

**PERSONAL COSTS OF THE U.S. DEPARTMENT
OF VETERANS AFFAIRS CLAIMS BACKLOG**

FIELD HEARING
BEFORE THE
SUBCOMMITTEE ON DISABILITY ASSISTANCE
AND MEMORIAL AFFAIRS
OF THE
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

OCTOBER 9, 2007
HEARING HELD IN NEW WINDSOR, NEW YORK

Serial No. 110-51

Printed for the use of the Committee on Veterans' Affairs



U.S. GOVERNMENT PRINTING OFFICE

39-460

WASHINGTON : 2008

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON VETERANS' AFFAIRS

BOB FILNER, California, *Chairman*

CORRINE BROWN, Florida	STEVE BUYER, Indiana, <i>Ranking</i>
VIC SNYDER, Arkansas	CLIFF STEARNS, Florida
MICHAEL H. MICHAUD, Maine	JERRY MORAN, Kansas
STEPHANIE HERSETH SANDLIN, South Dakota	RICHARD H. BAKER, Louisiana
HARRY E. MITCHELL, Arizona	HENRY E. BROWN, JR., South Carolina
JOHN J. HALL, New York	JEFF MILLER, Florida
PHIL HARE, Illinois	JOHN BOOZMAN, Arkansas
MICHAEL F. DOYLE, Pennsylvania	GINNY BROWN-WAITE, Florida
SHELLEY BERKLEY, Nevada	MICHAEL R. TURNER, Ohio
JOHN T. SALAZAR, Colorado	BRIAN P. BILBRAY, California
CIRO D. RODRIGUEZ, Texas	DOUG LAMBORN, Colorado
JOE DONNELLY, Indiana	GUS M. BILIRAKIS, Florida
JERRY McNERNEY, California	VERN BUCHANAN, Florida
ZACHARY T. SPACE, Ohio	
TIMOTHY J. WALZ, Minnesota	

Malcom A. Shorter, *Staff Director*

SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS

JOHN J. HALL, New York, *Chairman*

CIRO D. RODRIGUEZ, Texas	DOUG LAMBORN, Colorado, <i>Ranking</i>
PHIL HARE, Illinois	MICHAEL R. TURNER, Ohio
SHELLEY BERKLEY, Nevada	GUS M. BILIRAKIS, Florida

Pursuant to clause 2(e)(4) of Rule XI of the Rules of the House, public hearing records of the Committee on Veterans' Affairs are also published in electronic form. **The printed hearing record remains the official version.** Because electronic submissions are used to prepare both printed and electronic versions of the hearing record, the process of converting between various electronic formats may introduce unintentional errors or omissions. Such occurrences are inherent in the current publication process and should diminish as the process is further refined.

CONTENTS

October 9, 2007

	Page
Personal Costs of the U.S. Department of Veterans Affairs Claims Backlog	1
OPENING STATEMENTS	
Chairman John J. Hall	1
Prepared statement of Chairman Hall	49
Hon. Doug Lamborn, Ranking Republican Member	5
Prepared statement of Congressman Lamborn	50
Hon. Timothy J. Walz	6
Hon. Maurice D. Hinchey	31
WITNESSES	
U.S. Department of Veterans Affairs, Michael Walcoff, Associate Deputy Under Secretary for Field Operations, Veterans Benefits Administration	38
Prepared statement of Mr. Walcoff	62
AMERICAN LEGION, DEPARTMENT OF NEW YORK, R. MICHAEL SUTER, CHAIRMAN, VETERANS AFFAIRS AND REHABILITATION COMMISSION	
Prepared statement of Mr. Suter	12
Lazos, Alex, Harriman, NY	52
Prepared statement of Mr. Lazos	19
Orange County Veterans Service Agency, Goshen, NY, Anthony Zippo, Director	56
Prepared statement of Mr. Zippo	9
Prepared statement of Mr. Zippo	51
Ryan, Christopher and Angela, Ellenville, NY, on behalf of Sergeant Eddie Ryan	33
Prepared statement of Mr. and Mrs. Ryan	61
Senior, Eddie J., West Harrison, NY	23
Prepared statement of Mr. Senior	59
Vietnam Veterans of America, Ned Foote, President, New York State Council, as presented by John Rowan, National President, Vietnam Veterans of America	11
Wolf, Ted H., Pomona, NY, as presented by John Rowan, National President, Vietnam Veterans of America	21
Prepared statement of Mr. Wolf	58
SUBMISSIONS FOR THE RECORD	
American Legion, Poughkeepsie, NY, Michael Tokarz, Legislative Council Member, statement	65
Rockland County Veterans Service Agency, New York, NY, Jerry Donnellan, Director, statement	66

PERSONAL COSTS OF THE U.S. DEPARTMENT OF VETERANS AFFAIRS CLAIMS BACKLOG

TUESDAY, OCTOBER 9, 2007

U. S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND
MEMORIAL AFFAIRS,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 9:30 a.m., in New Windsor Town Hall, Town of New Windsor Justice Courtroom, 555 Union Avenue, New Windsor, New York, Hon. John J. Hall [Chairman of the Subcommittee] presiding.

Present: Representatives Hall, Lamborn and Walz.

Also present: Representative Hinchey.

OPENING STATEMENT OF CHAIRMAN HALL

Mr. HALL. Good morning. Welcome to the field hearing of the House Committee of Veterans' Affairs Subcommittee on Disability Assistance and Memorial Affairs. This is a field hearing—

VOICE. Can't hear you.

Mr. HALL. Welcome to the House Veterans' Affairs Subcommittee on Disability Assistance and Memorial Affairs field hearing on the personal costs of the U.S. Department of Veterans Affairs (VA) Claims Backlog.

First of all, I'd like to ask everybody to rise, and Mr. Michael Tokarz of the American Legion Legislative Council to lead us in the Pledge of Allegiance.

[Pledge of Allegiance.]

Mr. HALL. A few preliminaries.

In accordance with Committee Rules, I'll ask, please, that everybody turn off their cell phones and pagers. I will do that myself, to set a good example.

I'd like to welcome to the 19th District of New York my colleagues, Doug Lamborn, from Colorado, our Ranking Member on the Subcommittee; and Tim Walz, from Minnesota.

VOICE. Speak up, please.

VOICE. Can't hear you. And I got hearing aids.

Mr. HALL. I can try to talk still louder.

This is Congressman Lamborn from Colorado, the Ranking Member on the Subcommittee; and Congressman Walz, from Minnesota, who have come here, so that we can conduct this important field hearing.

First, I'd like to thank the witnesses for coming today to appear before the Committee. I know the issues pertinent to the claims

backlog at the Department of Veterans Affairs are of utmost importance to you.

On a personal note, as Chairman of the Veterans' Affairs Subcommittee on Disability Assistance and Memorial Affairs, it is a special privilege for me to conduct this hearing in my District, in the Town that my mother-in-law lives in, by the way; and an honor for me to be able to address the issues facing local veterans in or near their home towns.

For our veterans who are testifying today, I know that you have endured a great deal in seeking disability benefits from the VA, and I thank you for sharing your experiences so that other veterans might not have to suffer the same result.

The claims backlog of over 600,000 cases is very troubling. The current waiting periods at all levels of the VA disability benefits system, from 177 days at the regional office, to 700 days at the Board of Veterans' Appeals, or 240 days at the Court of Appeals for Veterans Claims, are all unacceptable.

Five years of funding shortfalls have exacerbated the backlog and created unmanageable wait times. This backlog is simply unacceptable, and the VA has shown little ability or interest in reducing the number of claims pending a decision.

These veterans have mortgages, medical bills and tuition bills for their children's educations. The bill collectors don't wait 6 months, 2 years or 5 years to collect. You have to pay them every month.

Ultimately, I believe the VA must meet the same standard; veterans should receive their claims decisions within a month.

In the more immediate future, however, we must focus on the VA reaching a goal of 60 days to process a claim. These veterans stood up for our country, when asked, and now it's our turn to stand up for them.

Congress also has responsibilities to give the VA the tools needed to help achieve that goal. Rather than saying "everything is under control," the VA needs to admit that there's a problem and tell us where we can make things better. The VA must hire better trained staff; utilize new technologies; and reform the system so it truly works for the veteran, not against him or her.

Despite the backlog, I firmly believe that this system is girded by a cadre of dedicated and professional employees who are committed to our veterans.

I know that my office has a wonderful working relationship with the New York VA Regional Office that serves our District, and I commend the employees there for the fine work they do every day for our veterans.

However, the New York City VA Regional Office performance on processing claims has fallen, for whatever reason, far behind the national average. Currently, it averages 255 days to complete a claim, and has a pending backlog of 9,639; 20 percent higher than its goal of 7,952.

Furthermore, the Regional Office accuracy rating is 83 percent, meaning 17 percent of veterans are getting thrown into the hamster wheel of the appeals process, which can take years to complete.

I'm heartened by the fact that the fiscal year (FY) 2008 budget bills will provide funding for over 1,000 full-time employees

throughout the Veterans Benefits Administration (VBA), to help with this overwhelming work backlog.

I look forward to sending the bill to the President in the coming weeks. However, I firmly believe that the only way to maximize the VBA's employees' effectiveness and lessen the backlog is to give them the necessary tools and training to provide accurate ratings.

As such, I look forward to receiving information on the VA's STAR training program updates, as recommended by the Institute for Defense Analyses (IDA).

As the home of the United States Military Academy at West Point, the 105th Airlift Wing of the Air National Guard at Stewart Airport, as well as Camp Smith, an Army National Guard Facility, we in the 19th Congressional District find that issues pertaining to the backlog hit especially close to home. There are over 70,000 veterans living in the District. The wars in Afghanistan and Iraq have a significant impact on the District, particularly the West Point community.

Sadly, West Point, which Congressman Lamborn, Congressman Walz and I had a helicopter tour of and a brief foot tour this morning, has had 55 graduates die in combat since September 11, 2001.

With a number of these graduates heading to a combat zone, the VA's ability to deal with future claims is especially important to our community, as well as to the Nation's ability to retain future military officers.

The men and women who have suffered physically, mentally and financially for months and years, while waiting for their benefits from the VA, are the same men and women who stood up and served their country when they were needed. Now they are made, it seems, to jump through hoop after administrative hoop just to receive the basic care and benefits they have more than earned with their sacrifice.

Fulfilling our pledge to them, when asked, is the least we, as a grateful Nation, can do.

The first panel of witnesses today will present testimony regarding the impact the extended waiting periods at the VA have had on the organizations that they represent.

We will also hear the testimony of 4 veterans, from 3 different wars, who will discuss the impacts of long waiting times on their personal lives and financial well-being. I look forward to their testimonies.

I also would note that Ted Wolf, a Vietnam veteran battling prostate cancer, was scheduled to testify here today. While we will hear his testimony, because of health problems, he cannot be here himself. Ted and I have met on several occasions, and I'm praying for him and his family at this difficult time.

From the VA, I'm looking forward to hearing what it is doing or intends to do to place appropriate resources in the New York Regional Office, what it is doing to both address the 600,000 plus claims backlog, and to reduce waiting times.

I want us all to remain aware of the special privilege we possess in being able to devise the policies and administer the benefits for these brave men and women and their families. There is real sanctity in this privilege. We should always be mindful of whom we are serving.

Before I move on to other Members, I would like to recognize several members of the audience. Michael Tokarz, member of the American Legion Legislative Council, and Jerry Donnellan, the Veterans Service Agency Director for Rockland County, have provided written testimony for our record.

Thank you.

Nelson Rivera and Tom Myers, the Veterans Service Agency Directors for Dutchess and Westchester County respectively, are here as well. I want to thank them for helping. And I thank all our County Directors for their work in helping New York Veterans.

We are lucky enough to have 2 Directors of National Veterans Service Organizations here today; John Rowan, the National Director of Vietnam Veterans of America. Thank you. Good to see you again. And Larry Shulman, the National Commander of Jewish War Veterans of the U.S.A. Thank you for being here, thank you for your service, as well, and for making the trip.

I also want to thank Ron Touchy, Commissioner of Veterans' Affairs in the New York State Department of Labor, for attending. George Basher, the Director of New York State Division of Veterans' Affairs. In addition to his service to New York Veterans, Mr. Basher also serves on the Advisory Panel on Homelessness of the Secretary of Veterans Affairs in Washington. Vitally important work.

Norm Bussel, a POW from World War II and an advocate for veterans is here. Thank you, Norm. Mr. Bussel and his wife, Melanie, first helped Alex Lazos, who will testify shortly, file his claim with the VA. Mr. Bussel provided compelling testimony for this Committee in Washington, and I'm pleased to see him again.

Thank you to Supervisor George Green, of the Town of New Windsor, for letting us use this facility today. And Supervisor Novack, from Mount Hope, for attending.

I also want to thank Arlene Randell, Michael Blythe, Richard Hody, John McDonald, Patrick Mangan, Jonathan Randell and Jessica Marina for helping us get all of this set up. And thank all of you for attending.

You probably are aware, but just for those who have not been to a Congressional Committee or Subcommittee hearing, this is a public meeting in the sense that the public can watch and listen, but it's not public comment. So, just for information's sake, we have a full schedule of business that we need to do in a short time. We have witnesses who have already been called. And in case anybody came here unbidden, hoping to give testimony or to speak to the Committee, what we're doing is opening the record for 5 business days to accept written testimony from any veteran here who is not on the panel, and to revise, extend and receive additional statements and remarks.

I request unanimous consent that the record remain open for 5 business days.

Without objection, so ordered.

I would now like to formally welcome our Ranking Member, Doug Lamborn, to the District, joining us all the way from Colorado's 5th District, home of the Air Force Academy. There's a big game coming up in 2 weeks, by the way. I now recognize him for his opening statement.

Thank you for being here. I know you're just as committed to fixing the VA's claims backlog as I am.

[The prepared statement of Chairman Hall appears on p. 49.]

OPENING STATEMENT OF HON. DOUG LAMBORN

Mr. LAMBORN. Thank you, Mr. Chairman. And I want to thank you for inviting me here to New Windsor, to hear from witnesses on the personal costs of the claims backlog.

Before I begin, I also want to recognize Larry Shulman, the National Commander of the Jewish War Veterans of the U.S.A. Thank you for your attendance today.

Also, I want to welcome John Rowan, the National President of Vietnam Veterans of America.

So I look forward to working with both of you in the coming year.

As everyone is aware, the VA's compensation and pension backlog has reached an epic and regrettable level. The over 400,000 disability compensation claims in the backlog are not just marks on an inventory sheet, but represent a real veteran or their family who is waiting patiently for VBA to adjudicate their claim in an accurate and timely manner.

