

James Terry Scott, LTG USA (RET), Chairman, Advisory Committee on Disability Compensation

Statement of
James Terry Scott, LTG USA (RET)
Chairman
Advisory Committee on Disability Compensation
Before the Senate Committee on Veterans' Affairs
On
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Chairman Akaka, Ranking Member Burr, and Members of the Committee: It is my pleasure to appear before you today representing the Advisory Committee on Disability Compensation. The Committee is chartered by the Secretary of Veterans Affairs under the provisions of 38 U.S.C. & 546 in compliance with P.L. 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 "(A)ssemble and review relevant information relating to the needs of veterans with disabilities; provide information relating to the character of disabilities arising from service in the Armed Forces; provide and on-going assessment of the effectiveness of the VA's Schedule for Rating Disabilities; and provide on-going 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 to date. (Copies of this interim report were furnished to majority and minority staff in both Houses of Congress.)

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.

The Committee's efforts to date have addressed the structure of payments for disability compensation in the following ways:

1. An updated and clarified Rating Schedule will enable examining, rating and reviewing officials to make a more accurate and timely assessment of a veteran's disability and its effect on his or her average earnings loss. An updated and clarified Rating Schedule should improve first time accuracy and reduce the number of appeals and the backlog that appeals create. The updated Rating Schedule should address the recognized inconsistencies in mental versus physical disabilities and in differences in age at entry into the disability system.

Recent studies by the Veterans Disability Benefits Commission, the Institute of Medicine, the General Accounting Office and 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 insure 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 insure that all fifteen 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 greatest risk of inappropriate evaluations; body systems are considered problem prone, and relative number 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 internal resources to accomplish a timely review and update, contract assistance is a possibility. However, I believe that the expertise and the background knowledge of the VA professionals are critical in the process and I encourage the VA to accomplish this very high priority task internally.

2. 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 quality of life system and we are analyzing options for forms of compensation beyond a monetary stipend. One of our concerns is to avoid a compensation system for non-economic loss that encourages seeking increasingly higher levels of compensation. Our current view is that quality of life compensation should be limited to clearly defined and very serious disability.

3. Regarding disability compensation related to transition from service member to veteran status, we are reviewing the many recent changes and improvements to the transition programs 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 requests 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 of Congress.

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