John E. Hamilton, Commander-in-Chief, Veterans of Foreign Rooms

STATEMENT OF JOHN E. HAMILTON

COMMANDER-IN-CHIEF, VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE JOINT HEARING OF THE COMMITTEES ON VETERANS AFFAIRS UNITED STATES SENATE & UNITED STATES HOUSE OF REPRESENTATIVES

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WASHINGTON, D.C.

Chairmen Sanders and Miller, Ranking Members Burr and Michaud, Members of the Senate and House Veterans Affairs Committees, Distinguished Comrades of the Veterans of Foreign Wars of the U.S. and Auxiliaries, and special guests, it is my honor to be here today to represent the 2 million men and women of the Veterans of Foreign Wars of the United States and our Auxiliaries.

First, I would like to congratulate Senator Sanders on his appointment as Chairman of the Senate Veterans Affairs Committee and Congressman Michaud's appointment as Ranking Member of the House Veterans Affairs Committee. You both have been strong advocates for our veterans for years, and we look forward to working with you both throughout the 113th Congress. I would also like to congratulate all the other new members of these committees. These are sacred committees tasked with protecting and caring for those who chose to protect our nation.

Our military is turning the corner on combat operations. The President has announced his desire to redeploy half of the service members who are currently serving in Afghanistan by this time next year. As we celebrate these milestones and the eventual withdrawal of all combat troops from the war zone, America will refocus its attention to other national priorities. Those of us sitting here today cannot turn our backs on these men and women. They have borne the burden; they and their families have shared the sacrifice, and many have become disabled in defense of our Nation. The VFW will not let these men and women be forgotten.

Your two committees have a long history of taking care of veterans in a bipartisan manner. The VFW gratefully appreciates what you have and continue to do for veterans and their families. We also understand that current budget realities are forcing very hard choices in Congress and agencies and departments across the executive branch. I urge you all to remember in the coming days that Congress's first mandate is the protection of its citizens. To do that, Congress must protect those who have volunteered to protect our nation. As the House and Senate look

to rein in spending, they must not attempt to balance the budget on the backs of our service members and veterans. They have committed themselves to protecting us with the understanding that they will be cared for when they return. We can do no less than commit ourselves to protecting them.

VA BUDGET CONCERNS

In an era of budget restraint, the Department of Veterans Affairs (VA) cannot fall victim to underfunding. With ever-growing costs to deliver health care and the continued increase in usage of VA care and benefits, the VFW is concerned that a budget with little to no increase will not sustain the level of care and services our veterans need. Congress must provide a budget that will allow the Veterans Health Administration, Veterans Benefits Administration and National Cemetery Administration to fulfill their missions. As a partner of the Independent Budget, the VFW is requesting a fiscal year (FY) 2014 discretionary budget of $68.5 billion.

The VFW is deeply concerned about the impact sequestration will have on the Department of Veterans Affairs and Defense. Maybe not this year, but future year budget submissions, and how possible reduction in programs and services will impact our troops returning from Afghanistan, our veterans and their families. That is why the VFW strongly supports and asks for quick passage of Chairman Miller and Ranking Member Michaud's bipartisan bill H.R. 813, the "Putting Veterans Funding First Act of 2013." By appropriating all of VA's discretionary budget a year in advance, this bill will prevent disruptions or delays to existing or proposed programs and services that occur when budgets are not passed in a timely manner. As we have seen with Advanced Appropriations for VA's medical care accounts, when VA knows how much funding they will receive, they can better plan and more responsibly spend their annual budget. By including all accounts under Advanced Appropriations, building projects will not be halted, IT development will not be delayed and essential services and staffing levels will not be threatened by arbitrary cutbacks. Our veterans protected us while in uniform, now it is time for Congress to protect them – pass H.R. 813.

The areas of highest need are medical services and construction. Within medical services, VA needs to be funded at a level that will allow them to hire adequate staff within primary and specialty care occupations. Congress must support VA's effort to increase the number of mental health care providers. VA has a goal to hire 1,900 additional care providers and staff by June 2013. Congress must ensure sufficient funding to reach this hiring goal without causing VA to neglect hiring needed staff in other medical specialty areas.

For years, VA's capital infrastructure has been eroding and efforts to maintain existing structures and build new facilities have fallen short. The current infrastructure backlog is more than $60 billion. VA must ask for and Congress must provide a capital infrastructure budget that will allow VA to maintain their facilities so they are safe and effective buildings to provide care. Included in its overall capital planning needs, Congress must solve its capital leasing budgeting issue so VA can continue to enter into long-term Community-based Outpatient Clinics (CBOC) and other long-term leases.

VA has made vast improvements in its collection of third-party billing, but VA must continue to focus on ways to recover every dollar owed to them for services provided for non-service connected care. VA's lack of proper billing and the failure to respond to insurance companies leaves millions of dollars on the table that VA could use to provide additional care and services. The VFW also suggests that legislation be introduced that would allow VA to collect funds from Medicare for medical services VA provides to veterans for non-service connected conditions. Allowing for Medicare subvention will allow VA to collect funds for the care they provide, while providing that care at a reduced cost to Medicare. This is a win-win for VA and the Medicare Trust Fund, as well as allowing Medicare eligible veterans to receive their full continuum of care through VA.