In reading the testimony of the second and third panel, it seems to me that there is much work to be done in reaching this human level.

I am also not convinced that if we had the same hearing in my home State of Colorado, that we would not find other veterans with similar problems of those veterans who are with us here today in New Windsor.

VA has set a goal to decide a given claim in an average of 125 days. While more than 4 months strains the meaning of the word prompt, it is not unreasonable, given the complexity and demands of the Veterans Claims Assistance Act (VCAA) and other administrative requirements, but we need the VA to just do it.

I know that we in Congress bear some responsibility for all this complexity. And I'm always looking for ways to help improve the bureaucratic process while safeguarding it for veterans. That is why my staff and I have consistently asked VA to help us help you.

To the VA I say, send us legislative proposals and solutions for all of the challenges that are listed in Mr. Walcoff's written testimony.

While I acknowledge that there is no silver bullet that will eliminate the backlog, I believe we can take immediate vital action by passing my bill, H.R. 3047, the "Veterans Claim Processing Innovation Act of 2007." This would be an important first step to helping solve problems in the VA's claims process. H.R. 3047 will bring VA's compensation and pension system into the 21st century by increasing accountability and leveraging technology at the VBA. This bill would improve the accuracy and speed of benefits claims.

While I agree that VBA is making some improvements in terms of timeliness and needs to be adequately staffed, I am concerned that quality may be sacrificed in the name of speed.

Mr. Chairman, I know that we can both agree that after our 2 hearings; this session on the Board of Veterans' Appeals and the Court of Appeals for Veterans Claims, that accuracy is a problem systemwide. One way to improve this is by increasing training and

accountability at VBA, something that is included in H.R. 3047, by requiring an independent agency to review and certify VA's training programs. I would rather have a veteran wait just a little bit longer for an accurate and fair rating, than have them receive their rating quickly and be wrong. It is imperative that all claims are done right the first time, and I know that improving training is the first step toward this.

I thank you, Mr. Chairman, for promising to hold a legislative hearing on H.R. 3047 later this month.

I want to thank all the witnesses who have come here today for the testimony they will be giving. And I want to thank my good friend, Chairman John Hall, for inviting me here this morning.

And I yield back to the Chairman.

[The prepared statement of Congressman Lamborn appears on p. 50.]

Mr. HALL. Thank you.

Now for an opening statement, we'll recognize a Congressman who I believe is the highest ranking enlisted person to serve in the United States Congress, retired Sergeant Major, Mr. Tim Walz, from Minnesota.

OPENING STATEMENT OF HON. TIMOTHY J. WALZ

Mr. WALZ. Thank you.

Well, thank you. And thank you to the Chairman Hall.

For the gentleman in the back, that was—that was 24 years in the artillery, so you and I can have that conversation of not hearing back and forth.

But I want to thank the Chairman for holding this hearing. I want to especially thank him for his passionate voice on this issue of bringing this to Congress. Not a day goes by, not a hearing goes by where Congressman Hall doesn't express the desire to make this system better and to do whatever is possible to serve our veterans. And for that I'm thankful.

And for Ranking Member Lamborn coming to us from a very important District, he may have one of the largest number of veterans living in his District of any place in the country, with the Air Force Academy being there and Fort Carson being located right there too, so he brings a passion to this.

And I think the one thing you're going to see on this day and the things that you hear about the—the breakdown of communication in Congress, you can rest assured that this Committee and those of us up here, there is no partisanship on this issue. We don't even talk about bipartisanship on this. This is non-partisan.

This is a critical issue, not only for the moral responsibility of taking care of our veterans, but for our National security interests of making sure our younger generation understands that when they sign up and they serve this Nation, they're going to receive the promises that were given to them, and we're going to follow through with them.

So to both of these gentlemen, I thank them for their passionate voice. And you can rest assured, this is one area where I think the people's business is being done. I'm proud of the work we're doing, but we're sure not willing to rest.

This issue of the claims backlog—and as—as Chairman Hall indicated, when I got to Congress, I did not know this at the time, but the House Historian came up to me and he said, Mr. Walz, in the 228 years of Congress, you are the highest ranking enlisted soldier to ever serve in Congress as a Command Sergeant Major. And I told that at one of these hearings, and it was with the Veterans of Foreign Wars (VFW) of the United States, and one of their members stood up and said, it's about damn time then that we get that done.

So I'm proud to serve with these gentlemen. I'm proud to understand. I sat where many of you are. I want to thank all of those people here from the veterans service organizations (VSOs) and those working with veterans.

The one thing you can be assured of on this issue, there may be differences on how to accomplish what we're after, but there is absolute unanimity in how we are going to address this issue and the importance of it.

And those of you in those veterans service organizations, who have spent decades, literally decades, fighting for what you know is right, I'm here to tell you that this Committee and this Congress that's—that's taking on these issues of veterans' benefits understand that we in Congress and the Veterans' Affairs Committee and the Veterans Affairs Department need to understand that they are advocates for you. Not adversarial. And we need to change the culture of that. We need to understand that what we're trying to do here is what this country wants.

There is no issue that unifies this Nation more than the care of our veterans. You cannot find anyone that does not want to do what's right or want to deliver those services. And it's incumbent upon us that sat here, and those of us delivering the services through Veterans Affairs to figure out: Do we have the resources necessary to do that? Do we have the systems in place to deliver that? And are we providing constant oversight to make sure that happens?

And those that are here, I say it every time we have these testimonies, but one thing you can rest assured is we're partners in this. We're simply looking to make the system better.

And when I go to the hospital that's in my State, it's 1 of the 4 polytrauma centers located throughout the country, at the Minneapolis VA, that facility is providing the highest quality of care of any medical facility in the world, and they are treating the most grievously injured soldiers with traumatic brain injuries, and multiple amputations coming back from our current conflict. And I'm up there with a mother from Michigan, who is sitting there with her son, who is a double amputee and has traumatic brain injury, and she tells me the only thing that gets her through every day are the angels that serve on that floor of that VA facility, and that's the nurses and the doctors that take care of him.

So all of us understand, we're in this together. We're trying to improve the quality of care.

Many of us find it unbearable that we're asking our veterans to wait on this. And many of us find it unbearable that we're falling into a situation where we're pitting one group of veterans before another. And that situation is very difficult, because there is not

a veteran or a supporter alive that doesn't understand triage and doesn't understand that those most in need of care need to go first. But it's very difficult for me, when I've got a First Sergeant from the Korean war who is sitting out in Rochester, Minnesota, and is being told he has to wait in line for his injuries that he received in combat defense of this Nation, at a time when they're telling us we can't—we don't have enough. We don't have enough care providers to get this soldier in and to get him taken care of.

So this claim backlog, this situation that just strikes at the heart of many of us as being just a grievous injustice to our—to our veterans, and we cannot allow it to be a faceless bureaucracy, and blame it on the bureaucracy, or whatever.

As Congressman Lamborn said, and I applaud him every time he says this, to cut through this bureaucracy, to streamline it, to keep the safeguards in place, but, for goodness sake, give the benefit of the doubt of presumption to the veterans. And not the other way around. That these people who served our Nation, and were injured in defense of it, are now being asked to try and prove that they were injured in many cases.

And my colleague, who is not here today, but Congressman Phil Hare from out in Illinois, always talks about, and I think it's an intriguing idea, the assumption is when you file your tax returns, that you're signing on there that you're telling the truth. And what they do is, they come back and audit, if you're not telling the truth. So you can file your tax return, get it in, get it entered and get a rebate, out of the millions and millions that are being filed, within a 10-day period now. Why don't we have the presumption that many of these people who are coming in, the presumption is that they're telling the truth, and we'll go back and audit. So if there's 2 percent committing fraud, 98 percent of our veterans are being made to wait up to 700 days. So somewhere in there we can change our assumption, change that paradigm of how we're looking at it. And give those who are trying to administer this, these VSOs and these County Veterans Service Officers (CVSOs) who are out there, trying to do the best they can, and they're working inside our State administrations of veterans are having an incredible burden put on them.

So I thank the Chairman and thank the Ranking Member for having us here. I'm looking forward to this testimony.

And, as Congressman Lamborn said, you could replicate this in Colorado, you could replicate this in the First District of Southern Minnesota, and you would hear the same stories, with the same concerns. And I think it's time for us, as to understanding our responsibility, as now is the time for change, not just talk.

So I yield back.

Mr. HALL. Thank you, Mr. Walz.

Now I'd like to ask our first panel to join us at the witness table.

Our first panel includes Anthony Zippo, Director of the Orange County Veterans Agency; Ned Foote, New York State Council President for Vietnam Veterans of America; and John Rowan will be joining him for any possible questions that are directed at that organization; and R. Michael Suter, Rehabilitation Field Coordinator for the American Legion.

I'll remind our panelists that your written testimony has been submitted for the record, so you'll be each recognized for 5 minutes. There's no need to read the whole thing, if you don't want to. You can just give the highlights or whatever you think is most important for us to hear. Your written testimony is already part of the record.

Please limit your remarks to 5 minutes, so that we have sufficient time for follow-up with questions, once everybody has provided their testimony.

Mr. Zippo, we'll go ahead and recognize you for 5 minutes.

STATEMENTS OF ANTHONY ZIPPO, DIRECTOR, ORANGE COUNTY VETERANS SERVICE AGENCY, GOSHEN, NY; NED FOOTE, PRESIDENT, NEW YORK STATE COUNCIL, VIETNAM VETERANS OF AMERICA, AS PRESENTED BY JOHN ROWAN, NATIONAL PRESIDENT, VIETNAM VETERANS OF AMERICA; AND R. MICHAEL SUTER, CHAIRMAN, VETERANS AFFAIRS AND REHABILITATION COMMISSION, AMERICAN LEGION, DEPARTMENT OF NEW YORK

STATEMENT OF ANTHONY ZIPPO

Mr. ZIPPO. Thank you, Chairman Hall and the other Members of the Subcommittee on Disability Assistance and Memorial Affairs for giving me the opportunity to speak for our veterans here in Orange County.

We have approximately 27,000 veterans in this county, including 1,300 Iraqi veterans.

Last year Orange County received \$27 million from the Veterans Administration for its disability and pensions.

As a county veterans service agency, our staff has the first-hand experience with the issues facing veterans today. One of the most frustrating aspects of assisting veterans with disabilities or their survivors, is having to explain that the Veterans Administration processing time could take up to a year, or more. Sometimes 3 months, sometimes 6 months, sometimes 9 months. There's no rhyme or reason to these claims. There is no explanation why it should take so long.

We are taught by the Veterans Administration and Veterans Organizations to submit completed claims. Even—often, even when our evidence is submitted, issues are not addressed and the claims are delayed. Delaying the claim may also delay the veteran's medical care, education, vocational rehab, tax exemptions and other benefits that the veterans need.

Very often, these are the people who, due to serving their country, are no longer able to support their families or otherwise return to their former lives.

There was a family stationed here at West Point. This family had, I believe, 8 children. The officer was in the Reserves and being deployed to Iraq. He was an engineer at civilian life, making a good salary. Of course, being deployed changed all that. West Point didn't have the quarters for the family, causing them to live off base. The American Legion had to take this family under its wings and help house and feed them.

Many of our veterans are reservist or National Guard activated to federal duty. When they are deployed, they leave behind their families and their jobs. Many return with injuries, physical and emotional, and are unable to assimilate back into their former lives due to the post service disabilities.

The delay in the adjudication of these claims put their lives on hold. Monetary benefits and vocational rehab benefits granted in a timely manner could make a more seamless transaction back into civilian life.

There are some veterans who, because of the delays, are getting deeper into financial debt. They are paying for their medical care, and they do not receive any benefits from the VA until their claim is settled.

In December 2005, we assisted a remarried widow with an application to have her Dependency and Indemnity Compensation restored. This entitlement was based on her husband who was killed in action in World War II. Her benefits were not restored until March 2007, and only after we advised her daughter to contact the mother's Congressman, which is Congressman Hall's office, and the Congressman contacted the VA. During the 15 months the claim was pending, the widow became gravely ill. It appeared she might pass away before she received her benefits. This was especially frustrating because it was noted in the VA records on May 11, 2006, that her benefits should be administratively restored.

Now to defend the Veterans Administration. Their staff in the regional New York Office was close to 300 about 3 years ago. Now it is around 100, due to hiring freezes, plus their workload has increased because of the war in Iraq. Now they are starting to hire again. Many—however, many of the people are retiring, taking their experience with them. VA claims processing is not an easy job. It takes years of working with these claims and training to get the experience to rate a good claim.

Now, 2 examples of Iraqi veterans. An Iraqi veteran was discharged May 31, 2006. The VA received the claims of several conditions on June 1, 2006. It was noted on the claim that he was an Iraqi veteran. The claim was still with the pre-determination team at least until March 5, 2007, as per the American Legion. On May 7, 2007, the VA granted one of the claimed conditions 10 percent for tinnitus. All other claimed conditions are deferred and still pending after 15 months.

Another example is an Iraqi veteran with 2 periods of active duty was discharged December 10, 2005. The VA received a claim on May 18, 2006, as per the American Legion. The VA pre-determination team, as of December 4, 2006. The claims filed in the front office were continued—continued under deployment. As per the American Legion, on April 16, 2007, the claim was with the pre-determination continued development. The claim is now 16 months old.

Thank you.

[The prepared statement of Mr. Zippo appears on p. 51.]

Mr. HALL. Thank you, Mr. Zippo. We'll come back to you for questions.

Now we'll recognize Mr. Foote for 5 minutes, please.

STATEMENT OF NED FOOTE, AS PRESENTED BY JOHN ROWAN

Mr. FOOTE. Thank you. I'm Ned Foote. I'm President of the New York State Council of Vietnam Veterans of America. My testimony has been confiscated by our National President.

Mr. HALL. Excuse me.

Mr. FOOTE. Following the chain of command.

Mr. HALL. Sir, excuse me. Could you speak as close to the microphone as you can. And loudly.

Mr. FOOTE. Can you hear me now?

Mr. HALL. It's the people in the back that need to hear you. So thank you.

Mr. FOOTE. I'm here to represent our veterans in New York State that also has a backlog of claims. One gentleman in the back here just told me this morning, he's going on 4 years of waiting for something to be done.

So I'm basically here to help answer questions that you may have.

I'll turn it over to our National President.

Thank you.

Mr. ROWAN. Mr. Chairman, and Ranking Member Lamborn, Mr. Walz. Good to see everybody again.

Unfortunately, because of other business, we were unable to produce a written testimony. And we will—I will be reading some testimony in the next panel, which will give you a more personal view of what happens to an individual when they come into this backlog and other delays.

