



DISABLED AMERICAN VETERANS

807 Maine Ave., SW ■ Washington, D.C. 20024-2410 ■ Phone (202) 554-3501 ■ Fax (202) 554-3581

LEGISLATIVE BULLETIN

October 2010

Status of Fiscal Year 2011 VA Budget

At the end of July 2010, the House of Representatives voted to approve a Fiscal Year (FY) 2011 full-year appropriation for the Department of Veterans Affairs, about \$120.8 billion for discretionary and mandatory accounts altogether. The Senate has not taken up that House-passed bill, but in mid-July the Senate Appropriations Committee approved and reported its own bill to fund VA for FY 2011, at nearly the identical level of the House bill.

All VA health care programs were previously funded by law for FY 2011 through advance appropriations, and the above bills would advance-fund VA health care in FY 2012 at \$50.6 billion. Nevertheless, VA Secretary Eric Shinseki recently reported to Congress that the FY 2011 VA medical care accounts (\$48.3 billion) may prove to be insufficient. DAV, as a co-author of the *Independent Budget*, recently wrote the House and Senate leadership to express our concerns over the lack of a regular appropriation for FY 2011, as well as to point out to Congress that VA health care accounts already funded for this year may not be sufficient, and that Congress needs to attend to this shortfall.

On Thursday, September 30, Congress passed a continuing resolution (CR) that will fund the vast majority of federal agencies and programs at existing 2010 levels through December 3. This restriction will diminish the activities and operations of the entire VA except for VA's health care programs. The House is scheduled to convene a "lame duck" session November 15 through 19 and November 29 through December 3. However, the VA appropriations problem may linger into calendar year 2011 and be addressed by the new Congress. At a time when hundreds of thousands of veterans of the Iraq and Afghanistan wars are coming home, DAV is very concerned about the impact of a continuing resolution on VA's need to reform the disability claims system.

DAV will continue to follow these developments to ensure that the needs of sick and disabled veterans of all eras of military service are fully met across VA's appropriations accounts. We will post updates on the budget in future bulletins.

Important Provisions for Veterans Enacted

Most recently, both houses approved, and the President signed, H.R. 3219, the Veterans Benefits Act of 2010, an omnibus benefits and health bill. H.R. 3219 is a comprehensive bill, with a number of important provisions to disabled veterans and their families, including:

- Automobile Grant, which now includes severe burn injuries, has been increased from \$11,000.00 to \$18,900.00 and will be indexed to the Consumer Price Index to allow for annual adjustment;
- Enhancement of disability compensation for severely disabled veterans who have difficulty using prostheses; (criteria change more favorable to amputees – prior language “so near the [joint of the affected limb(s)]” preventing use of prosthesis is changed to “with factors” preventing use of prosthesis. Example, painful neuroma.)
- Aid and Attendance benefits for veterans suffering from Traumatic Brain Injury (TBI); (This means veterans with service-connected TBI may not meet the eligibility criteria for SMC “R-2” [or special aid and attendance], so this change allows them to receive the additional compensation at the maximum level.
- Supplemental Service-Disabled Veterans’ Insurance (SDVI or “RH”) has been increased from \$20,000.00 to \$30,000.00 for totally disabled veterans;
- Veterans Mortgage Life Insurance (VMLI) for disabled veterans has been increased from \$90,000.00 to \$150,000.00 effective immediately, and beginning in 2012 it will be increased to \$200,000.00;
- Increase in the number of veterans who can participate in VA’s independent living services and assistance program from 2,600 to 2,700;
- Increase in the amount of burial/funeral expense benefits from \$300.00 to \$700.00, and increases the amount of plot or internment allowance from \$300.00 to \$700.00; both will be indexed to the Consumer Price Index to allow for annual adjustment.

Chairman Akaka is developing a new bill that would allow adult, but still-dependent children in CHAMPVA to continue that coverage until they reach the age of 26. The cut-off now occurs at 23 years of age. This would place CHAMPVA coverage on par with that afforded to everyone else in the larger national health care insurance reform enacted this year. We will work to get that legislation approved as soon as possible.

DAV Legislative Staff Active at Congressional Hearings

On September 16, 2010, DAV testified before the House Veterans' Affairs Subcommittee on Disability Assistance and Memorial Affairs concerning training requirements of Veterans Benefits Administration (VBA) claims processing personnel. By highlighting the extensive and comprehensive training that DAV National Service Officers undergo, we expressed the importance of proper training and continuing education of VBA claims processors.

On September 16, 2010, DAV submitted testimony for the record for a hearing before the House Veterans' Affairs Subcommittee on Economic Opportunity concerning the Post 9/11 GI Bill. We expressed concern that some veterans may be forced to choose less financially supportive programs than those available to their non-disabled counterparts, or opt out of vocational rehabilitation for the more financially beneficial Post 9/11 GI Bill.