VA MEDICAL CARE

As the nation's largest integrated health care provider, the Veterans Health Administration has four primary missions: to provide health care and services to America's sick and disabled veterans; to train and educate doctors, nurses and other health care professionals; to conduct world-class research on medical issues including prosthetics; and to serve as the nation's primary health care backup in times of war or domestic emergency.

VA anticipates veteran enrollment to grow beyond 8.5 million veterans in this fiscal year, with more than 6.3 million unique veterans receiving some type of care. This number has doubled over the last decade and will continue to rise. The increase is due to both improved access and quality of care that is being provided, as well as specialized care for war-related disabilities. It is predicted that these increases will continue as the current conflict comes to a close, the military begins its aggressive drawdown of troops, our Vietnam era veterans begin needing long-term care, and our women veterans continue to access VA health care at unprecedented levels.

According to VA statistics from the first quarter of 2012, more than 772,000 Iraq and Afghanistan veterans have sought VA care out of a pool of more than 1.4 million. The VFW and the Independent Budget (IB) expect this number to continue increasing. The VFW continues to hear of delays in appointment times, especially for specialty care. We must not fail to provide the care these heroes have earned in a timely manner.

The VFW believes in timely access to quality health care for all enrolled veterans. This issue is not debatable. Achieving the proper balance between access, efficiency and quality is the goal to which we must all apply ourselves. In that regard, the VFW supports VA's efforts to ensure more Priority Group 8 veterans have access to VA healthcare, while recognizing the need to make sure any additional workload does not overwhelm a VA facility's capacity to provide timely and quality care to our service-connected disabled and indigent veterans. We ask Congress to provide robust oversight of the expansion of VA services to ensure that all veterans who qualify and are enrolled for care receive it in a timely manner.

Accordingly, as part of the IB, the VFW recommends a funding level of $58.8 billion for total medical care, an increase of $3.3 billion over the FY 2013 operating budget level. Additionally, the Administration recommended an advance appropriation for FY 2014 of approximately $54.5 billion in discretionary funding for VA medical care. When combined with the $3 billion –

Administration projection for medical care collections – the total available operating budget recommended for FY 2014 is approximately $57.5 billion. Full funding will be absolutely necessary for VA to successfully provide care to an increasing number of veterans while continuing to maintain high quality and access standards.

WOUNDED WARRIORS

More than 50,400 service members have been wounded in action since the current conflicts began a decade ago. This does not take into account those service members who are suffering from Traumatic Brain Injury (TBI), Post-Traumatic Stress Disorder (PTSD), or were exposed to harmful environmental toxins, or the invisible psychological wounds of war that may not manifest themselves for years. We must all realize and account for the hundreds of thousands of veterans who never needed a corpsman or medic's assistance on the battlefield, or went to sick call while in garrison, but in the months and years after their service could suffer from the demands that training and fighting wars has on the body and mind.

Mental Health: The most recent data available from VA shows that more than half of all OIF/ OEF patients treated by VA have suffered some mental trauma, and about a fourth of them have been specifically diagnosed with Post-Traumatic Stress Disorder. However, other research indicates that the number could be even higher. These numbers are staggering in their own right, and our efforts to address the problem cannot be cost driven.

As we seek to provide the best possible care for our newest war veterans, we cannot forget the men and women who have served in previous conflicts. No matter what era they served, all who are sent in harm's way are forever changed by their experience. We must fully resolve to bring new advancements to bear in the lives of veterans of previous conflicts that still struggle with PTSD or other mental health challenges, while addressing barriers to quality, accessible care. With the latest reports showing that on average, 22 veterans are committing suicide a day, Congress, VA, DoD and the American public must make every effort to find effective solutions concerning access to metal health care and suicide prevention.

Last year, VA began the process of hiring 1,900 additional mental health care providers and staff. There is a national shortage of mental health care professionals, and according to USAJobs on February 25, 2013, the Department of Veterans Affairs is advertising 934 vacancies for occupations in the field of mental health. Your committees and VA must work together to ensure the VA directly hires full-time clinicians when possible to fill these vacancies, collaborates with new and existing contracts when VA cannot find qualified clinicians to fill openings, ensuring veterans are seen in a timely manner and by highly qualified mental health providers.

As VA moves forward with their plan to increase access to mental health care, three factors must be met: 1) VA must be given the funding resources necessary to provide quality, accessible care; 2) As alternatives to direct VA care are explored, comprehensive care coordination must be established; and 3) The training and accrediting standard cannot be compromised in an effort to appear fully staffed.

There has been a tremendous amount of discussion on the need to hire the 1,900 additional mental health care providers and staff, but there has been little discussion on where these funds will come from. The VFW believes that additional funds must be provided. Without these funds, VA will be forced to choose between hiring new mental health care staff and filling vacancies in other departments. Caring for our veterans is an ongoing cost of war, and that is why Congress must look carefully at staffing needs across all of VHA and ensure they appropriate sufficient funding, because sacrificing one service to fully pay for another will not fulfill the promise of care to our veterans.