But the real question here is—is not just the new veterans either. I mean, one of the things that needs to be clear is, unfortunately, a lot of us older veterans are coming into the system now, many years after the fact.

The nature of warfare, since Vietnam, and to some extent even before, but certainly in Vietnam and in the Desert, in the Gulf War, first Gulf War, and even today in the new Gulf War, we are seeing and running across things that are unusual in warfare, I guess, except in these modern times perhaps it's becoming the norm, and that is people become disabled not only because of injuries inflicted upon them during combat, but from being exposed to toxic substances, in our case, in Vietnam, Agent Orange, in the new case all these gases and pollution and all kinds of parasites and other kinds of things in the desert that don't flourish until many years after somebody has left the service.

And so while it is true that the new—that the VA was certainly not ready to service 60,000 wounded veterans coming back from the war, they also are not ready for the thousands of diabetics that are being released into the system now, 30, 40 years after the fact.

And I keep using myself as the classic example. Until I got diagnosed with diabetes, and then, of course, neuropathy and some other aspects of the secondary conditions to the diabetes, and until the VA finally agreed the diabetes was related to Agent Orange, I was never service connected for anything. I, thankfully, got through the war unscathed, but it caught up with me 40 years later. This is happening to many of the Vietnam veterans; that is prostate cancer, diabetes, lung cancer, several other kinds of can-

cers that we're getting in our fifties and sixties and now have to file claims.

There are 200,000–250,000 Vietnam veterans that have already filed claims of diabetes with the VA. We think, by the way, that number is about half of what it ought to be. And one of the things we're trying to do is do massive outreach to the private-sector medical community, so that they can inform their veteran clients about what it is they're entitled to. And we're in the process of doing a massive outreach in that regard. And we're trying to work with some of the drug companies, etcetera, who talk to doctors on a regular basis.

We have also just formed what we're calling—we're about to form what we're calling the Veterans Health Council, made up of various medical groups, such as physicians and nursing groups and other kinds of folks, along with the various advocacy groups for certain diseases, such as the American Diabetic Association, the Prostate Cancer Awareness Groups, and things like that, because we need to pull these people together to get them to understand what it means to be a veteran and how it impacts on their health.

We had a big meeting with one of the major drug companies that deals with diabetic drugs. And their diabetic educator, who has been working on the program for 7 years, had no idea that there was a connection with veterans, with Vietnam veterans.

So this is really what's compiling the backlog, that and the fact that, in a perverse way, it's really strange, that many of the Vietnam veterans who worked for the VA are now retiring, and they're not being replaced, haven't been replaced in many years, and so all of the VA Regional offices, except for maybe a couple, are way understaffed.

And, of course, Congressman Lamborn, you were right on when we talk about the fact that this is a horrible, antiquated system that needs to be upgraded and brought into the 21st century with computerization.

Thank you.

Mr. HALL. Thank you, Mr. Rowan.

Mr. Suter, you're now recognized for 5 minutes.

STATEMENT OF R. MICHAEL SUTER

Mr. SUTER. Mr. Chairman and Members of the Subcommittee, on behalf of our National Commander, Marty Conatser, and, of course, our Department Commander, Bill Burnett, I thank you for this opportunity to speak on behalf of VA claims backlog and its impact on our veterans economically and physically.

My formal statement has been submitted, and I'm going to take this advantage to hit it from another angle and not even worry about that.

As a Veterans Affairs representative and a past County Veteran Service Agency Director, my most difficult task was to tell a veteran the claim was denied and now we must appeal the Regional Office's (RO's) decision. The first question that comes up by that veteran is, what am I supposed to do for the next year, or more, while I wait on a decision?

In FY 2006 the VBA issued 39,076 decisions. Ninety-five percent of those involved comp claims. During the 11 months following

that, the first 11 months FY 2007, the VBA issued more than 37,000 decisions. Only 41 percent of the RO decisions were affirmed. Twenty-one percent of the RO decisions were overturned. Thirty-five percent of the regional office decisions were remanded.

Further development, emphasis on the production continues to be the driving force at the RO, at times taking priority over training and quality assurance.

In my official statement, I listed 5 different veterans, actually 4 different veterans and a widow of a World War II veteran, who are having a lot of difficulty trying to get what is owed to them.

The claims backlog—and this is something that we don't talk about very often. We say, okay, it's going to take a year to get your claim approved or denied, or whatever it's going to be. That decision also affects veteran's entitlements to other benefits. Those benefits, free healthcare for your service-connected disability; both rehab and job replacement; special adaptive housing. Automobile grants; 10 additional points for preference on a civil service desk; additional allowance for dependents; and Champ VA medical coverage for dependents.

A veteran's nightmare, when a claim must be appealed, is not that of the war, but rather will the bank defer my mortgage payments for the next year and a half? Where do I get my next meal for my family? How can I get clothes and other things, school supplies, for my children, so they can go to school?

There's enough blame to go around, so, you know, we don't need to point fingers. This isn't a political problem, in any stretch of the imagination. It's not a Democratic or Republican issue. This is an American challenge to take care of those who have taken the time out of their lives to stand up and be counted.

Dating back to the Civil War we've had the same issues over and over again. We might call it something different, rather than shell shock, it's post traumatic stress disorder (PTSD), or whatever. The bottom line is since the Civil War we've had these problems. They've not gone away. War is terrible. It takes a terrible tragedy on the body. And we know that for a fact. While some have had to pay the ultimate sacrifice, others have sacrificed their bodies and their minds to ensure our way of life.

Please don't just throw more money at the issue. Ensure the staffing needed is provided. Ensure the ROs have time to train. And please drop the quotas from all that they do, which puts nothing more than one part of the VA against the other. In this case, the VBA against the RO. The VBA wants production. Trouble is when they put a quota on the regional office, that forces that production. The VBA is trying to cut back on remands. It's kind of hard for them to do it without blaming the ROs for their quality of production. It's just a very difficult thing. We need to all get together.

The VA practices, or at least talks about, a "One VA." We need to ensure that VA does everything that our veterans need them to do.

It is an extreme disservice to veterans, not to mention unrealistic, to expect the VA to continue to process an ever increasing workload while maintaining quality and timeliness with less staff.

I'm a service-connected veteran, and I'm not mad at the VA, although I do get a little frustrated from time-to-time with them. The VA is not the enemy of veterans. Inadequate staffing levels is the enemy of veterans. Pressure to make quick decisions is the enemy of veterans. All of which results in an overall decrease in quality of work and more appeals.

A standard concern the VSOs have stated was here in the Washington District. And I know that you had the opportunity to listen also to the American Legion testimony about 2 weeks ago, I believe it was, now.

Today you're hearing from veterans young and old alike. I thank you again, Mr. Chairman, for conducting this field hearing, coming at home out here in your own home, to the trenches to listen to what veterans have to say.

Thank you, sir.

[The prepared statement of Mr. Suter appears on p. 52.]

Mr. HALL. Thank you, Mr. Suter.

Thank you all for your testimony.

I'll just start the questioning from up here. We'll each have 5 minutes to ask questions of each panel.

I would begin by asking Mr. Zippo, you mentioned that the New York office was down from, a staff of 300, to 100. Is that claims processors?

Mr. ZIPPO. Yes, sir.

Mr. HALL. Okay. What do you think would be adequate for the caseload that's coming through there; restoring that back to 300 or—

Mr. ZIPPO. That I'm not sure of how many. But if they change the system—the Congressman mentioned triage.

Mr. HALL. Right.

Mr. ZIPPO. Again, when we send completed claims in, if it went through a triage team, they can be finalized right there and sent right out for adjudication.

Mr. HALL. That makes sense.

Would you think that it would help if the Court of Appeals for Veterans Claims or VBA had a requirement when they see a claim, a multi-faceted claim, to rule on all facets of that claim the first time they see it?

Mr. ZIPPO. Yes, sir, that would really help a lot.

Mr. HALL. Thank you.

Mr. Foote and Mr. Rowan, whoever wants to take this question, you talked about 250,000 Vietnam veterans filing, in the last year is it?

Mr. ROWAN. Over the last few years. We first got, I believe in 2003, when the Secretary finally signed the ruling that made the presumption—made diabetes a presumption for Agent Orange exposure, that it was related to their service in Vietnam. And that is a classic example of something that can speed up the system.

If we—I've worked as a service rep also, and if we had—the ability for the service reps to file a claim that they would note was ready to rate, and for those in the system know what that means, it's ready to go. And if I have a diabetic and I have a DD-214 that shows they were in Vietnam, that case is a slam dunk, ready to

go. It should not be waiting 6 months to get adjudicated. It should take 6 days to get adjudicated.

The raters ought to be—the triage people ought to see ready to rate across the board by the service rep saying, here it is, here's the evidence, here's the doctor's note, here's the DD-214. Send him his check. I mean, there's just no point to this waiting and waiting and waiting.

And the other issue you raised, Congressman Hall, about multiple problems, sometimes that is an issue. And in some cases we do need to get a doctor from the VA to verify, in fact, that the disease may be an issue.

One of the problems sometimes we see is they wait to rate all of the cases. Instead of saying, for example, if I'm a diabetic and I've come in with retinopathy and neuropathy, as well as, you know, all these secondary conditions. If they're worried about the secondary conditions, give me my 20 percent right away for the diabetic. And then we can talk about the rest of them.

We need to get the system upgraded—but, frankly, all of this is useless, and hiring 100, 200 more raters in New York would be nice, but their system is so horrible because it's paper driven. You have to literally wait for a claim file to go from one desk to the next, instead of working off a computer system, instead of—I actually took some training in what they're going to call the Virtual VA. And I think that was 3 years ago. They haven't even come close to starting that. And that's the real problem.

Mr. HALL. Thank you, Mr. Rowan.

I have a question for Mr. Suter, before we run out of time here.

In your testimony, sir, you mentioned the practice of brokering claims from regional offices with high claims volumes, to regional offices with low claims volumes.

Do you feel that this is an effective practice, or indicative of the need to increase staffing at those offices with the high volumes?

Mr. SUTER. I believe it's probably a combination of both, sir. Those that are farmed out, compared to those that are decided here in New York, because they're from different locations, different raters, you may get different decisions.

And if you've got to argue a case that was sent to Philadelphia, as to arguing a case that is in your own hometown here in New York, makes it much easier for the veterans, makes it much easier for the raters, the VA, everybody concerned.

One of the problems with farming out, and it's not a problem with just farming it out, if you look at every regional office in this country you're going to find out that the rating standards vary. There's no standard for a broken arm. There's no standard for an elbow or a shoulder. There is, if you look in the book, but, unfortunately, the degree, the percentage assigned, whether it's a 10 or a 20 or maybe because there's just a little bit of a hint of something might be there, we'll give him a 40. You go to the next regional office, they won't. They'll keep him at 20. There's no consistency in rating in this country.

Mr. HALL. Thank you, sir.

My time is up right now, even though I'm Chairman. In the interest of staying on schedule, I'll hand this over to Mr. Lamborn for 5 minutes.

Mr. LAMBORN. Thank you, Mr. Chairman.

I have a question for Mr. Zippo, although, Mr. Rowan, if you want to do a follow-up on this, you can, and it's because both of you are or have been veterans service officers.

What can Congress do to make your job work better?

Mr. ZIPPO. I would like to see some more funding, because we get no funding from Congress at all for training.

I know there's a bill that's been passed in Congress already to fund training and outreach. Well, I know it's held up in the Senate right now. But we would love to see something like that.

Mr. LAMBORN. Thank you.

Mr. Rowan.

Mr. ROWAN. I have to harp on the electronics. The ability to be able to sit in front of my computer, talk to my client, enter the data that's necessary into a system that would create the form, and be able to transmit it electronically to the VA, and have them accept that. And then once it got to the VA, also be able to circulate it in an electronic file system.

I've been retired now for over 5 years from the City of New York, where I was working in the Comptroller's Office. We—I reviewed 1,500, 2,000 page contracts daily on a virtual system. I could pull that contract up, it was tabbed like a file cabinet. I could pull any one of those file pieces out. I could review it. Not only that, 10 other people at the same time could review the same file.

I don't see why we can't do that now. I know we can't go back and retroactively do the millions of files. But given the new veterans coming home, we should be able to start with them at least.

Mr. LAMBORN. Thank you both.

Mr. Chairman, I yield back.

Mr. HALL. Thank you, Mr. Lamborn.

We'll now recognize Mr. Walz for 5 minutes.

Mr. WALZ. Thank you, Mr. Chairman. And I thank you all for your testimony. And as I said, I think we could replicate this, because it's the same things we hear, but I thank you for bringing these. And I think it's very important to listen to each of you and put a face to this. Let's not forget that this is a zero sum proposition we're in. No matter how good we get, we can always get better, because if one veteran isn't served, it's all of us, and that's an injustice. So I appreciate the work that you're doing on that.

Mr. Suter, I thought you brought up some very good points on this. And I think that Mr. Suter was hitting on something that has to happen. And I think this possesses the potential to be very healthy for this country to have a national dialogue on how we allocate resources and what we do for our large bureaucracies, or for, in this case, those organizations that provide vital services. There are great employers out there. There are great organizations, non-profits, faith based across the spectrum that are caring and doing things for our veterans.

The issue that each of you know here is, is that as this war ends, and most of us in this room, and I said those wearing the hats that have been there understand, as realists, that we will probably face this again in the future. It's just the nature of the world, be realists on this. We hope for the best. We work for the best. We prepare for the worst.

And in doing this and in the disservice that we do to veterans, this system continues to build on itself and continues to get worse. And what I would say is the national dialogue we're going to have to have is: How do we put the resources there? And I can tell you, I don't think this is all about putting the money at it. I do believe that's a large part of it. But as a schoolteacher, I'm the tightest person you'll ever find. I'm going to take the pencils from this hearing and everything when we're done. That's the way we work. Because we may need them.

But the issue on this is for the first time in 22 years the *Independent Budget*, and those that are familiar with that in here of the veterans service organizations, putting out "X" amount of veterans are going to need "X" amount of care, therefore Congress should budget "X" amount of dollars, and then stand guard over that like a hawk, to make sure that it's spent correctly. This is the first time in 22 years we've got to that point. But I fear that if we just put money at this, without fixing the innate, underlying problems that are there, we are going to frustrate the American public. Because the American public is willing to use the treasury of this Nation to take care of our veterans, but we have to get it right.

There's just a couple of questions that I've got. I want to first go to Mr. Rowan, because of his expertise in this electronic side of things. Nothing frustrates us more than every time we have these hearings—I was one of you, the 26 million, that received the letters on the breach of security on that. You'll be happy to know that since that time, there's been 107 more breaches since, on different numbers.

