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**STATEMENT OF
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FOR THE RECORD OF THE
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
JANUARY 30, 2024**

Chairman Luttrell, Ranking Member Pappas and Members of the Subcommittee:

Thank you for inviting DAV (Disabled American Veterans) to submit testimony for the record of your hearing titled, "The One Percent: Supporting America's Surviving Military Family Community."

DAV is a congressionally chartered and Department of Veterans Affairs (VA) accredited veterans service organization. To fulfill our service mission, DAV directly employs a corps of benefits advisors, national service officers (NSOs), all of whom are themselves wartime service-connected disabled veterans, at every VA regional office (VARO) as well as other VA facilities throughout the nation, including the Board of Veterans' Appeals (Board).

DAV provides meaningful claims support free of charge to more than 1 million veterans, family members, caregivers and survivors. During calendar year 2023, DAV assisted survivors with Dependency and Indemnity Compensation (DIC) claims totaling over \$214 million in benefits.

Mr. Chairman, for far too long survivors' benefits have taken a backseat to other benefit programs in the VA arena. It is time that more attention be given to survivors, who have sacrificed so much in support of their veterans. We appreciate the survivor benefits and programs administered by the VA, but are they doing enough?

Based on our 100 years of experience, we are pleased to provide our insight, comments, and recommendations about current DIC rates, the claims process, Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA), as well as the removal of the remarriage age for survivors.

Dependency and Indemnity Compensation

Created in 1993, DIC is a benefit paid to surviving spouses of service members who die in the line of duty or veterans whose death is due to a service-related injury or

disease. DIC provides surviving families with the means to maintain some economic stability after the loss of their loved ones.

The rate of DIC payments has only been minimally adjusted since 1993. In contrast, monthly benefits for survivors of federal civil service retirees are calculated as a percentage of the civil service retiree's Federal Employees Retirement or Civil Service Retirement System benefits, up to 55%. Currently, VA DIC payments are approximately 41% of compensation for a 100% service-disabled veteran with a spouse. This difference presents an inequity for survivors of our nation's heroes compared to survivors of federal employees.

For example, a married veteran who is receiving 100% disability compensation through the VA is being paid approximately \$3,946 a month, whereas DIC payments for survivors are set at \$1,612.75 a month. As a result, surviving spouses have to not only deal with the heartache of losing their loved one, but also contend with the loss of approximately \$28,000 a year. This particularly affects survivors who depend on that compensation as a primary source of income. As such, we strongly urge Congress to correct this injustice for survivors and their families.

In addition to the DIC rates, our members and survivors are concerned over the restrictions imposed by the 10-year rule. There are two ways for a survivor to receive the full DIC amount: the veteran's death is due to a service-connected disability or the veteran has been evaluated at 100% percent for ten years or longer. H.R. 1083, the Caring for Survivors Act, proposes to replace the 10-year rule by expanding eligibility for DIC with a graduated scale of benefits that begins at five years for initial eligibility at 50% and gradually reaches the full benefit at 10 years after determination of disability. DAV strongly supports this legislation which would ease the eligibility criteria for DIC and increase the monthly benefit amount to match benefits provided by other federal survivor programs.

Claims Processing

When a veteran dies the surviving spouse and family are responsible for the regular monthly household expenses, such as mortgage/rent, utilities and car payments. Not only are these families dealing with the loss of the veteran, but many also experience financial hardship due to the loss of the veteran's compensation, and having to wait more than four months for DIC benefits.

Based on the most recent information from VA, 39.2% of claims for compensation have been pending over 125 days as compared to 47.5% for DIC claims pending over 125 days. In other words, nearly half of the DIC claims have been waiting longer than the national average.

Currently, all DIC claims are handled by the three Pension Management Centers (PMCs) located in Philadelphia, Pennsylvania; Milwaukee, Wisconsin; and St. Paul, Minnesota. As of September 2022, VBA employed 681 pension employees of that number 493 employees are Veterans Service Representatives (VSRs) and Rating Veterans Service Representatives (RVSRs) responsible for developing, adjudicating and promulgating pension, DIC and burial claims. Even with these dedicated resources at the PMCs, it's simply taking too long for a decision.

For 26 years, I have been a VA-accredited DAV benefits advocate providing veterans and their families with claims and appeals representation. During that time, I have seen a great number of DIC claims and appeals come across my desk. A majority of these cases were fairly simple to decide based on the facts of the claim—and I know how important it is for survivors to receive a timely decision during this difficult and stressful time.

Families in need of DIC should not have to wait to receive their benefits and they shouldn't have to wait for their CHAMPVA benefits. Consideration should be given to having initial DIC claims adjudicated at the local office of original jurisdiction or through VBA's National Work Queue to reduce the timeframe needed to process these claims.

CHAMPVA

CHAMPVA is a comprehensive health care program in which the VA shares the cost of covered health care services and supplies with eligible beneficiaries. This important program provides health care to children and spouses of certain veterans, specifically those who died from a VA-rated service-connected disability or who were rated permanently and totally disabled from a service-connected disability at the time of death, or those who died in the line of duty.

DAV members and survivors have two major concerns with CHAMPVA benefits. First, eligibility for CHAMPVA for a dependent child ends at the age of 18, unless that dependent is enrolled in an accredited school as a full-time student until the age of 23 or marries or is a stepchild who no longer lives in the household of the CHAMPVA sponsor. It should be noted that current law requires private health plans and insurers to offer coverage to adult children of beneficiaries to age 26 *regardless* of the child's financial dependency, marital status, enrollment in school, residency or other factors.

To correct this inequity DAV fully supports H.R. 2414, the CHAMPVA Children's Care Protection Act—legislation that would provide survivors of service-disabled veterans parity in the CHAMPVA program by allowing eligible dependent children to maintain their health care benefits until age 26.

The second concern we have is about the high number of CHAMPVA providers being placed on “payment hold” status due to not enrolling in electronic funds transfer or EFT. VA must take further action to ensure these providers are aware of the requirement to enroll in EFT, so that CHAMPVA beneficiaries do not experience disruptions in care.

No surviving spouse should have to worry about health care for themselves or their dependent children, nor should they have to worry about their physician being put on a payment hold because of a lack information between the physician’s office and the VA. Lastly, let’s discuss the issue of eliminating the remarriage age for surviving spouses.

Eliminating the Remarriage Age

Mr. Chairman, the payment of DIC benefits was intended to provide surviving spouses with economic stability for themselves and their families following the death of their veteran. Surviving spouses were no longer eligible for DIC benefits if they remarried prior to the age of 57. Then in 2021, the remarriage age was lowered to 55.

In VA’s most recent annual report, it is noted that only 7% of surviving spouses that are receiving DIC benefits are under the age of 56. There are 3,691 surviving spouses that are 35 years old or younger and 26,213 surviving spouses between the ages of 36 to 56.

Surviving spouses that are currently in receipt of DIC benefits should not have to worry about losing their benefits if they remarry before the age of 55. We need to ensure that survivors and dependents of service-disabled veterans are properly cared for and have the resources they need.

Removing the remarriage age for surviving spouses has been a long-standing priority for DAV and we strongly supports H.R. 3651, the Love Lives On Act. This legislation would eliminate the remarriage age for survivors in receipt of DIC.

Mr. Chairman, DAV believes that survivors have been put on the back burner long enough and they need action now. As we have noted throughout this testimony the concerns about DIC rates, the DIC claims process, CHAMPVA, and the removal of the remarriage age they need immediate attention. This concludes my testimony and we thank you for the opportunity to provide our comments.