As VA identifies gaps in existing service and alternatives to direct care are explored, whether through Chairman Miller's suggestion of using TRICARE's approved network of providers or the President's Executive Order to pilot a 15-site partnership with Health and Human Services (HHS) to contract with community providers, VA must be at the center of that care. Before these partnerships develop, VA must establish a comprehensive care coordination policy – a policy that not only ensures that veterans enter treatment – but one that focuses on completion of treatment. Projects HERO and ARCH have shown promise in providing timely access to care for veterans who either live in rural or remote areas or where VA cannot provide the care in a timely manner. But missing from these pilot programs – and VA's direct care – is true recovery coordination. The current model only provides for access coordination. Currently, VHA only provides case management for severely mentally ill veterans through their Mental Health Intensive Case Management program. However, the qualifiers for service are very restrictive and don't account for veterans suffering from mild to moderate PTSD or veterans who have not been hospitalized for 30 days or more within a calendar year. These programs must be expanded to ensure veterans are recovering from their psychological injuries. Early intervention is key in treatment and recovery from PTSD.

The VFW is also concerned that in an effort to improve access to mental health care, quality may suffer. VA must maintain its high level of credentialing for all VA employees and contractors who are hired to provide care. Lowering the standard of credentialing will do more harm than good. If a veteran's first meeting with a mental health care provider does not establish trust and confidence, the likelihood of the veteran returning for a follow-up diminish greatly.

VA must also improve in scheduling and following up with missed mental health appointments. A December 2012 GAO Report entitled "VA Health Care, Reliability of Reported Outpatient Medical Appointment Wait Times and Scheduling Oversight Need Improvement," found four specific recommendations VA concurred and has an implemented a plan to improve its scheduling practices. Congress must ensure these practices are fully developed, staff is trained in new procedures, and follow-up reporting is done to ensure veterans' appointment needs are being met in a timely manner.

VA must also look for innovative ways to ensure veterans are making their scheduled appointments and follow-up is conducted if the appointment is not met by the veteran. Currently, VA's appointment reminder policy is two-part: first an in-mail reminder, then a call to the veteran to remind them of their appointment at least 24 hours in advance. However, VA will not leave a message stating what the call is regarding to avoid HIPAA violations. This covers

the appointment reminder directive, but leaves the veterans wondering who called if they were not available to answer the phone. The VFW believes the appointment reminder policy is a positive step to ensure appointments are kept, but there should be further discussion on ways to ensure the veteran is truly provided a reminder.

Specific to mental health care, VA must do more to ensure appointments are kept. Veterans who miss mental health appointments are going to be at a higher risk of worsening symptoms and destructive behavior. If a reminder was received and the veteran still missed their appointment, that should send up a red flag. Outreach to the veteran at this point is paramount. That is why the VFW suggests a pilot program where existing peer-to-peer counselors who are being hired as a result of the President's Executive Order are notified when an appointment is missed, and they call the veteran to find out why and assist them in scheduling a new appointment.

The VA must promote and expand the use of Vet Centers. There are currently 300 Vet Centers nationwide that provide confidential individual and group, family and bereavement counseling for combat veterans and their families. In FY 2011, Vet Centers provided more than 1.3 million unique services to nearly 190,000 veterans and their families. That is an average of nearly seven voluntary visits by veterans or family members each year. These results speak for themselves; veterans and their loved ones see value and results in Vet Centers. As Congress and VA move forward with expanding access to mental health care service, Vet Centers are a commonsense, cost effective way to reach veterans in their communities, and must be at the top of the list to receive increased funding and expansion.

Suicide: Suicide among military personnel and veterans presents the most serious challenge to VA, the Department of Defense and the nation. VA reports that 22 veterans take their own lives each day. Even more troubling is the suicide rate among our armed forces, which steadily increased throughout 2012. In fact, the Army recorded its highest one-month rate of suicides in July 2012, with 38 suspected and confirmed suicides. Suicides in the U.S. military surged to a record 349 last year – almost one a day. That means there are now more suicides among active duty soldiers than there are combat deaths. Immediate intervention and action within DOD and VA is critical.

The VFW believes the pre- and post-deployment evaluations have been a much needed tool in detecting mental health issues. However, the VFW is concerned that there is a lack of follow-up care through the referral process within DoD, and that when service members separate, VA is not receiving military health records in a timely manner, and veterans are not being enrolled into VA health care, which results in a gap in care for those who are in need. As an added measure of protection and to increase awareness about the importance of early detection, family members must also be educated to detect signs of stress. Spousal and parental involvement and education is absolutely essential to this effort. It is all too common for veterans to dismiss or delay treatment options, and family members are often unsure how to respond to an episode or personality change. Educating those closest to veterans to properly identify warning signs is a common-sense way to equip family and friends with early warning signs and coping skills to assist veterans suffering from PTSD.

In 2012, VA and DOD announced a new public awareness campaign, Stand by Them: Help a Veteran, as part of the national strategy on suicide prevention in the veteran and military populations. The campaign stresses the influence family members, friends and colleagues can have in stopping suicide and helping to reduce stigma associated with seeking care for suicidal thoughts and other behavioral health concerns. The campaign also aims to get those who know troubled service members or veterans to call the Veterans Crisis Line for help. The VFW applauds these programs and urges their continuation and expansion. We ask Congress to address this situation head on by ensuring VA maintains an aggressive outreach campaign to veterans of all conflicts and services, and to conduct any necessary research to ensure this outreach also destigmatizes the act of seeking care for these conditions.