We've had numerous hearings in this Congress, and the level of frustration that I'm experiencing on this is almost unimaginable. One of the reasons I'm so frustrated is I represent the Mayo Clinic area of Minnesota that has the Mayo Clinic, and they tell me that the electronic medical records, the VistA System by the VA, is the best in the world. That nobody does this better. They do it better than Johns Hopkins, Mayo and all that. Why are we unable to get this transferred over? Why are we unable to make the same? Do you have any take on that, or is it the same as me and you can't understand it?

Mr. ROWAN. I have—I have no idea, to be honest. I just don't. Apparently they've had problems in trying to create a system. I think one of the problems, and I worked in procurement, and I think one of the problems with the Feds is there's a tendency upon agencies to say, oh, we know it better than everybody. So we're going to create our own. There's probably off-the-shelf software that they could probably go out tomorrow and buy, or rent, or whatever it is they need to do to create this system. This is not brain surgery. There's an awful lot of corporations that do this on a daily basis.

As I said, 5 years ago I was working in an office that was able to scan 1500 page contracts in a matter of minutes because they had a high speed scanner, which then allowed everybody to access these things.

I'd also like to jump on Mr. Suter's issue here, about relevancy from region to region, from office to office. Because I worked in the New York VA Regional Office my personal claims go through Newark. I filed, not too long ago, and they finally agreed, after a long

battle back and forth, that they added my hypertension to my—my list of disabilities. However, they gave me a zero. Everywhere else we get 10 percent automatic for hypertension. And I can't figure it out. I've read the district regional office reports that they've sent me back, the statements of claim, and I still don't understand where they get this from. And that's an easy one. When you start getting into PTSD and some of the things that are somewhat more objective, it's all across the board. And I've even known, in some cases, where people have done claim shopping. For those lawyers who know about Judge shopping. Go find a better Judge. Some places you go find a better claim.

One of the things we've had was a lot of Puerto Ricans came up to New York, because Puerto Rico is such a disaster area, as far as the VA Regional Office down there, that they've literally filed their claims up here in New York.

Mr. WALZ. Okay. Thank you.

My last question, I'm about out of time here, this is to Mr. Zippo.

The CVSOs are I think the veterans' best friends on this. They're telling me, since the Health Insurance Portability and Accountability Act (HIPAA) laws came in and some of the privacy and since this data breach, that there's been a real burden on you to be able to get information. You can't even find out sometimes if a claim is being simultaneously processed.

Is that a problem? Are you experiencing that?

Mr. ZIPPO. Well, no, because we have the Trip Training, and that gave us entry into the VA system, so we can actually track the claim, as far as financially where it's going.

But, you know, Mr. Rowan is right, we—I purchased for my office technology, cost \$3,000, produces all the forms. We can actually send it electronically. The VA just can't accept it.

Mr. WALZ. You did this on your own?

Mr. ZIPPO. Yes. We would—I had Trip Training maybe 7 or 8 years ago, and that was mentioned then, that you can electronically send it. But, again, it's 7 or 8 years ago.

Mr. WALZ. But the HIPPA laws didn't slow you down any?

Mr. ZIPPO. No.

Mr. WALZ. Very good.

I yield back to the Chairman.

Mr. HALL. Thank you, Mr. Walz. And thank you to our first panelists for your testimony and for your service to our country and to our Nation's veterans. You are now excused, with exception of Mr. Rowan, of course.

Mr. HALL. Joining us, our second panel of witnesses, is Alex Lazos, from Harriman, New York; John Rowan, National President of Vietnam Veterans of America, and speaking on behalf of Ted Wolf of Pomona; and Eddie Senior, from West Harrison.

Thank you all for joining us. Once again, you probably notice the little light in the middle of the table that's green, you know, for the first 4 minutes, and then it goes yellow, when there's a minute left, and red when your 5 minutes is up. You don't have to go totally by that, but we're trying to stay more or less on a schedule. So each of us will have 5 minutes, and then 5 minutes of questioning from the panel—from the Members to the panel.

Mr. Lazos, would you like to go first? You're recognized for 5 minutes.

STATEMENTS OF ALEX LAZOS, HARRIMAN, NY (VETERAN); TED H. WOLF, POMONA, NY (VETERAN), AS PRESENTED BY JOHN ROWAN, NATIONAL PRESIDENT, VIETNAM VETERANS OF AMERICA; AND EDDIE J. SENIOR, WEST HARRISON, NY (VETERAN)

STATEMENT OF ALEX LAZOS

Mr. LAZOS. Good morning. My name is Alex Lazos. I'm a former Marine Corps combat veteran and attained the rank of Sergeant during my 5 years as a U.S. Marine. I was part of Operation Iraqi Freedom initiative, which became Operation Enduring Freedom, and is still going on as we meet here today.

I enlisted in the Marines directly after graduating high school in 1999, and was honorably discharged in August 2004.

After returning from Iraq, I was experiencing severe mental and emotional disturbances, which gradually worsened with each passing month. After I was discharged, my grandfather, John Lazos, who was an Army paratrooper in World War II and a Purple Heart recipient, encouraged me to seek help from the Veterans Administration. At the time, I wasn't even aware of what the VA had to offer or that its services would be available to me. Nobody told me prior to my discharge or after being discharged. I was just handed my DD-214 and told, "Thank you, your enlistment is over."

I was immediately diagnosed with severe combat related post traumatic stress disorder, though the services and treatments at the time put in front of me were vague and incomplete. The initial process of registering with the VA and trying to "navigate" the system was extremely frustrating, especially trying to get to talk to someone face-to-face. It seemed every phone call I made would result in me being given another phone number. When I was finally given appointments, it would end up having nothing to do with what I called about. I would be scheduled for a physical, when I had a psychiatric complaint, and the medical provider wouldn't even know why I was there to see them. This was going on continuously. I got bounced from one place and one person to the next, meanwhile my symptoms and quality of life worsened and I became more and more depressed and suicidal.

It was not difficult to become disillusioned and downhearted considering it appeared there was no prospect of ever getting any help. By June 2005, I decided to leave New York and try to rebuild my life, hoping a change of scenery would be the answer. I chose to go back to North Carolina, where I had been stationed. It was a terrible decision, but at the time I was not in the right state of mind to make any good decisions, and it only made things worse.

In August 2005, I went to the North Carolina VA Center and filed my initial claim for benefits. I remember being told, "it is a very long process and to expect to get denied the first couple of times."

By September 2005, I was evicted, homeless, severely depressed and attempted suicide. I returned to New York and reentered the VA healthcare system, once again seeking help.

From then until September 2006, I was in and out of inpatient psychiatric wards and drug and alcohol detoxes, amassing legal problems, unable to find or maintain work, and my life and condition continued to spiral down until I hit bottom. Once again considering suicide as a viable option and with my life completely out of control, I entered the Montrose VA, where I would remain for the next 11 months as a psychiatric inpatient.

In January 2007, I re-filed my original claim and found out the VA had given me a rating of zero percent service-connected disability from my prior claim. I was treated primarily for my post traumatic stress disorder during my stay at Montrose. And as the date for my discharge from the Montrose VA neared, my claim had still not been processed, yet I have been diagnosed with severely disabling PTSD and had been in their system for going on 3 years.

You can't imagine the panic that set in, wondering where or how I would live and how I would continue my recovery process. I started writing to all the elected officials, and Congressman John Hall's office got one of my many letters and contacted me. Thanks to his intervention, my claim was expedited and by August 2007, 3 years after I had first filed my claim, I started to receive my benefits.

I can't begin to tell you how the quality of my life has improved. I can live independently and support myself while focusing on my recovery and treatment, and I can finally start rebuilding my life that's been on hold for over 3 years.

I don't understand why it had to take so long to get help. I don't understand how the VA could instantly recognize that I have a serious disabling condition as a result of my military service, yet took 3 years to process my claim and compensate me for it. My experience with the VA and the claims process has been a battle in and of itself, and having returned home from one war to fight another one with an organization that was put in place with the sole purpose to serve veterans like myself is incomprehensible still to me.

I also believe that the full and complete funding should be granted to the Veterans Administration in support of increasing space and duration of programs, an increase in available services and manpower, and the implementation of long lasting, effective changes to better serve and benefit our ever growing veteran population. The claims process needs to be expedited for everyone, and funds to pay disability and compensation benefits need to be made available.

I see a lot of finger pointing and blame going on in politics today over this war and the results of a decision made in 2003. Well, that was 4 years ago, the war's still going on and assigning blame isn't going to change a thing. This isn't a time for blame. It's a time for change. And, unfortunately, whereas war can be declared overnight, the results will last a lifetime. And for the servicemen and veterans whose lives literally hang in the balance, these issues need to be immediately addressed. And despite my relief at having my life back, the guilt that I feel that I've gotten these benefits, while so many of my fellow veterans continue to suffer, is only comparable to the survivor's guilt that I feel for surviving Iraq, while so many haven't.

I would like to reiterate something often lost in the endless shuffle and re-filing of paperwork and political bickering: Generations

of Americans have volunteered to make extreme personal sacrifice, sometimes at the cost of their own lives, to defend and ensure the integrity and future of the United States of America, and as veterans we are asked to pick up a weapon and lay down our lives for our country without question. Shouldn't our treatment on returning home reflect nothing less? I feel that our troops deserve the same level of loyalty and commitment from the Veterans Administration as we were asked to give when we put on our uniforms and swore an oath to our country.

Thank you and God bless the United States of America and the men and women who protect it.

[The prepared statement of Mr. Lazos appears on p. 56.]

Mr. HALL. I apologize for mispronouncing your last name, Mr. Lazos.

Mr. LAZOS. It's okay.

Mr. HALL. Before we go to Mr. Rowan, I just want to quote your question: "Shouldn't our treatment on returning home reflect nothing less? I feel that our troops deserve the same level of loyalty and commitment from the Veterans Administration as we were asked to give when we put on our uniforms and swore an oath to our country." That's a very well put sentence.

Mr. LAZOS. Thank you.

Mr. HALL. Mr. Rowan, speaking for Mr.—

Mr. ROWAN. Mr. Ted Wolf.

Mr. HALL [continuing]. Mr. Ted Wolf.

Thank you, Mr. Rowan.

**STATEMENT OF TED H. WOLF,
AS PRESENTED BY JOHN ROWAN**

Mr. ROWAN. Yes. I'm going to be reading his statement.

My name is Ted Wolf. I'm a Vietnam veteran. I served in Vietnam from September 1966 through August 1967. I was in a transportation unit stationed at the Newport facility on the Saigon River. One of the operations of the facility was the handling of Agent Orange drums. As is well known and well documented, Agent Orange is the Code name for a herbicide developed for the military. The purpose of the product was to defoliate trees and shrubbery where the enemy could hide. My exposure to broken drums containing Agent Orange caused me to become afflicted with prostate cancer.

My prostate cancer did not become "active" until August 2002. However, even before then my family and I experienced other effects of the Agent Orange. In the 1970s, my wife suffered 7 miscarriages. Furthermore, my only living daughter was born with a hemangioma. We now believe that both of these events were related to my exposure to Agent Orange.

My prostate cancer was diagnosed by a urologist in August 2002. I immediately went to Memorial Sloan-Kettering Cancer Center for further information, and eventually treatment. One way in which doctors rate the aggressiveness of prostate cancer is through a Gleason score. A patient is graded on a scale of 1 to 10. I was diagnosed with a 9. At Sloan-Kettering I was treated with localized radiation, as well as hormone therapy.

Sometime during the course of my treatment, I investigated and found out that Agent Orange was a cause of prostate cancer. I submitted an application to the Veterans Administration for disability compensation on account of my diagnosis of prostate cancer. In April 2003, after enduring a physical and sending my medical records from Memorial Sloan-Kettering, I was granted a disability rating of 100 percent.

In February 2004, my disability rating was lowered to 40 percent. I was informed that this reduction in benefits was on account of the fact that I was not utilizing the required number of pads for leakage each day and also because my PSA score (a number used to determine the presence of prostate cancer) had declined. On account of these 2 factors, the Veterans Administration deemed that I was in remission.

I did not feel that this was fair, but I did not have the strength to commence an action. In preparing for this hearing, however, I spoke with my oncologist at Memorial Sloan-Kettering, Dr. Michael Morris. Dr. Morris explained to me that the Veterans Administration's reasons for reducing my benefits were absurd. First, he said there is absolutely no correlation between number of pads used for leakage and the severity of prostate cancer. Second, he explained that although my PSA number had decreased, I was not actually in remission. Rather, he explained, that there is a residual effect from hormone therapy, which keeps the PSA down for approximately 2 to 3 years. What is disturbing is that the Veterans Administration handled my case without having any knowledge of my illness and it made decisions without any basis in fact.

In May 2006, my PSA tripled, indicating that the disease was still active. Bone scans taken in August 2006 indicated progression to 8 different spots on my skeleton. At this point, I contacted the Veterans Administration. They asked me to send proof, which I did, and they then responded by saying that it would be a minimum of 3 to 4 months before any action was taken on my case.

The county in which I live, Rockland County, New York, maintains an Office of Veterans Affairs. I contacted them for assistance, and they recommended that I contact my congressperson. The office of the congressperson attempted to assist me; however, she was defeated in the November 2006 election, and therefore no real action took place.

In January, I contacted the newly elected congressperson, Representative John Hall, and his office rendered immediate assistance. The person in his office who assisted me was Lisa DeMartino. She worked miracles, and within 3 weeks, the Veterans Administration increased my compensation and gave me back compensation from June 2006.

My concern is that without the assistance of wonderful people at the congressional level, the average veteran is forced to wait a long period of time to get any assistance. I pay for my own healthcare. Our family rate is \$14,000 a year, and I am able to select where I want to be treated for my illness. Under no circumstances would I want to be treated at the Veterans Administration. I do not believe that their level of competency for treating my disease would have reached an acceptable level. I have no confidence in them, especially in light of the fact that they lowered my initial benefits,

thereby showing that they had no idea of how prostate cancer functions.

My concern is for the young veterans returning from Iraq and Afghanistan. The backlog that they face in receiving care is unconscionable. Competent healthcare should be available to all veterans. We currently have in place the Medicare system which allows one to select his/her own doctor. This would allow a veteran to find medical care close to home, without having to travel to a VA facility. The closest VA facility may be many miles away, perhaps requiring an overnight stay.

The Veterans Administration has for too long been allowed to defend its bricks and mortar policy of large facilities, which, until the war, were inadequately used. I feel that the American servicemen could best be served by being able to avail themselves of the best private care available.

