and cognitive domains (e.g., communicating or coordinating with other people). After the measures are validated in the disability compensation population, VA should conduct a study of functional capacity among applicants to see how well the revised Rating Schedule compensates for loss of functional capacity. There may be a close correlation between the rating levels based on impairment and degree of functional limitations (i.e., the higher the rating, the more functional capacity is limited), in which case the Rating Schedule compensates for both impairment and functional loss. But if the correlation is not high or does not exist, VA should develop a mechanism to compensate for loss of function that exceeds degree of impairment. This could be done by including functional criteria in the Rating Schedule or by rating function separately, with compensation based on the higher of the two ratings.

Compensating for Loss of Quality of Life

The Committee also recommends that VA compensate for loss of quality of life. We realize that quality-of-life assessment is relatively new and still at a formative stage, which makes this recommendation conditional on further research and development. VA should develop a tool for measuring quality of life validly and reliably in the veteran population, then VA should conduct research to determine the extent to which the Rating Schedule might already account for loss in quality of life. We might find that veterans with the lowest quality of life already have the highest percentage ratings, but if not, VA should develop a procedure for evaluating and rating loss of quality of life of veterans with disabilities where it exceeds the degree of disability based on impairment and functional limitations determined according to the Rating Schedule.

Evaluating Individual Unemployability

The Committee also reviewed individual unemployability, or IU, which has been a fast-growing part of the compensation program. Our main finding concerning IU is that it is not something that can be determined on medical grounds alone. IU is based on an evaluation of the individual veteran's capacity to engage in a substantially gainful occupation, rather

than on the Rating Schedule, which is based on the average impairment of earnings concept. Thus the determination of IU must consider occupational as well as medical factors. To analyze IU claims, raters have medical evaluations from medical professionals and other medical records but usually they do not have comparable functional capacity or vocational evaluations from vocational experts. Therefore, the Committee recommends that, in addition to medical evaluations by medical professionals, VA require vocational assessment in the determination of eligibility for individual unemployability benefits. Raters should receive training on how to interpret findings from vocational assessments for the evaluation of individual unemployability claims.

Other Recommendations

The Committee made additional recommendations on issues other than the VA Schedule for Rating Disabilities, which I am not reviewing today. They can be found in our report and our recommendations for improving the medical examination and rating processes were presented to you by our staff director, Michael McGeary, on February 14 (for example,

mandating the use of the on-line medical examination templates and having medical consultants to advise the raters on medical evidence).

This concludes my remarks. Thank you for the opportunity to testify. I would be happy to address any questions the Subcommittee might have.