Beyond legislative initiatives to combat suicides, DOD and VA must identify programs that show success in communities around the nation, and support them where they already exist and expand them into areas where there is a need. Any suicide among veterans or in the ranks of the military is one too many. Failure to make veterans and service members aware of the advantages of behavior health care and the programs that focus on those in imminent danger is not an option.

Women Veterans Services: The number of women serving in uniform far exceeds any previous conflict, and today, they play an extraordinary role in the military — roles that expose them to the risk of combat, serious injury and death. Recent data collected by the VA Women Veterans Strategic Health Care Group reports the percentage of female veterans in the VA system is expected to double in the next two to four years. Female veterans use more primary and mental health services than their male counterparts, and according to VA, 56 percent of OIF/ OEF and OND female veterans receive care at VA.

VA needs to ensure that women veterans' health programs are continually enhanced so that access, quality, safety and satisfaction with care become equal between men and women. They must continue to redesign and reevaluate programs and services for women veterans, and increase attention to a more comprehensive view of women's health to ensure that women receive high quality health care services for all their needs. VA must take the lead on researching the effects of combat experiences on the female veteran population.

Although VA has done much to improve health care for female veterans, reducing or eliminating barriers and improving the opportunity for effective and timely medical treatment, it must continue to tailor its programs and services to the specific needs of women veterans by offering them gender specific counseling and reintegration services, and provide sensitivity training for health care workers.

While strides have been made in the provision of health care, women veterans still face challenges with the VA claims process. The VA Office of Inspector General (IG) noted in a recent report that while female and male veterans were awarded service connection for mental health problems in roughly equal proportions, males were granted service connection for PTSD and TBI significantly more often than were women. In addition, the IG found that men and women were denied service connection for PTSD resulting from Military Sexual Trauma (MST) more often than were those claiming service connection for PTSD from other causes.

A recent study found that fully 42 percent of women service members deployed to Iraq or Afghanistan reported that they experienced MST while on active duty. Even though VA has increased training of its staff on MST and relaxed some of the evidentiary burden on women veterans claiming service connection for the residuals of MST, it is clear that too many victims of MST are denied service connection because they cannot prove that they suffered sexual trauma.

Given the extraordinarily high rate of MST among military women, we urge Congress to pass S. 294, introduced by Senator Tester and H.R. 671, introduced by Congresswoman Pingree, which will afford them the same relaxed evidentiary burden that is given to soldiers engaged in combat: that if a veteran states that he or she experienced military sexual trauma, and a qualified mental health professional confirms that the claimed stressor is adequate to support the diagnosis of post-traumatic stress disorder and that the victims symptoms are related to the claimed stressor, then the veterans statement alone is sufficient evidence to establish the stressor.

We must also acknowledge that many women veterans do not know they can use VA care and services, or that VA regional offices have women veteran coordinators to help guide them through the benefit process. VA has begun an aggressive campaign to reach out to women veterans to let them know that they can receive care and be evaluated for services designed to meet their specific post-deployment needs. Television, radio, social media and other high traffic advertising should be employed in hopes of reminding women veterans that VA is there to serve them.

The VFW wants to ensure that access to care for women veterans is all inclusive and takes into account their specialized needs. VA has made progress expanding female health care services, but much more needs to be done. Congress must provide continued oversight on all the programs and services provided to women veterans. Improving their experiences in all aspects of VA provided care to include primary, mental and behavior health care and the disability claims process must be a priority.

Traumatic Brain Injuries (TBI): Explosive blasts from roadside bombs and other Improvised Explosive Devices (IED) are the leading cause of fatalities and injuries among our combat forces. Often, TBI or other cognitive impairments are not severe or immediately obvious. Therefore, VA must continue to aggressively research the effects of TBI on cognitive and behavioral function. Research has made clear that undiagnosed conditions are far more debilitating than physical injuries, particularly with regard to employability. The follow-on effects of undiagnosed TBI can lead to a lifetime of unreached potential. The VA must work hard to ensure that effective treatments are readily available. Veterans want to be useful and productive members of society after their military service, regardless of their physical condition. VA must help veterans affected with a brain injury achieve that goal by thoroughly evaluating all potential methods of care, such as Hyperbaric Oxygen Therapy, acupuncture, and bio-neuro feedback, and fund these alternative methods through research, then incorporate those that prove to be effective into treatment regimens. Congress must ensure VA achieves these critical goals by appropriating necessary funds in conjunction with aggressive oversight.

Burn Pits: Open air burn pits have been used in war zones throughout history. But as science has evolved it is clear these burn pits have caused invisible, but grave health complications for many service members, past and present. Particulate matter, polycyclic aromatic hydrocarbons, volatile organic compounds and dioxins – the destructive compound found in Agent Orange – and other harmful materials are all present in burn pits, creating clouds of hazardous chemical compounds that are unavoidable to those in close proximity. Congress has banned the use of these burn pits, and we believe that the prohibition is largely honored. However, there is no dispute that burn pits were in constant use for half a decade or more in Iraq and Afghanistan, and have been a primary mode of waste disposal in all past wars, and hundreds of thousands of service members subsequently inhaled noxious fumes. Exposure is clearly related to their service, and any negative health effects as a consequence must be considered for service-connected disability compensation and health care by VA. As VA continues to research these effects, it is important to remember to include our past generation of war fighters in these studies.