I want to thank this Committee for investigating the Veterans Administration and the healthcare being provided to our returning veterans. A service person who has volunteered to serve his country should receive the best possible care available, regardless of cost. Their benefits, if unable to continue to work, should be such that they are being paid a living wage to take care of their families. Those that have given so much should not be forced to continue to pay for their willingness to serve their country. Our troops who served with pride and distinction should not have to beg for adequate healthcare. It is our continued responsibility to provide the best healthcare possible whether within the VA healthcare system or the private sector.

As a postscript, I might add that it's known that Vietnam veterans are 3 times more likely than their peers to get prostate cancer.

[The prepared statement of Mr. Wolf appears on p. 58.]

Mr. HALL. Thank you, Mr. Rowan. And I especially thank you, Mr. Wolf. Blessings to you and your family.

We now recognize Mr. Senior for 5 minutes.

STATEMENT OF EDDIE J. SENIOR

Mr. SENIOR. Congressman Lamborn, Congressman Hall, Congressman Walz, thank you very much.

Good morning. I'd like to introduce myself. My name is Eddie Senior. I come before you today in the hope of getting the much needed help with regards to my disability claim, as well as the claims of many other veterans. I also wish to share with you my personal experiences with the Veterans Administration and the hardships and frustrations of the VA claims backlog.

I served in the Army from January 1985 to March 1993. I was deployed for Operations Desert Shield and Desert Storm in 1991 with the 101st Airborne Division. Up until that time, I never had an issue with my health. I served as a helicopter crew member, which required a yearly flight physical and was considered to be in excellent health. Shortly after returning from the Persian Gulf, my health began to decline. The Army doctors were unable to properly diagnose my illnesses. Over a short period of time I became unable to perform my duties as a Sergeant in the Army, and because of my health problems, was forced to leave the service.

After leaving the service, my symptoms persisted and my health continued to decline. I eventually received a letter from the VA urging me to come in for an examination because of my service in the Persian Gulf. During my initial visit I was examined by a VA doctor and was asked to talk about my conditions and symptoms. He quickly dismissed them as something that was "all in my head" and that I was fine. I continued to go to the VA Hospital in the Bronx, and received several tests and examinations. It was during this time that I was advised by the personnel in the compensation office where my exams were scheduled, that I should file a claim with the VA based on my current condition. They suggested that I do it as soon as possible, considering the long amount of time it would likely take to receive a decision. My initial claim was filed in early 1995.

In October 1995 I noticed a lump in my neck. I immediately went to the VA Hospital Emergency Room. After being told by the doctor that I should not have waited so long to come in, I explained to him that I have been coming to the VA Hospital for about 8 months, and that I've been told over and over that there was nothing wrong with me.

After further examinations and a surgical biopsy on the lump, it was discovered that I did, in fact, have something wrong and that it was very serious. The surgeon who did the biopsy said that she saw something that she had never seen before. She requested that a specialist be brought in to help. The second doctor performed 2 more surgeries; the first to diagnose, and the second to remove the cancer that had been found. The third, and final surgery, scheduled for 1½ to 2 hours, took 9½ hours because of the severity of the cancer. During my post-operative care, the surgeon explained to me what he had found, and that he had never seen a case of thyroid cancer as severe as mine. I had hoped this would solve my health questions, but soon realized that this was not the case. My symptoms, which include fatigue, headaches, respiratory and psychological problems, continued and worsened.

Prior to the discovery of the cancer, I was denied VA benefits for my symptoms for lack of evidence proving service connection. Soon after the diagnosis of the cancer, I was awarded a non-service connected improved pension. On the award letter for the pension it was stated that I was being awarded 50 percent for depressive disorder, and 100 percent for thyroid cancer and fatigue, dizziness, concentration difficulties and headaches. I was given the 50 percent psychological rating as a result of a Compensation and Pension (C&P) exam that was given to me in December 1997. Unknown to me, the examining VA doctor stated in his report that this condition was "directly associated" with my military service. This should have given me a "Service Connected" rating of 50 percent for this symptom. I contacted the VA Regional Office, and was told that the pension was the best decision that I could get.

It wasn't until I contacted the Westchester County Veterans Service Office and reviewed my records, both in-service and VA medical, with the veterans representative that I was made aware that the decision and rating I was given was incorrect.

I resubmitted my claim to the VA in August 2005, stating the facts and resubmitting evidence related to my claim. Approxi-

mately 1 year later I received another denial. My Service Officer then assisted me with submitting a Notice of Disagreement. After waiting almost another year, I was scheduled for my second C&P exam at the VA Hospital in May 2007. After waiting for the exam report to be completed, I requested a copy from the VA. I read through it and noted statements made by the examining doctors, where they concluded my conditions started and/or were caused by my time in service.

With this information in hand I truly believed, as did my Veterans Service Officer, that I would receive a service-connected disability rating of 100 percent retroactive to my date of discharge. Unfortunately, this was not the case.

I recently received an award letter from the VA notifying me of their decision to grant me a 60 percent service-related rating for Chronic Fatigue Syndrome.

While waiting for a decision, and in agreement with my Veterans Service Officer, I contacted the office of Congressman John Hall, to seek assistance with this matter. A letter on my behalf from Congressman Hall's office was given to the VA, asking them to review my records, including documentation of medical records indicating service connection for psychological conditions that were earlier documented by the VA. Also service connection dating back to my date of discharge with regards to the opinions of the VA medical doctors. This letter was a reflection of the beliefs of my Veterans Service officer that this claim is not being given the proper rating or retroactive date.

The recent Decision Letter, dated September 7, 2007, made no mention of the psychological condition, and the disability rating of 60 percent for the Chronic Fatigue Syndrome was only backdated to September 2005, instead of March 1993. This decision will now require yet another appeal. The information in my claim file clearly states, on VA medical doctor reports, that my condition manifested in-service, was caused by my service, and persists today to a degree that is considered totally disabling according to VA Regulations. As noted on the Letter Of Decision, the examiner also stated, "That your Chronic Fatigue Syndrome accounts for your array of muscle pain, joint pain, difficulty concentrating, respiratory problems and sleep disturbance." These are the same symptoms that I have been repeatedly denied service connection since my initial claim in 1995. On Page 4 of the C&P exam report it states, in comment one, that my symptoms in-service are more suggestive of Chronic Fatigue Syndrome. This statement proves that the condition was present while I was still in the service. I do believe that if these facts were recognized, a continued appeal on my behalf would not be necessary and I would have been awarded the correct disability rating and retroactive date.

This is just an example of the frustrations experienced by many veterans who file claims with the VA.

As I stated earlier, I find myself needing to file yet another appeal. This will only delay the process yet again. It has been explained to me that this appeal to the Board of Veterans' Appeals could, and most likely, will take approximately 2 more years to have my hearing, with even more time for a decision. It is these

kinds of delays that cause extreme frustration and stress, as well as financial hardship for many veterans.

I have personally been waiting 12 years to settle this matter, and hope by coming here today to speak about my case that I will be able to get the help needed to finally bring closure to my claim.

In closing, I would like to thank you for your time and attention to this urgent matter of importance to myself and the many other veterans who find themselves in the same situation.

Thank you.

[The prepared statement of Mr. Senior appears on p. 59.]

Mr. HALL. Thank you, Mr. Senior.

I'll kick off the questioning by thanking you and thanking you all for your service; Mr. Rowan, and Mr. Wolf, who's absent.

Mr. Lazos, Alex, I wanted to ask you, you mentioned in your testimony that you were not made aware of the VA services at any point during your discharge.

Mr. LAZOS. No, I wasn't.

Mr. HALL. When and how do you believe that soldiers should receive this information?

Mr. LAZOS. I think there should be continuity straight from the service into the VA. I think you should be, upon your discharge, basically given directions to the VA that you're going to be going to, to get evaluated, to evaluate whether or not you have any service-connected conditions immediately upon your discharge.

Mr. HALL. So what they call a seamless transition should be more than just handing over information from DoD to the VA, but also the soldier, who is leaving active duty and becoming a veteran, should be told at that time all of the options and all of the help that's available to them?

Mr. LAZOS. Yes. Definitely.

Mr. HALL. What difference would it have made in your life if you had received your rating and benefits within one or 2 months of filing your claim?

Mr. LAZOS. I couldn't—I really couldn't even begin to describe the difference it would—like I had to go through several hospitalizations, maybe over a year of inpatient, 3 suicide attempts, legal problems, financial problems until I finally got it. If it was immediate, I wouldn't—I wouldn't have ever gotten into that much of a hole in my life to begin with. I'm lucky I'm still alive right now.

Mr. HALL. Thank God. I'm glad to see you. Glad to see you are. Glad to have you here.

Mr. Senior, you stated that in 2005, after you resubmitted your claim to the VA, it was once again denied. What were the reasons for this denial? Did the VA offer any assistance as how you might be able to obtain your benefits?

Mr. SENIOR. They just stated that I didn't prove service connection, and they continued my approved pension that I was receiving.

Mr. HALL. You also stated that delays and a strung-out appeals process causes financial hardships for many veterans. Could you elaborate a little more on the nature of these financial hardships?

Mr. SENIOR. Legal matters. Finance—I've had to claim—I've had to claim bankruptcy in the past. You worry about your family. If you have children, like I do, you worry about them. You know, that's my number one concern. You know, for me, I volunteered to

go, if something happens to me tomorrow, so be it. I have to worry about my family first, and that's my main concern.

Mr. HALL. Mr. Rowan, maybe you could take a shot at what you think Mr. Wolf would say if he were here, or what you would say about these questions.

Mr. ROWAN. Well, in Mr. Wolf's case, I think that he laid out serious problems that he had in this case with VA healthcare. I think there had been some problems. And I know that one of our members up here goes to the Albany VA and was half tempted to sue because the doctors made serious mistakes. When he went down to Sloan-Kettering, they operated on his prostate almost immediately. The VA kept telling him, oh, come back. Don't worry about it. Your PSA's been all right. Just very bad doctoring. If I could, because of the experiences with the Vietnam veterans and post-traumatic stress disorder, we know that the first 5 years are the most crucial years of coming out of the military. And Mr. Lazos's case was, unfortunately, very similar to many of my friends. I always say I know more people who died after the War than in the War, between suicides and drug overdoses from the neighborhood I grew up in, in Queens. And that was a problem endemic across the country, which is why we focus so much, and why the Congress gave at least 2 years of free healthcare in the beginning. I know there's a discussion to extend it to 5.

But the evaluation issue is very important. And I know that the Chair and Congressman Filner have been talking about some sort of reverse boot camp, when people come back from the military, to go back through a process to get them to become civilians. And certainly Mr. Senior's problems, unfortunately, were, again, endemic of, again, modern warfare; where people are being exposed to things. It's—you know, it's bad enough you duck bullets, but how do you duck a silent gas? How do you duck depleted uranium that's been atomized and put into the air? How do you duck burning oil wells? How do you duck all of that soup of all of that toxic stuff you're breathing in every day and walk home with parasites? We are only just finding out now about a parasite from Vietnam that is killing people in their fifties and sixties, and it was in the water. So for those grunts who were out in the boonies all the time and literally drank water out of the creeks and rivers, they're now coming down with these parasites that they carried with them all this time, and they're now killing them.

Mr. HALL. John. Thank you. Excuse me for interrupting you, but we have limited time here.

I wanted to ask one more question, and if each of you could give a brief answer to this, it would be helpful. This was based on Mr. Wolf's testimony. But what do you think can be done to bridge the gap between disability ratings, VA compensation and private healthcare?

Mr. Wolf talked in his testimony about the need to be able to access private healthcare if the VA is unable, can't catch up timewise or can't deliver the quality of care that is needed. And I know, Alex, that you received some private care?

Mr. LAZOS. Yes.

Mr. HALL. Do you think it would have been helpful for you to be able to receive private counseling or healthcare?

Mr. LAZOS. Definitely, because it's—it's really not so easy to go from VA to VA. And it's, like you said, basically you could go to a private provider and have the VA cover your expenses, it would be a lot more convenient, at the very least.

Mr. HALL. Mr. Senior, the disability rating, VA compensation and private healthcare, is there a gap in there that maybe we could try to bridge?

Mr. SENIOR. Well, I've become—I became discouraged with the VA doctors. Not all of them. There are some very good ones. So I went outside to civilian doctors. And the first thing they did, when they looked at me and looked at my records is, you know, what do you have? When I explained what I have, they always say, what else? And after looking at my records, they just looked at me and say, I can't even begin to take care of you, because I don't know what happened to you, what you were exposed to. And the things that we're exposed to, they—they normally don't work with.

And I did have one doctor who I went to once. He saw me, looked at me and he's just shaking his head and asking me, what, what did they do to you? What's wrong with you? He says, let me look at your records from the VA Hospital. I'll get them and I'll speak to you. He got them. And I went in to see him the next time, the first thing he said was, oh, the doctor in charge is an old friend of mine. You're fine. That was the last time I saw that doctor.

These are the things we go through. The doctors outside the VA are unsure of what—how to diagnose and treat us because of the things we have. And it's just tough. There's no information coming out of the VA hospital on these conditions, so they don't even know where to begin. So your only option is the VA hospital. You go there, and, well, we know how that works, so.

But, again, not all the people at the VA are bad. There's very, very good doctors, very good people that work there. It could be regulations. It could just be the ways things are handled. I don't know how VA works, but hopefully after today this is a start to correcting those problems.

Mr. HALL. I'm going to turn over the microphone to Mr. Lamborn for some questions.

Mr. LAMBORN. Thank you, Mr. Chairman.

Just one real quick question. Mr. Lazos, there is the Transitional Assistance Program to help counsel veterans before they're—excuse me, servicemembers before they're separated as to the benefits that are available, but it doesn't sound like they did a very good job of making that known to you, because apparently you weren't—

Mr. LAZOS. No, not at all.

Mr. LAMBORN [continuing]. You didn't even know that was available.

Should they do a better job of publicizing that, or what? What would you suggest?

Mr. LAZOS. Well, when I was—I was discharged, in 2004, and that wasn't really much of a priority like it was basically like, here's the end of your enlistment. Thank you. And that was it. Now it seems that they are trying to do a better job with that; directing people toward the VA. I'm just talking about my personal experience. But I believe that it should be a main issue. It should be a focus.

Mr. LAMBORN. Thank you.

Mr. HALL. Mr. Walz.

Mr. WALZ. I do believe Mr. Lazos is right on that, and that it is improved. I know when my unit deployed in '03 and '04 and came back into a large room, we had about 36 hours of out-processing total, and they showed us, *The Horse Whisperer*, and said, there, learn that lesson. And I'm not sure what it was still to this day. But that was what it was. We've gotten much better at this. It's lessons learned.