On September 29, 2010, DAV testified before the House Veterans' Affairs Subcommittee on Health on 11 bills pending before the Committee for consideration. Among these, were several that were in line with DAV Resolutions passed at our most recent National Convention in Atlanta. H.R. 6123, the Veterans’ Traumatic Brain Injury Rehabilitative Services’ Improvements Act of 2010, is in accordance with DAV Resolution No. 215. H.R. 6127 would

provide access to VA health care for veterans who were in and around the water injection facility in the Basrah oil fields at Qarmat Ali, Iraq, during the spring and summer of 2003. DAV supports this bill in accordance with our Resolution No. 298 calling for congressional oversight and federal vigilance to provide for research, health care, and improved surveillance of disabling conditions resulting from military toxic and environmental hazards exposures.

On September 30, 2010, DAV testified before the House Veterans' Affairs Committee concerning the "True Cost of War." The hearing focused on the costs associated with treating wartime veterans for physical and mental health injuries and providing lifetime disability compensation and other benefits.

Please see the DAV website at www.dav.org to read these statements. New statements will be added for every hearing at which DAV testifies.

Claims Process Reform

After struggling for decades to provide timely and accurate adjudication of claims for veterans benefits, the Veterans Benefits Administration (VBA) is at a critical junction in its efforts to reform an outdated, inefficient and overwhelmed claims processing system. Over the past year, VBA has launched dozens of new pilot programs and other new initiatives, and they are preparing for the first test of their new IT system, the Veterans Benefits Management System (VBMS), this November at the Providence (RI) Regional Office. At the same time, Congress continues to hold oversight hearings on VBA's transformation plans and is exploring legislative solutions to assist VBA in reforming the claims process, although no new laws were approved before Congress recessed for the election period.

Unfortunately, the tremendous attention paid to the backlog and the understandable tendency to focus only on the number of claims pending—many estimates put it over one million in total—has led many to place too great an emphasis on production to the detriment of quality and accuracy. DAV is concerned that focusing primarily on increasing production will result in more claims being decided incorrectly, which will inevitably lead to notices of disagreement, appeals, remands and more appeals, further clogging up the system and exacerbating the existing problems.

Although recent increases in staffing and funding were necessary to keep pace with a growing workload, it will take fundamental change to reform the claims processing system. DAV has supported and promoted many of the dozens of new initiatives underway by VBA, including the Fully Developed Claim (FDC) program, the expanded use of private medical evidence and the increased assignment of interim ratings, however, we are concerned about whether VBA will ultimately be successful in creating a new claims process. Given the enormous pressure to reduce the backlog, we are concerned that when evaluating pilot programs or developing the VBMS, there could be a bias towards improvements that result in greater production over those that could produce higher quality and more accurate decisions.

At a Senate hearing in July, DAV called on Congress to exercise aggressive oversight of all of VBA's pilot programs and recommended that Congress require an independent, outside, expert review of the VBMS system while it is still early enough in the development phase to make course corrections, should they be necessary. At a House hearing in September, DAV

reiterated our concerns about quality versus production and also recommended several specific ways to improve VBA's training programs, including more hours, greater structure and regular testing. We were able to share many insights and best practices learned from DAV's own training program for National Service Officers (NSOs), including our lifetime learning approach.

For the remainder of the 111th Congress, which will likely consist of a couple of weeks of "lame duck" session in November and December, DAV will continue working with the House and Senate, as well as the VBA, in order to keep them focused not just on reducing the backlog, but rather on designing a new system that "gets claims done right the first time."

DAV will remain vigilant to see reform proposals for the VBA enacted.

Women Veterans Forum Held

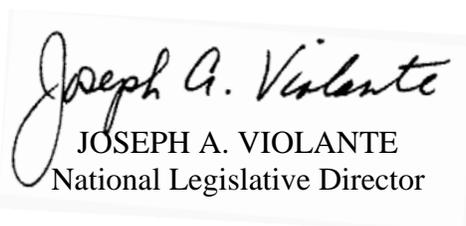
The VA held a Women Veterans Forum on July 28, 2010 at the Women in Military Service for America Memorial in Washington, D.C. The event was well attended. Speakers and participants included VA leadership, veterans service organizations, women veterans and other women's advocacy groups.

The purpose of the forum was to address the quality of VA health care, the provision of benefits for women, and ways for VA to continue improving access to care and benefits for women veterans. VA has undertaken major initiatives to transform the department to meet the health care needs of women veterans and provide the best quality care at every VA medical center. In addition, the agency is working to shorten the delays for claims processing, improve access to VA health services for minority and rural veterans, end veteran homelessness, and ease war veterans' transition back to civilian life.

There are about 1.8 million women veterans among the nation's total of 23 million living veterans. VA estimates women veterans will comprise 10.5 percent of the veteran population by 2020.

Conclusion

To ensure the successful enactment of veterans' legislation, our DAV and Auxiliary members must be active members of DAV's grassroots – DAV Commander's Action Network (CAN) — and we all must do our part to let our elected officials know about our support for legislation that helps to build better lives for our nation's service-disabled veterans, their families, and survivors. We also encourage you to keep veterans' interests in mind when you vote in the November elections. Thank you for your continued support.



JOSEPH A. VIOLANTE
National Legislative Director

JAV:lmb