Diagnosis, treatment and compensation are made difficult by the lack of incontrovertible scientific causality between exposure and the negative health effects that are clear from experience and anecdote. The Institute of Medicine (IOM) released a report in 2011, but that report was hampered by inadequate data and other uncertainties. IOM called for an epidemiologic study of populations exposed to burn pit emissions, and Congress should ensure such a study takes place without delay. DOD also has a role to play in ensuring these men and women have the best possible care after an environmental exposure, such as that from an open air burn pit. In our view, DOD should continue its work to determine who was exposed to a burn pit, and should provide IOM and VA with that information. Furthermore, DOD should be more forthcoming, and share data regarding what was burned in each of the burn pits that were used in Iraq and Afghanistan. IOM spent considerable time reviewing information about the burn pit at Joint Base Balad in Iraq; however, specifics on the content and volume of the waste burned were not available, and that lack of data directly contributed to the inconclusive nature of their report. So far, VA, through their Office of Research and Development, has taken a passive approach to studying these effects, but has welcomed Vanderbilt University and others to file applications for research funding. We believe VA's actions have not gone far enough. VA must be an active participant in this process, as their involvement is critical to providing the evidence-based care that our veterans deserve.

Centers of Excellence: Many of the events causing TBI on the battlefield are also leaving an alarming number of our service members with serious auditory and vision impairments. According to the Defense Hearing Center of Excellence (DCOE), 350,000 veterans of the current conflicts have reported suffering from Tinnitus, and more than 250,000 veterans from these conflicts report having hearing loss.

DCOE also estimates that around half of those suffering with TBI have also experienced some level of vision impairment. Over 46,000 veterans of Iraq and Afghanistan have reported an eye injury, and VA Polytrauma centers report that 80 percent of all TBI-injured patients complain about some level of visual dysfunction. While these afflictions affecting the visual and auditory systems are obviously pervasive, they are not getting the attention they deserve.

The VFW is concerned that congressional intent behind creating the DCOE system is not being realized. A pronounced lack of funding, and a possible lack of cooperation between agencies, is resulting in a lack of progress and a diminished contribution. Exacerbating the problem is the fact that Congress reduced funding for this research last year, making what were already difficult choices even more complicated. According to DCOE, many serious opportunities for valuable research are available to them, but they do not have available resources to pursue them. DCOE should have adequate funding for research initiatives that have a high degree of promise. We hope your respective committees will work to ensure the best possible outcomes for our service members suffering with the problems these centers were created to address.

Caregivers: In May 2011, VA began implementing P.L. 111-163, The Caregivers and Veterans Omnibus Health Services Act of 2010, commonly known as the Caregiver Act. This landmark piece of legislation provides a monthly stipend, respite care, mental and medical health care, and the necessary training and certifications required for caregivers of certain severely disabled veterans. At its heart, this law acknowledges the fact that a traumatically wounded veterans' family is ideally situated to care for them, and turns that hope into a reality for many. Caregivers of all generations of veterans carry a great burden. We must recognize the vital role they have and will continue to play by affording them the common-sense support the law promises. Current data provided by VA shows that over 8,000 family caregivers are receiving benefits from the program.

The VFW applauds leaders in Congress and VA for their efforts to implement the caregiver support program and recognize that new programs can experience difficulties at inception. During publication of the final rule, numerous issues were identified by public comment and in congressional hearings regarding provisional access to certain caregiver benefits; clinical assessment criteria and stipend tiers have been identified but not addressed by VA. The VFW urges Congress to follow-up with VA to ensure the comments made by those using the program are identified and improvements are being initiated.

The VFW strongly supports the full expansion of the caregiver program and looks forward to the report due from VA in spring, 2013, on the feasibility of expanding caregiver benefits to those veterans injured before September 11, 2001. We believe there is no distinction in the sacrifices made by a severely disabled veteran or their family, regardless of where or when they served. The service of our veterans from previous wars must be honored similarly, and Congress must support and oversee a timely and fair implementation of P.L. 111-163 that provides these caregiver benefits to veterans of all eras.

BENEFITS DELIVERY

During the 1950s and '60s, the Veterans Benefits Administration's management philosophy was "management by exception." Essentially, they never praised employees or managers for what went right. Instead, they only focused on the negative. As you can imagine, that approach demoralized managers and workers alike. So let's discuss some of the successes VBA achieved in the last year before we take it to task for failing to fix the many problems it faces.

Successes: VBA states that it completed more claims in FY 2012 than it did in FY 2011. That indicates that those thousands of employees Congress authorized for VA over the last few years have completed training and are increasingly productive. In addition, the reorganization of claims processing divisions in regional offices into "segmented lanes" appears to have increased production of at least some less complex claims.