I'm proud to say in Minnesota we have a program called "Beyond The Yellow Ribbon," that's the prototype that'd we like to take to the rest of the country on how we're out-processing, how we're doing our counseling at 30, 60 and 90 days. So I think we're getting better. And it was mostly out of the desire to when a soldier came home, they would tell you this, just leave us alone and let us go home. That's not the best way to treat it though.

And on behalf of this panel, and as a retired CSM, to each of you, I apologize for the way you've been treated. This Nation would not stand for it. And we have to get to the root of what this is.

Just 2 quick questions on this. And I know this is somewhat subjective, but I think it's important to get it from you. Why do you think working with the VA is so difficult? I mean, what is your gut feeling on why this is so difficult? Why does it have to be this way? And because that's the one thing I'm trying to get at. Because they say, when they—we get people who testify in front of us, and they tell us they're doing everything they can to reduce the backlogs. They tell us they're doing everything. And I know these are good people. They serve—they're trying to spend their lives helping veterans. But then I hear things like, I had testimony, and we had this written down here, the VA responds, well, sometimes the problem is you guys don't fill out the paperwork right. And things like that. That's the answer they give. Or I get a veteran that says he was complaining about the 11 cents a mile reimbursement. We, by the way, get 48 cents a mile. Isn't that convenient how Congress did that. They got that done. But the 11 cents—and the person told them to get a more fuel efficient car. He said he was lucky that he was there for a hip replacement or he would have crawled across the counter and whipped the guy for saying that.

My question to you is: Why do you think it is? What is your—what is your gut feeling on this? Because this Nation is appalled by these stories. This Nation does not want this to happen. And your representatives are doing everything we feel we can or want to know.

What do you think it is? If you just have a gut feeling.

Mr. LAZOS. Personally, I feel like no one was prepared to be dealing with the repercussions of declaring another war. And now, with all the returning vets, in the hundreds of thousands, with all the vets from Vietnam, there's still World War II and Korea, I think the VA's just overburdened.

Mr. WALZ. Mr. Senior.

Mr. SENIOR. Yes, I agree, the same thing. You know, we live in a computer age, and spoke earlier, maybe computers, something with computers to help streamline it. Because I got my file, after the denial, and I went through it, it took me 10 minutes to read

where the doctors said yes, yes, yes, yes. And then I get a denial saying, no, no, no.

Mr. WALZ. Mr. Rowan, you got the most experience with this of anybody here.

Mr. ROWAN. Where do I begin? I think it's all money. I think it's always been money. And just not allocating over time, over many years. I mean, you're making—you're playing catchup very well in Congress, but it's hard to take back.

I also think that this was a system that said, oops, the World War II veterans, who had this big bulge of service needs, are all going away. They're dying off at a rate, they're all going to be gone soon. We don't have to worry about anything. We can downsize everything. And I think they've lost the staff. They've lost the medical staff. They've lost the raters staff. They've lost them all.

Also, if you even assume that this is a bowl because of the new recent veterans, back in the Vietnam era, in the seventies, we had fee provider-based programs for PTSD, where the VA would literally hire private-sector psychologists and psychiatrists to service veterans. And the veteran can go, get analyzed, go. You know, the VA said, yes, we agree that they need treatment. The VA was paying these doctors, so they didn't have to put them on the payroll and didn't have to say, we're going to have them for the next 35 years, until they retire. But we need them now to handle this immense caseload. And we could do that again.

Mr. WALZ. I'll give you one quote from the Dole-Shalala Commission on the fallout from Walter Reed. Senator Dole made a comment, and he was very clear on this, he said, "we spent billions to put them in harm's way. Spend what's necessary to get them out of it." So I think that's something we need to do.

Mr. HALL. Thank you. Thank you to this panel.

To our second panel, thank you for your service to our country and to our veterans. You are now excused.

We'll ask Congressman Maurice Hinchey to come to the witness table and introduce our next panel, who is a veteran constituent of his.

Is Congressman Hinchey still here?

VOICE. While there's a delay. After a hearing in February, I think, I went over to the Veterans—

Mr. HALL. I'm sorry. We're not going to take any comments or questions from the floor.

There will be a press opportunity after we're done, but right now we're going to move ahead.

If Mr. Hinchey's not here, we're going to move right to our third panel. I'm sorry, but that's just the way we do things at official Committee Hearings.

VOICE. All right.

Mr. HALL. Congressman Maurice Hinchey, as you may know, is a veteran of the Navy.

Congressman Hinchey, would you like to have the rest of your panel join you now, or would you like to speak about them first?

Mr. HINCHEY. I'll take your direction on that, Mr. Chairman.

Mr. HALL. Why don't you tell us about them first.

Mr. HINCHEY. They're about to be here, so I'll be happy to do that.

Mr. HALL. Okay.

Mr. HINCHEY. First of all, I want to express my appreciation to you.

Mr. HALL. You can wait, because Sergeant Ryan is coming in.

Mr. HINCHEY. Okay.

Mr. HALL. Joining us is, as well as Congressman Hinchey, is Eddie Ryan, from Ellenville, New York, accompanied by his parents, Chris and Angela Ryan.

We'll take our places. Welcome, Eddie. Sergeant Ryan, good to see you again.

Mr. EDDIE RYAN. Don't salute.

Mr. HALL. Yes, sir.

Mr. EDDIE RYAN. I'm not an officer.

Mr. HALL. Well, I salute your courage and your bravery and patriotism and service to our country.

Mr. EDDIE RYAN. Thank you.

Mr. HALL. I'd like to recognize your Congressman, Maurice Hinchey.

OPENING STATEMENT OF HON. MAURICE D. HINCHEY

Mr. HINCHEY. Thank you very much, Mr. Hall, and thank you very much, gentlemen, also, for being here. I want to express my deep appreciation to you for conducting this hearing because of the attention that you're focusing on this issue. And the example we have here today, of Eddie Ryan, a member of the Marine Corps, who was wounded in Iraq, seriously wounded, almost killed, and the circumstances that he and his family have confronted are issues that really need to be addressed, and they need to be addressed by the Congress, by this Administration, and specifically by the Veterans Administration.

Let me just give you a brief history of what—what occurred here. Eddie Ryan graduated from high school and enlisted in the Marine Corps. He went to Iraq. And he was there the second time around. He was on a specific mission, with his colleagues. They were on a rooftop, in a difficult and dangerous area, and he was shot twice in the head. He was taken care of immediately by his colleagues around him. And the respect that they had for him enabled them to engage in the right kind of activities that essentially saved his life. He was shipped into Germany. He got the proper medical attention there. He came here, came back to the United States, got proper medical attention here. But then he went to a Veterans Hospital down in Virginia, and the quality of the healthcare then began to decline. His parents, of course, had paid enormous attention to him from the very beginning. They went to Germany, when he was in the hospital there. His mother attended to him when he was in the Veterans Administration hospital down in Virginia, and she did so because he was getting inadequate attention.

There was also the issue of how this even occurred. At the request of his family, my office began an investigation into the basic circumstances. And we inquired as to why a man who was wounded, as he was, was not being awarded the Purple Heart. And over a period of time, that occurred; he received the Purple Heart. And then we learned also that the wounds that he suffered were the re-

sults of what is referred to as “friendly fire.” He was shot by our own people.

The situation now is that you’ll see, as—as you get a chance to listen to him and to his family, the situation now is that you’re dealing with a United States Marine, a man of great ability, great devotion to his responsibilities to his country, to his obligations as a member of the Marine Corps, who has suffered 2 bullet wounds to the head, and because of his internal strength, which is absolutely marvelous, he is making extraordinary recoveries. You and I, John, have had the opportunity to see that. We both visited him at his home in Ellenville. And when I saw him again this morning, I was struck by the kind of progress that he’s making. The kind of intellectual progress he’s making, the kind of increased articulation he has and the ability to express himself. The kind of sense of humor that he still maintains, in spite of the dire circumstances that have confronted him. This is an amazing human being. A remarkable person.

And the tragedy is that he has consistently not received adequate attention from the Veterans Administration, in terms of the health-care that he needs, in terms specifically of the continued therapeutic circumstances that he is fully entitled to and must receive. These therapeutic circumstances are the—the means by which he is going to be able to achieve full recovery. And I mean particularly physically. Because he’s already—I think he’s already back intellectually. I mean, he’s just amazing. And you will have a chance to see that yourself. But he should be given every available therapeutic assistance, so that he can use his limbs, he can walk, he can use his arms, he could recover his full physical strength.

What does he want to do with his life right now? Well, what he wants to do is to continue to be a Marine. He wants to continue to serve his country. So he is an exemplary American citizen, and an exemplary member of the American Marine Corps.

And I tell you, very frankly, I’m deeply honored to represent him. And I’m very proud of the way in which his family has worked with him, and how they have involved us to assist them in bringing the kind of attention that he needs to get over this disability, which was inflicted on him in the circumstances of that military occupation in Iraq.

So, once again, I just want to thank you very much for being here, focusing attention on this issue. When you hear people say, we need to support the troops. You wonder what level of sincerity is behind that statement. And, frankly, I see deep levels of insincerity behind it very, very often.

The best way to support our military personnel is to make sure that when they are the victims of adversarial circumstances, that they get the best possible treatment. We have the ability to do it. We need to make sure that that’s what they get. So thank you very much for being here. And, Eddie, it’s a great pleasure to be with you again.

Thank you, my friend.

Mr. EDDIE RYAN. Thank you.

Mr. HALL. Thank you, Congressman. Safe travels, and the 3 of us will see you later this evening.

Now we'll recognize Marine Sergeant Eddie Ryan and Chris and Angela, his parents, for whatever presentation you'd like to make for us.

STATEMENT OF CHRISTOPHER AND ANGELA RYAN, ELLENVILLE, NY, ON BEHALF OF SERGEANT EDDIE RYAN (VETERAN)

Mr. CHRISTOPHER RYAN. Well, I'd like to introduce my son, Sergeant Eddie Ryan.

Mr. HALL. Could you use the microphone, please? Just pull that microphone over, please.

Mr. CHRISTOPHER RYAN. I'd like to introduce our son, Sergeant Eddie Ryan, who trained very hard to become an elite Marine sniper. All of his Marines, even up to a Major General Huck, has told us that his courage and bravery was unmatched in combat situations.

And on his second tour of duty he did get wounded. And like the Congressman stated, the care was unbelievable through the military hospitals, from Germany, and they stabilized him in 5 days, and we were flown to Bethesda, on a low military flight because of his brain injury, and he fought for his life. Day by day he fought for his life. And thank God he—he pulled out of it. Day by day he got stronger and stronger. We spent about 5 to 6 weeks in Bethesda. The military hospitals were incredible. There was an urgency there. They—they cared for Eddie, the young capable Navy nurses and Navy Corps men. They never left his side. And we have nothing but good things to say about the military hospitals and our military.

But we were warned, before we left Bethesda, when we were going to be turned over to the VA, we were warned by the military, and we were warned by other parents of the wounded, that the care would drop down significantly. And our question was: Why? Our son just got out of a coma. He was in a drug-induced coma for 4 weeks. And he—in 4 weeks he—he was weaning off, himself, he was breathing over life support, which was an amazement, even to the doctors. He was not supposed to live. Then they said he would never have a memory. He would—he would never get off of life support. We'd be taking just a bodily form home. And thank God he—he proved all the doctors wrong.

But when we got into the VA, we surely knew what exactly we were being warned about. In the McGuire Hunter VA the care dropped down drastically.

This Marine, 2 years ago, was on a belly tube, had a trach in his throat, had shunts coming out of the back of his head, tubes going up his nose. And now he has nothing.

But when we went down to the VA, he had all of this, he had all of this stuff attached to him. And he would only eat—his means of eating was through a feeding tube, and they were missing the meals. And we brought this to the nurses' attention. We said, listen, you know, he didn't have lunch yet. He's supposed to eat 3 times a day. And from that point on we were—we faced an opposition in the VA.

What else happened down at the VA?

Ms. ANGELA RYAN. He suffered a bedsore from laying in his own feces.

Mr. CHRISTOPHER RYAN. Oh, yes. That's another thing, the bedsore. You know, he was free and clean. He wasn't moving. He was not capable of moving. So, you know, he was in a diaper. He had to be changed and everything. And we'd bring this to the nurses' attention, and they'd take their time. And, sure enough, in a few weeks he came down with a terrible, infected bedsore. He was on an I.V. antibiotic drip for 6 weeks. This slowed down his therapies. It slowed down his whole process of—of getting better. We even saw a time of regression in Eddie. And we said, something's got to be done.

Our brother, we were too busy at the time, contacted his Congresswoman, Sue Kelly. And between his Congresswoman and our Congressman, we actually had to fight to get him out of the VA, to put him in a private facility, which was Helen Hayes Hospital, where his—his care went up, because these nurses in this hospital, when they don't do their job, they're relieved of duty. Not so in the VA. In the VA we had problems with nurses. And I'll tell you, there were some good nurses. There were some people there that were doing their job from the heart, but all's you need is a couple that don't want to do their job and take their time doing their job, and then you have problems like we had. So we got him into Helen Hayes Hospital.

And our—our struggles continue with the VA. We're—our VA now is in Albany, New York, the Stratton VA. We have a problem getting home—enough home healthcare aides. We've asked for therapies. For more therapies. We've asked the VA for more therapies, because this Marine remembers how it was to train hard. To be a Marine sniper, everybody knows how tough it is. There's less than 900 of these kids in the Marine Corps. And there's 200,000 Marines. This is an elite force. And this kid would train hard every day. And he's ready to train hard now. And we asked for more therapies. And this summer he was stripped of his therapies. There's a doctor up in the VA, in Albany, that took his therapies away. And this doctor never—never examined Eddie, never evaluated Eddie, and never even visited Eddie, and took his therapies away from 5 days a week, down to 2 days a week.

And we had Congressman Hinchey's office, Senator Hillary Clinton's office fight for 7 weeks. And, finally, after 7 weeks, we were reinstated. And we've seen a regression there.

Whenever we talk to the VA about healthcare issues and therapies for our son, because we're his parents, we love Eddie, we want the best and the most out of Eddie, just like he does, we always are on opposite sides of the fence with the VA. And our question is: Why?

These young warriors stand between us and our Nation's enemies. When they come back wounded, they deserve the best care. The absolute best.

We have—we have a letter right here that our President, Eddie's Commander in Chief, President George Bush, sent a letter to Mary Ellen Pishay, the Director of the Albany VA, asking them to expedite their processing and help the Ryan family out with Sergeant Eddie Ryan. The President. Lot of good that did.

Ms. ANGELA RYAN. I just want to say, you know, my son is an amazing young man, young Marine.

VOICE. Can't hear you.

Ms. ANGELA RYAN. Yes.

My son is an amazing young Marine, 23 years old, sacrificed quite a bit.

And I just want to say, real quick, simple, to the point, my son did his part as a United States Marine; fought for the freedom of this country. My husband and I will do our part as parents, to make sure that he gets what he needs. We expect that the VA will do the absolute to take care of this young man.

[The prepared statement of Mr. and Mrs. Ryan appears on p. 61.]

Mr. HALL. Thank you very much. Thank you, Mrs. Ryan.

I just have a couple questions.

Eddie, what do you need from the VA? What would you like us to be able to do for you?

Mr. EDDIE RYAN. I need therapies.

Mr. HALL. More therapies?

Mr. EDDIE RYAN. More.

Mr. HALL. More, longer?

Mr. EDDIE RYAN. Longer.

Mr. HALL. Okay. We'll work on it.

Mr. and Mrs. Ryan, I wanted to ask you if you could summarize your experience with the VA, in terms of receiving a disability rating and benefits.

Mr. CHRISTOPHER RYAN. Yes. Yes. We received Eddie's service group life insurance, and we receive his monthly check. They cover his medicines, which are prompt getting there. Right? His medicines.

Ms. ANGELA RYAN. Yes.

Mr. CHRISTOPHER RYAN. And certain supplies, which have been good.

Mr. HALL. So, in your case, the problem is getting therapy that he needs, in the quantity, the number of days a week.

Mr. CHRISTOPHER RYAN. Yes.

Mr. HALL. And the duration?

Mr. CHRISTOPHER RYAN. Yes, because, sir, if—if you only give—I've trained most of my life. And if I leave my door and run a half a mile a day, I'm going to plateau. That's as far as I'm going to go. I have to increase, I have to increase, my training to get to the next level.

I don't have to talk to Eddie about training. He's far exceeded whatever I have done. And 45 minutes a day physical therapy is not enough. We even talked to neurologists and neurosurgeons that said that Eddie has to work hard every hour of every day. And the first 5 years are the most crucial with the TBI. And he needs—right now he needs blocks of therapies. You just can't give everybody 45 minutes. Every—every patient is different. He—he can withstand 2½- to 3-hour blocks of therapies. We pay—we pay for therapies, besides what the VA pays for, they provide 45 minutes of physical therapy, 5 times a week. Forty-five minutes of occupational therapy, which is very important, only 2 times a week. And that's only been recently. It's been one time a week for many

months. And then we have our speech therapist that comes 5 days a week, for—for an hour.

Now, what we would—what we know Eddie is ready for is more physical therapy, even more speech therapy, to help—to help the brain injury. And 45 minutes, yeah, the VA says, he's plateauing. Well, no kidding. He's going to plateau. You have to increase the training to get him to the next level.

Mr. HALL. Okay. Thank you very much.

I'm going to turn the questioning over to Congressman Lamborn.

Mr. LAMBORN. Thank you, Mr. Chairman. Not really a question, but just a statement.

Eddie, you are fortunate to have 2 such dedicated parents, but—

Mr. EDDIE RYAN. Yes.

Mr. LAMBORN [continuing]. Our country is fortunate to have you and the service you provide, and I hope you can give many more years of service in the future.

Mr. EDDIE RYAN. Hopefully.

Mr. LAMBORN. Thank you.

Mr. HALL. Congressman Walz.

Mr. WALZ. Well, thank you. Thank you, Sergeant Ryan. And Mr. and Mrs. Ryan, I do echo that. We truly appreciate that.

As I said to our last panel that was here, as a retired Command Sergeant Major, this indignity is absolutely unacceptable. This burns to the core of what we think and how we treat our warriors.

And as I've said, time and time again, we have a moral responsibility to take care of Sergeant Ryan, but we also have a national security interest in making sure others of our best and brightest, who are willing to follow in his footsteps, understand that this Nation will be there to care for them. This is critically important.

And this issue of the things you're saying, first and foremost, this idea of receiving substandard care, that people are protected, and that cannot stand. And they will not be protected.

One of the problems we're facing within these panels is of all the federal agencies, and the VA is a large one, the IG's budget and the IGs, the Inspector Generals, inside the VA is the lowest of all the agencies. And what we need to do is we need to get another pair of eyes on that. The IG is not there to be the person slapping people down. They're down there to find what the weaknesses are, and correct them and bring them to attention, to make sure that we in Congress cannot allow this to stand.

We are the ones—there has to be a face on this. We are the ones, and our colleagues, that are making these decisions. We are responsible for making sure the VA does not put you through that indignity, does not ask you to make those choices that you've had to make. And for that I deeply apologize.

But I can tell you that we've been asking this, and I guess I'll ask you again, I know it is very subjective, but we're trying to get to the heart of this, we're trying to figure out the budgeting that's involved with this, we're trying to figure out the delivery systems.

What is your take on this? Why do you think Eddie hasn't received the care that he so richly earned and deserves? What is your gut feeling on that?

Mr. CHRISTOPHER RYAN. My gut feeling is this country hasn't seen this kind of combat in about 35, maybe even 40 years. And I think the VA might be a little overwhelmed with the cases, with several severally wounded Marines coming back, almost 30,000, and a third of them might be severally injured, like Eddie, and they might be overwhelmed.

Mr. WALZ. How would you respond, when I asked them that question and they sit in front of me, the administrators and the people who are running the VA, and they sat in front of me and I asked them this question: Do you need anything else? They said, no, we have what's necessary. That's what they tell me.

Mr. CHRISTOPHER RYAN. Well, then my question is: What is the problem? We saw—we saw laziness there in the McGuire Hunter VA. And, you know, when my wife started taking care of my son, we—she—they called security on her. Security. I—I told them, I said, listen, I'm the father. This is a young Marine. Okay. But he's our child. And I'm going to stand at the front door. I don't care what security comes. And they said, well, Mr. Ryan, we just want to let you know that the security in this hospital happens to be the Richmond Police Department. And if there's anything physical, you will be taken away in handcuffs. And that's how they used intimidation for us. And we were only able to visit our son, severally wounded as he is, from 9:00 in the morning until—no, 11:00 in the morning until 8:00 in the morning.

Ms. ANGELA RYAN. At night.

Mr. CHRISTOPHER RYAN. And we knew for sure that he wasn't getting the proper care. And we just wanted to help them. We wanted to help them. We wanted to assist the nursing. And we were not allowed to.

Ms. ANGELA RYAN. Unfortunately, while we were there, there was 21 other wounded warriors, Marines, and they didn't have that, the parents standing by, you know, like, we were able to be there for Eddie. A lot of the parents weren't able to be there because they had to work, had little children at home.

Mr. CHRISTOPHER RYAN. Some of them were single-parent moms.

Ms. ANGELA RYAN. Yeah. And I would take—I would take them under my wing and watch the kids on that floor. It was very upsetting to see that. And these kids were just drooling all over themselves. Unacceptable to me. And they wanted to call security because I would go into a room to take care of a young girl.

Mr. CHRISTOPHER RYAN. And these are the same kids that are knocking doors down and facing—facing insurgencies and facing dangerous times wherever the Nation calls them to be. They're ready to serve. And then they come back wounded.

Here's a kid that was six foot one, 200 pounds of solid muscle. And he went down in the McGuire VA, he was missing meals, went down to 166 pounds. This is all on record; 166 pounds. I lifted my son up one day, and I said, oh, my God. He was like—he lost all of his muscle. He was like this thin. I said, oh, my God. He looked like a prisoner of war. You ever seen movies like that? It was terrible. But thank God we got him out of there. And look at him now. He's just truck—he just keeps coming back. And people—and people always come up to him and they thank him for his service. And let him tell you what he says to the people.

Mr. EDDIE RYAN. I'd do it again.

Mr. CHRISTOPHER RYAN. He says, he'd do it again if he had to.

Mr. WALZ. Well, we thank you for being here, to make sure—make sure no one else goes through this.

Mr. WALZ. You tell them you love them every day. You've got good ones.

Mr. HALL. Thank you very much, Sergeant Ryan, and Angela and Chris.

I can testify as to the fact that you are not only coming back physically and mentally and conversationally, but you have a very strong left hand grip. And I'm looking forward to that getting stronger and your right hand and your right shoulder coming back, and your incremental progress continuing.

So we will do everything we can to try to help.

Mr. EDDIE RYAN. Thank you.

Mr. HALL. And is there anything else you'd like to say to the Committee, or dismissed?

Mr. EDDIE RYAN. Thank you for your help. I enjoy it. Appreciate it.

Mr. HALL. Thank you, Eddie, and thank you for your service to our country.

Mr. HALL. Now we'll ask our fourth panel to join us at the witness table.

Our next witness is Michael Walcoff, Associate Deputy Under Secretary for Field Operations for the United States Department of Veterans Affairs.

As usual, Mr. Walcoff, the written testimony is in the record, so you don't have to adhere to it exactly, and feel free to add to or summarize it.

I'd ask you to keep the conversations down in the room, if you're in the process of leaving.

Mr. Walcoff, your 5 minutes.

STATEMENT OF MICHAEL WALCOFF, ASSOCIATE DEPUTY UNDER SECRETARY FOR FIELD OPERATIONS, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS

Mr. WALCOFF. Mr. Chairman, Members of the Subcommittee, thank you for providing me the opportunity to appear before you today to discuss the Veterans Benefits Administration's pending claims inventory and claims backlog.

Today I will discuss the challenges we face in providing timely decisions on veterans' claims for disability compensation.

VOICE. Can't hear.

Mr. HALL. Get as close as you can to that microphone.

Mr. WALCOFF. These challenges include the growth of the disability claims workload and the increasingly complex nature of that workload. I will also discuss some of the actions we are taking to improve the claims processing and reduce the time veterans must wait for decisions, to include our efforts to expedite the processing of claims from Operations Iraqi Freedom and Enduring Freedom veterans. We view these efforts as opportunities to achieve greater processing efficiencies and enhance our service to veterans.

The number of veterans filing initial compensation claims and claims for increased benefits has increased every year since fiscal year 2000. Disability claims received increased nearly 38 percent from fiscal year 2000 to 2006. For 2007, receipts were up another 4 percent. Additionally, VBA received a record high of 80,383 claims for a single month in August 2007. This high level of claims activity is expected to continue over the next few years.

Increase in claims receipts is not the only factor changing VA's claims environment. The greater number of disabilities veterans now claim, the increasing complexity of the disabilities being claimed, changes in law, and Court decisions affecting VA's decisionmaking process pose additional challenges to timely processing of our claims. The trend toward increasingly complex and difficult-to-rate claims is expected to continue.

A claim becomes more complex as the number of directly claimed conditions or issues increases because of the larger number of variables that must be considered and addressed by VA decisionmakers. Multiple regulations, multiple sources of evidence, and multiple potential effective dates and presumptive periods must be considered. The effect of these factors increases proportionately and sometimes exponentially as the number of claimed conditions increases. VA's experience since 2000 demonstrates that the trend of increasing numbers of conditions claimed is systemwide, rather than just at special intake locations, such as our Benefits Delivery at Discharge (BDD) sites. The number of cases with 8 or more claims disabilities increased 135 percent from FY 2000 to 2006.

At the end of fiscal year 2007 our pending inventory of rating related claims was 391,593, and our average processing time was 182.6 days. However, not all of these claims in our inventory should be defined as backlog. The number includes all claims, whether pending only a few days or a number of months. Under the very best of circumstances, it takes about 4 months to fully develop and decide a claim. This includes the time to notify and assist veterans in obtaining military and private medical records, scheduling necessary medical exams and receiving results, and ultimately evaluating evidence and making a decision. Based on our current receipts of approximately 70,000 claims each month and our timeliness performance target of 145 days, our level of pending inventory with no backlog would be approximately 280,000 claims.

The VBA provided veterans with decisions on more than 774,000 disability claims in fiscal year 2006. During 2007, we completed over 824,000 decisions, which represents an increase in productivity of 6½ percent in 1 year. Between April and August 2007, VBA processed more claims than in any 5-month period on record. Despite the increase in claims processed, VBA's pending claims inventory has remained relatively stable for the past 6 months, which is a result of the increased level of claims received.

Facing the challenges I've discussed, VBA is aggressively pursuing measures to decrease the pending inventory and shorten the time veterans must wait.

Since the onset of combat operations in Iraq and Afghanistan, VA has provided expedited and case-managed service for all seriously injured Operation Iraqi Freedom/Operation Enduring Freedom (OIF/OEF) veterans and their families. This individualized

service begins at the military treatment facilities and continues as these servicemembers are medically separated and enter the VA medical care and benefits system. We assign special benefits counselors and case managers to work with these servicemembers and their families throughout the transition to VA to ensure expedited delivery of all benefits.

In February, the Secretary of Veterans Affairs announced a new initiative to provide priority processing of all OIF/OEF veterans to include all active duty, National Guard, and Reserve veterans who were deployed in the OIF/OEF theatres or in support of these combat operations.

This allows all OIF/OEF veterans who were not seriously injured in combat, but who nevertheless incurred a disability or had it aggravated during their military service, to enter the VA system and begin receiving disability benefits as soon as possible.

We are addressing the increasing workload by adding large numbers of new claims processors. We have added more than 1,100 new employees since January 2007 and will add a total of 3,100 by the end of fiscal year 2008. These employees will be placed in critically needed positions in regional offices throughout the Nation.

Along with the multitude of activities involved in a recruitment program of this magnitude, we have begun the critical tasks of training, equipping, and acquiring space to house our new employees. We have modified our new employee training program to focus initial training on specific claims processing functions. This will allow new employees to become more productive earlier in their training program, and at the same time allow our more experienced employees to focus on the more complex and time consuming claims.

Recently retired rating specialists and claims processors have been recruited to return to work as rehired annuitants, enabling us to increase the FY 2007 decision output by nearly 19,000 claims. The efforts of our rehired annuitants are focused on processing claims pending more than 1 year and for veterans over the age of 70. We expect to double the utilization of rehired annuitants during fiscal year 2008. In doing so, we expect to complete approximately 4,000 additional claims per month in FY 2008. We've also significantly increased overtime funding to maximize the contribution of our experienced staff.

In the coming year, we will complete the centralization of original pension processing to our 3 pension maintenance centers, which will allow regional offices to dedicate more resources to compensation claims processing.