Another positive result of segmented lanes is the creation of appeals and quality review teams in each regional office. For decades VBA radically understaffed appeals processing in favor of focusing resources on the rest of the workload. As a consequence, the appeals workload steadily increased to over 253,000 appeals last year. However, in the last six months the appeals workload decreased by a few thousand cases. While many factors influence the number of appeals pending at any moment, including production by the Board of Appeals (BVA), many of our service officers believe that appeals teams are resolving appeals before cases are certified to the BVA. This is a win-win for veterans and VBA.

Nationally, the quality of decisions is measured by the Systematic Technical Accuracy Review (STAR) program. Over the past two years the national accuracy rate for rating decisions has improved slightly from 84 percent to 86 percent. While some offices manage to consistently produce quality work (e.g., Lincoln, NE and Ft. Harrison, MT, both at 95 percent) others remain centers of mediocrity (e.g., Baltimore, MD (73 percent); Wilmington, DE (76 percent); San Diego, CA (78 percent)). The creation of Quality Review Teams in each office focuses resources on a much neglected area of concern. These teams sample review active claims and provide feedback to workers in near real time. As a consequence, more problems can be identified at a much earlier stage, allowing management to identify individuals with high error rates or significant trends among the workforce. Training becomes more specific and relevant, improving quality and service to veterans.

Finally, there are two program changes which are making a difference for America's veterans and their survivors. Several years ago, VA began compiling a list of ships with verified visitation or brown water service in Vietnam. Routinely updated, the list identifies over 240 ships whose crews now qualify for Agent Orange presumptions. This information allows VA employees to concede exposure to herbicides in Vietnam to thousands of sailors without further development. This simple tool saves millions of dollars in employee effort each year and improves processing timeliness in these cases. This is a true win-win for veterans and VBA.

In addition, VA recently announced it eliminated the need for the completion of income questionnaires from both veterans and survivors who are receiving pension. This was made possible through the joint efforts of VA, the Social Security Administration and the Internal Revenue Service. This is also a win-win for veterans, their survivors and VBA. Once this initiative is in full effect, VBA will be able to reassign hundreds of workers to other tasks.

Accountability: One of the most difficult things to do in any large organization is to ensure that employees, both rank and file workers and supervisors, are held accountable for their performance.

In recent years VBA refined training and instituted some testing to gauge job knowledge. However, it is still far easier to be disciplined for conduct than performance issues. While performance appraisals address both production and quality, it is production that is easier to track and, consequently, easier to address by management.

Unfortunately, the overall quality of rating claims processing in VA regional offices continues to hover around 86 percent despite much touted Challenge training. The Systematic Technical Accuracy Review (STAR) is unable to track the quality level of individual employees. Worse still, it is insufficient to zero in on specific quality problems in individual regional offices. Historically, the ascertainment of quality rates of individual employees has been left to their immediate supervisors. Imagine how difficult it would be for any supervisor to review even 10 cases per month per employee if they supervised 15 or 20 people.

During 2012 VBA created Quality Review Teams (QRT) in each regional office. These teams, composed of subject matter experts, are charged with reviewing a sampling of work from all employees each month. The idea is to provide immediate feedback when problems are identified so that corrections can be made in near real time. An added bonus, however, is that data can be quickly gathered which allows management to see who the problem employees are. Over time it also provides sufficient information to identify error trends at a very granular level. Both sets of data allow VA to really focus where it is needed. These are good things.

VBA needs to utilize this new data to identify employees with weak skills and focus training on improving them. Employees who cannot improve sufficiently should be replaced at the earliest opportunity.

It is easy enough to point to certain troubled offices within VBA. In recent years the VFW and others have tried to draw attention to the Baltimore regional office as the office with the worst quality in the nation. At its worst a year ago, rating quality in Baltimore assured that one out of every three veterans received an erroneous decision. While things have improved somewhat, rating quality today allows that one out of every four veterans receives an erroneous decision.

VBA recently announced steps that it is taking to address the problems in Baltimore. While we welcome these actions, we are dismayed that it has taken VBA over three years to confront this problem.

When we speak of accountability, it is often managers, both in the field and here in Washington, who are least likely to be held accountable for their decisions. We encourage your Committees to ask VBA why, specifically, it failed to address the problems in Baltimore, Oakland and Los Angeles as soon as they became apparent years ago. We encourage you to hold VBA accountable for their failure to act to protect veterans in a timelier manner. We also ask that you find out whether they have any plans to identify those veterans who suffered erroneous decisions and what they intend to do to make those decisions right.

Workload: While we welcome these signs of advancement and progress within VBA, we remain highly concerned with what remains. The Secretary and the Under Secretary for Benefits both remain committed to achieving their goals of no case over 125 days old and quality at 98 percent by 2015.

For instance, the VA consistently asserts that its workload totals around 900,000 claims. However, it has only been in the last 10 years that VA executives decided to count only claims for disability compensation and pension as its workload. One need only look at the VA's Monday Morning Workload Report to see that what VA executives talk about is less than half of all the compensation, pension, education claims, and appeals, which are pending. The report from February 11, 2013, showed VBA pending workload as:

Compensation	1,334,058
Pension	275,684
Education	129,761
Appeals	251,443
Total	1,990,946

Over the last five years, you and your predecessors have increased VBA staffing by more than 5,000 FTEE. Those employees were not hired to simply process disability compensation claims, they were hired to service the entire range of claims for which VBA is responsible. Workload must include all claims, including those that seek to add a child to an award, or a widow who seeks reimbursement for burial expenses, and not just those who seek an initial claim or seek an increased evaluation for a disability.

We view it as your responsibility, when exercising your oversight authority, to ask VA to explain the obvious discrepancy between the total it uses in public and the actual data contained in its Monday Morning Workload Report.

It is not just the workload that VBA is trying to redefine. The 86 percent accuracy level reported by VA is determined as follows: If VA identifies an error in any of the decisions made during the adjudication of a claim, it concludes that the case is in error. A case is in error whether one or 10 errors are found during a review. Using this method, VA finds at least one error in 14 percent of all cases it reviews.

Recently, however, VA has started compiling and reporting a separate set of quality data which could significantly minimize the appearance of mistakes. Under this new method, VA counts every decision it makes in a case, as well as the number of errors. It accumulates this data and divides the total number of errors by the total number of issues it decided.

The error rate, when reviewed as a single case, reflects the true number of veterans who have an inaccurate claim, potentially affecting their rating. VA's new method of reviewing by individual issue can be a helpful tool in identifying trends in errors and allow VA to tailor training to help reverse those trends. However, the VFW is concerned that solely using the issue-based review method will allow the overall error rate to appear smaller. The VFW suggests that VA track both methods, as both provide clear pictures; one on the issues that may be higher error rates, the other tells what percentage of veterans have inaccurate decisions to their claims.

To illustrate the difference: suppose 20 veterans file claims averaging 5 issues each (an "issue" is simply claims for service connection of different injuries or conditions). If 3 cases had 4 errors, under the current method of calculating accuracy, the error rate would be 15 percent (3 cases in error divided by 20 cases). Now suppose the new, issue based, method was used. The total number of issues is 100 (5 issues per case multiplied by 20 cases). If 4 errors were found, then only 4 percent of the decisions on issues would be considered erroneous (4 divided by 100).

VA Schedule for Rating Disabilities: VBA continued working on revising the VA Schedule for Rating Disabilities (VASRD) during 2012. VA took steps to make some of the process more transparent by holding a public forum last summer so that the public could review the progress made on roughly half of the revisions to the VASRD.

We view the work on the mental health section of the VASRD to be among the most important of all the body systems. As you recall, the Veterans Disability Benefits Commission (2007) and a study commissioned by VA in 2008 both found that veterans with psychiatric disabilities were undercompensated when their average loss of earnings was determined.

The public was allowed to provide feedback concerning the proposed changes. The VFW and other major veterans' service organizations were particularly concerned about changes to the mental health section of the VASRD. So, the VFW, along with other interested parties, submitted our views to VA.

We are grateful that VBA took those concerns seriously. It is our understanding that at least one section will receive a fresh look by VBA and subject matter experts. While the VFW will continue monitoring the changes VA proposes to the VASRD, we encourage Congress to exercise its oversight authority so that we may all be assured that these revisions accurately compensate veterans for the average loss in earnings capacity as required by law.

Transformation in the Veterans Benefits Administration: Transformation comes in many forms and occurs in VBA about as frequently as it receives new leadership. As workload and quality problems exploded from the 1990s to the present, each new leadership team divined that the then current way of processing claims was inefficient and could be improved. Each ordered changes in claims processing divisions, altered workflow and adjusted staffing to suit their particular vision. While efficiencies were achieved in some areas, no set of changes proved to be the magic formula which arrested the trend of increasing pending claims and the quagmire of mediocre quality.

The views of Secretary Shinseki and Under Secretary Hickey on transformation have taken a different approach than did their predecessors. During his first two years, Secretary Shinseki decreed that it was his intent to "break the back of the backlog" by 2015, and ensure that no case at that time was older than 125 days and claim decisions were 98 percent accurate. He brought in Allison Hickey, a retired Air Force general, to help define the vision and drive VBA to achieve his goals.

Over the past 18 months, Under Secretary Hickey has made progress in focusing the "vision" of what VBA should be in the second decade of the 21st century. She has worked with unflagging energy to convert hundreds of demoralized leaders and managers into an effective team, driving to accomplish a defined set of goals. She has dramatically increased the speed of IT reformation. Leading by example, she often gets "into the weeds," personally involving herself in the minutia of change. This approach ensures that she learns what is happening within VBA without experiencing the inevitable "filtering" that takes place when information moves up and down a chain of command.

As a result of her leadership, VBA has made tremendous strides in improving the IT infrastructure that supports its claims processing. The flagship application, the Veterans Benefits Management System (VBMS) has reached the stage of development where it is beginning to show the promise and potential that its designers envisioned.

At this time, VBMS has been deployed to 20 regional offices. While not yet fully functional and missing key components, it daily provides glimpses of the operating system it should become. As with any major computer system, there are problems. Although VBA has fixed many of the issues identified by end users, more problems seem to arise with each added regional office.

These problems are to be expected. In order for a child to gain its first set of teeth, it must go through the pain of teething. VBMS has many components. Hardware and software must operate seamlessly if claims processors are to be able to make inroads on the workload and improve quality. It will take years before the full potential of VBMS is realized.

We are concerned that VBA may be moving too quickly in its rollout of VBMS to regional offices. It plans to have VBMS fully deployed to all offices by the end of June 2013. While it is important to test the limits of both hardware and software in order to identify weaknesses which were not apparent until the system is stressed, we believe that premature deployment to all offices will result in the slowdown of production while IT scrambles to fix existing and new problems.

We have seen the consequences of premature deployment of past computer programs within VBA. We have seen hundreds of thousands of production man-hours lost while VBA worked to correct problems. We do not believe the entire regional office workforce should be asked to act as Beta testers for VBMS. VBA must proceed with caution to ensure an effective roll-out with minimal errors and time delays in processing claims.

Transformation in VBA also consists of moving people around and arranging them into new configurations. VBA has completed the reorganization of claims processing divisions into a new model featuring segmented processing "lanes" for different types of claims. This change may

result in some simple claims being processed faster. To the extent that VA can process some work faster without slowing down the rest of the backlog, it can claim success.

Equally important is the creation of Quality Review Teams (QRT) at each regional office. These teams provide the opportunity for a just-in-time review of many rating and authorization decisions. While the STAR reviews were sufficient to provide national quality data, they have always been unable to adequately identify trends or individual employees with quality issues. QRT's now allow quality reviews that provide real time data which can be used to focus training and remediate employees with quality problems.

We are also concerned that in an effort to process claims quickly, VA is failing to provide veterans a clear explanation of their rating decisions. A year ago, VA moved from providing veterans an analysis of the evidence used in deciding their claims – the explanation was specific to the facts in the case and was written by the decision maker – to a simplified notification letter. The new ratings identify the evidence and state the decision (grant, denial, effective date and evaluation). No reasons are given to explain the decision, no evidence is weighed, and no discussion of higher possible evaluations is contained in the rating.

Today, VBA assures us that VBMS will allow rating specialists to return to providing the reasons and bases for their decisions. The VFW is concerned that without a specific mandate, rating specialists will continue to provide the much quicker simplified notice, leaving veterans incompletely served in the process. With eight to 28 percent of decisions being wrong, depending on the office making the decisions, veterans have no way of knowing whether the decision in their case is likely to be correct. The VFW will continue to monitor this and we ask Congress to do the same.

APPEALS

Appeals decreased slightly from 255,388 to 251,443 in the past year. Most appeals are still sitting in regional offices awaiting action. This decrease is likely due to the increased staffing VBA put in place last year. Many appeals can be resolved at the local level by the submission of additional evidence or a grant based on difference of opinion by a Decision Review Officer.

While this drop in pending appeals is encouraging, we note that at the current rate of reduction it will take VA about six decades to eliminate this backlog. In the end, the best way for VA to reduce appeals is to make correct decisions in the first place and properly explain them to veterans. Until veterans gain confidence that VA decisions are likely to be correct they will continue appealing decisions at these high levels. Again, we ask your committees to perform oversight in this area.

ECONOMIC OPPORTUNITY

Unemployment among post-9/11-era veterans continues to be unacceptably high. In December 2012, post-9/11-era veterans still faced more than 10-percent unemployment; far above the national average of 7.5 percent. Today, all our troops have left Iraq, our nation is on the path to draw down forces in Afghanistan, and military leaders have indicated that our armed forces are

on the cusp of a total drawdown in manpower. This means that the employment situation for our newest generation of veterans must command national attention.

Historically, veterans perform better than non-veterans in the civilian job market. So why are today's veterans struggling to find quality civilian careers when they return from serving overseas?

The VFW believes this is a multi-faceted issue that demands innovative solutions. We applaud policymakers for successfully passing bipartisan legislation designed to improve the employment situation for our veterans, but the work is not done. New initiatives like the Veterans Retaining Assistance Program (VRAP) and the veterans' work opportunity tax credits demand scrutiny and responsible congressional oversight to ensure they work and are not a burden to small businesses that don't have the resources to file long and complicated forms. The VFW has come out in support of simplifying and extending both of these programs, which offer critical tools to help veterans cultivate job skills and encourage employers to hire veterans. Also, the government must do all they can to enable the private sector to hire veterans.

Vocational Rehabilitation and Employment (VR&E): VA must conduct a work measurement study to identify proper staffing levels, and the critical skills and competency needs that are truly necessary to provide quality assistance for veterans within the VR&E program. In FY 2011, more than 100,000 veterans participated in the program, but more than one million veterans who qualify for VA disability benefits may be eligible to utilize VR&E benefits in the future, especially as the wars in Iraq and Afghanistan draw to a close and more veterans file claims for disabilities incurred in the line of duty. Recent figures indicate that the workload for VR&E counselors often exceeds the threshold of one counselor to 125 veterans. VA has an obligation to ensure that all veterans who need reemployment services due to their service-connected disabilities must have the proper resources to accomplish this mission moving forward. VR&E must focus on building careers for veterans, not just placement into jobs, and funding for VR&E must reflect that commitment. The VFW recommends congressional oversight of VR&E to ensure veterans are receiving the highest level of assistance.