We also gain processing efficiencies by centralizing all compensation and general assistance telephone calls to 9 Virtual Information Call Centers. Limiting telephone customer service to dedicated call centers will free up employees to focus on claims processing. In the past year, we've assembled workgroups to evaluate efficiencies that may be gained by further consolidation of appellate work and fiduciary activities. Though we continue to face challenges, VBA has actions in place to improve claims processing and reduce the time veterans must wait for decisions as we strive to provide benefits in a responsive, timely, and compassionate manner.

Mr. Chairman, this concludes my testimony. I'll be happy to respond to any questions that you or other Members of the Subcommittee may have.

[The prepared statement of Mr. Walcoff appears on p. 62.]

Mr. HALL. Thank you very much, Mr. Walcoff. And thank you for making the trip here to join us for the hearing.

Congratulations, by the way, on the record of 749,000 and change in claims processed from April to August.

I have a couple of questions related to your written testimony.

One is, you stated that certain mental health conditions, including PTSD, present unique processing requirements.

Can you explain what is unique about the processing of these types of claims, and how these characteristics affect the timeliness of the processing system?

Mr. WALCOFF. On a PTSD claim, we are required not only to have a diagnosis of PTSD, but we're also required to identify what's called a stressor, an event that occurred, a specific event, that occurred within the military service that is related to that diagnosis of PTSD. The veteran filing that claim will often provide that information. Those claims are relatively simple. But in many cases he is unable to provide the specific information we need to verify the stressor. In those cases, there's certain research that we can do, with various Web sites that are available, to try to research and find the specific information to validate the stressor, but there are situations where we are unable to do that. In that situation, we send the claim out to another organization at Fort Belvoir, and they have access to other records that can be used to verify the stressor. Unfortunately, that process takes approximately 9 months to a year to get that information back from Fort Belvoir.

Now, what we've been trying to do is—recently we had 6,000 claims pending at what's called Joint Services Records Research Center (JSRRC), is the name of the agency. We pulled those claims back recently and assigned 6 of our people specifically to do the research, the advanced research, using some special tools that they had been trained to use to try to see if they could do it and save the 9 months to 12 months that it was going to take. We were able to clear about a third of those claims, but the other two-thirds had to go back to JSRRC, and we're waiting for answers from them. So that's the additional complication on PTSD claims.

Mr. HALL. Thank you.

It's also clear that claims are becoming more complex; you testified to that, as have others, containing multiple conditions and addressing large numbers of variables.

Does the VA have any initiatives underway to address the increasing complexity of the claims that it's seeing?

Mr. WALCOFF. Well, in terms of the number—of additional number of issues, just to give you an example, years ago, when I was a claims examiner, it goes back a long time, the average new claim would have usually 2, 2½ issues. Where we get our new claims in to our BDD sites, in Salt Lake and Winston-Salem, they're averaging about 11 issues per claim. That's a significant increase, and it makes the claim that much more complex because, not only do you have to send out the new process notices, the Veterans Claims Assistance Act notices on each condition, but you also have to set

up multiple exams because, if you're claiming more issues, you have more body systems involved and you'll have more specialty exams that have to be set up and that takes more time. So that's the reason why, when we talk about the increased complexity, that's the primary thing that makes multiple issues claims complex.

Mr. HALL. Thank you.

According to your testimony, 4 months is the absolute minimum amount of time necessary to fully develop and decide a claim.

Can you tell us how this number was derived, and what it would take to cut the processing time, if you think it's possible to do that, to 30 to 60 days?

Mr. WALCOFF. There are several issues involved in arriving at 120 days. You know, we've had a lot of discussion in the past at your previous hearings about the VCAA legislation.

And first let me say that I don't think VCAA is a bad thing. I think it is important in terms of the fact that it provides certain due process protections for veterans, which I believe are extremely important.

The issue with VCAA, and in providing those protections, it provides certain timeframes that we have to wait before we can move further with the claim. And that's part of what is built into this 120-day scenario.

In addition to that, there are medical exams that have to be set up. In the multi-issue cases sometimes it's many exams. When we deal with the Veterans Health Administration (VHA) or with the private contractor we use, it takes about 35 days to get an exam done. There are some cases you can do while you're waiting for the VCAA stuff to come back. In other cases, based on what is submitted by the veteran, after getting his VCAA notice, that's when we can start setting the exams up. So if we have to wait 60 or 80 days to get that information back, then you set an exam up, that's another 35 days, you wind up coming up pretty quickly to the 120 days.

Mr. HALL. Just quickly, you mentioned in your written testimony 145 days as a performance target. But in your oral testimony you said 125 days.

Mr. WALCOFF. I would like to see us get to 125 days, sir. One-hundred forty-five days is a number that has been used lately by us in discussions. It is still my belief that we should strive to achieve 125 days. And that's the number that I've been using, because it's my desire.

And when I supervise the regional offices and when I talk to the employees in the regional offices, we talk about what does a veteran expect? How long does a veteran expect to wait? And generally what we find, and it's very informal, but the veteran's expectations are closer to 125 days, than 145 days. So I believe that if we could find some way legally to come up with a waiver that we could work with the service organizations to try to get veterans to sign when they don't have any more information to submit to us, using that, maybe trying to improve the timeliness on exams by working with VHA and working with QTC Management. These are the kinds of things that I'm hoping we could squeeze a few extra days out here and there to get us down to 125 days.

Mr. HALL. Just for the record, I think the 125 days would certainly be an improvement, but I don't think it should be our goal. I think a 4- to 5-month wait to have a claim processed is not what our veterans deserve. If we have to make systemic changes, in addition to just hiring more people, and, you know, look at payment of a median for a claim that's a level disability that's being applied for while the claim goes forward and is adjudicated, and then have that adjusted after the fact. There are a number of ideas that you've heard tossed around in Congress, but many of us, I think, feel that 125 days is still too long.

But my time is up, so I hand the microphone to Mr. Lamborn.

Mr. LAMBORN. Thank you, Mr. Chairman.

And I've gone on record in this Committee saying I want to make that 120 day process go faster. Not sacrificing any of the safeguards that veterans deserve, but where they're willing to waive certain things, you know, to speed things along, and I've asked Mr. Aument, and I've asked the VA to help me come up with suggestions on how to do that. And I still haven't heard back yet. So I would like to get some dialogue going on how we can legislatively make that better.

Mr. WALCOFF. There's been a lot of discussion, I know, with your staff and in VA we talk about it all the time, working with our General Counsel, to try to figure out how can we take VCAA, protect the important provisions of it that are so pro-veteran, but at the same time develop something like a waiver that would keep those protections but allow us to move forward more quickly. And trying to find that exact line is what we've been trying to do. It's very difficult. We continue to work on it, working with our General Counsel. We don't want to do anything that's going to cut back on those veteran protections that are VCAA.

Mr. LAMBORN. Okay. Thank you. And we'll keep working with you on that, and hopefully we can make some progress.

Changing topics here, the Virtual VA Program, how is that coming along? And how does that relate to what I've proposed in H.R. 3047?

Mr. WALCOFF. I heard the previous panel talk a lot about some of the electronic potential solutions and Virtual VA itself.

There has been some movement forward. Our BDD processing centers in Winston-Salem and in Salt Lake are using Virtual VA. We are scanning in the service medical records that we are getting from our intake sites at 4 places around the country. I believe it's Fort Lewis, Fort Carson. I believe Fort Carson's one of them.

Mr. CLARK. It is.

Mr. WALCOFF. And then Camp Lejeune and Fort Bragg, in North Carolina. And what we were finding was that, even for returning soldiers to BDD, the service medical records are pretty thick. So recently, we just signed a contract with a scanning company that is going to allow us to do that much, much quicker than we were able to do before. That's going to really enable us, I think, to move forward much faster on the Virtual VA pilot.

The rating specialists who use Virtual VA really like it. I was out in Salt Lake not that long ago, and it was interesting watching rating specialists with the 2 screens, 2 monitors, working off the 2 of them. And I said, do you find this cumbersome? Does it slow you

down? And they said, if anything, it makes it easier. And they were very, very positive about it.

We're very interested in using technology. I know you've been very interested in trying to help us with that.

In our supplemental appropriation this past summer there was \$20 million for us to look at information technology (IT) solutions. We're working with the Chief Information Officer's office in trying to do that. Right now we are listening to proposals from a bunch of companies that are looking at proposals for IT tools that could possibly help us come up with some good solutions for this.

We also have a contract with IBM, looking at our claims processing system as a whole, and looking for them to give us suggestions on how we can improve it.

We are very interested in getting help. And, it's not that we're resistant. It's not that we think, well, we know it all, and, this system's the best. You're not going to improve it. We are interested in trying to improve it and we're interested in any kind of expert advice we can get.

Mr. LAMBORN. Okay. Thank you.

My last question is: Something in H.R. 3047, should it pass, that you are probably less comfortable with is the shift from the internal assessment to an external, outside independent agency doing the assessments of your claims adjusters and claims specialists. Can you comment on that?

Mr. WALCOFF. We have just recently been asked for an official agency opinion on H.R. 3047. It's not done yet.

In my own reading of it, I thought there were several interesting provisions in there. And the idea of an independent reviewer, other than the STAR Review that we do out of Compensation and Pension Service, has been proposed before. The first time it was proposed there was not even any review by anybody outside of the actual regional office. I personally believe that the STAR System can achieve the independent review by having people not involved in the actual processing of those claims reviewing it.

I think that part of the problem with STAR was that we hadn't staffed them up as high as they need to be. We have recently given them a lot more resources to try to expedite their reviews, to look at things like consistency, as well as just whether there's an error or not, some of the consistency issues that were referred to in a previous panel.

My own personal opinion, is that the STAR Organization is capable of providing the type of review that you would want. But that's not the official position at this point of VA. We haven't provided that official position yet.

I was also interested, frankly, in the first provision of your bill, involving the delay in taking credit for claims processed. And, again, the agency does not officially have a position on that.

My own experience, from years not only doing the work and managing regional offices, but also from having spent 13 years in the human resources field, is that we would really have to look closely at how something like that would be implemented. Because, as you know, at minimum a veteran has a year to file an appeal. And then if he files an appeal, the VBA process can take 3 to 4 years. And if you're talking about taking credit from an individual

employee's standpoint, my concern is looking at an individual employee performance, both positive and negative, and basing it on actions that they did 3 or 4 years ago, I think that that's not an effective way of managing employee performance. I think that the more recency involved in your review of an employee's work and that feedback, the better in terms of getting performance. And that's why I would have some concerns with that first part of your proposal.

Mr. LAMBORN. Thank you for your comments.

Mr. WALCOFF. Okay.

Mr. HALL. Congressman Walz.

Mr. WALZ. Thank you, Mr. Walcoff.

Thank you so much for your service.

Mr. WALCOFF. Thank you.

Mr. WALZ. Thank you for choosing to go into public service and working with our veterans. And I hope you understand, that you should see us as partners in this. And I very much understand the good things that you do, and I think we have to highlight those.

As a high-school teacher, I can find positives in any given situation if I look hard enough. But I also find a degree of frustration to it.

So a couple things I'd like to ask is, the American people, through their elected representatives, this year provided the single largest increase in funding to the Veterans Affairs in a 77-year history.

Now, you told me you hired 3,100—

Mr. WALCOFF. We're in the process of hiring.

Mr. WALZ. You're in the process of doing that.

You would not have done that if we had gone on your budget, that the VA submitted to us. This is above and beyond. There was nothing in there, if I'm not mistaken, that did that.

My question to you is: Why didn't you ask us for it? Why didn't you ask for this increase, if it's needed?

Now, you may be the wrong person to ask, so it may be somewhat rhetorical for me, but I get very, very frustrated by that.

Mr. WALCOFF. I will try to answer the question.

Mr. WALZ. I appreciate it.

Mr. WALCOFF. And I think that, obviously, in hindsight, the view is a little bit different when you're looking back. Remember that we do our budgets 2 years in advance, from when we actually get the budget. That's the way the system works, as you know. So when we prepared the 2007 budget, and some of the resources that we're hiring in the 3,100 were in 2007, that budget was done in 2005. A lot of things have happened in those 2 years. So I guess what I'm saying is that I agree with you that a lot of those hires weren't in the budget. But I think that when the budget was prepared, I'm not sure we were facing exactly the same situation.

Mr. WALZ. Well, thank you for that segue. My question was going to ask you that very same thing.

Many of us, and you heard these family members here, question if preparations were made—when we were fighting this war, if preparations were made to take care of the warrior.

And my question to you is: Would mandatory funding for the VA fix this problem?

Mr. WALCOFF. That's one that I'm going to say that I'm probably not the right person to answer that question.

Mr. WALZ. Okay. But I ask you for this group that's out here that has strong feelings about it, too.

Mr. WALCOFF. And I do. And, obviously—Congressman, let me just say that, certainly, listening to the testimony that was provided in the panels before me, you really can't help but be touched by the stories that were told. Hearing the emotion that's involved with everybody that was up here, and I—

Mr. WALZ. And I know that you care as much as anybody in this room. So please don't think that. I know that, for a fact, that the VA does.

Mr. WALCOFF. I appreciate that.

Mr. WALZ. So I guess my question is, and one that we're struggling with, and we'll get to this, that there's still going to be the overriding question, we hear all these—we hear the backlog games. And every time I try and end with talking to the VA officials is, what would you have me tell Eddie Ryan and his parents? That's what I have to answer to. That's what Mr. Hall and Mr. Lamborn have to answer to. What do I tell them? Are we getting better? Is it not going to happen again? Are we going to make sure they don't go through that?

Mr. WALCOFF. In a general sense, I'm going to say, absolutely I believe we are getting better. I believe that the additional people that we're hiring are absolutely going to make a difference. I think the possible IT solutions are absolutely essential to the overall improvement.

I wish I could say that we'll ever get to the point where there aren't any mistakes and that no individual case falls through the crack. That's something that I could wish for every night.

Mr. WALZ. Right.

Mr. WALCOFF. But I know I can't say that. You know, that as long as we have, in VBA right now 14,000 human beings doing our work, that there are going to be mistakes.

What I care about is, do people care when they make a mistake. Does it mean something to them that they let a veteran down. And what I'm really looking at. If I find anybody who doesn't care, that's the person I'm going to be reacting to immediately. And I think that's important.

Mr. WALZ. Well, I appreciate it. We have 432 other colleagues that share that, and this group up here represents about 2 million people, and you can be sure that our constituents want that. We want what's best, so ask us. We're partners in this with you. The American people want to deliver on this. Together we can do it, I am absolutely confident of that.

So, thank you.

Mr. HALL. Thank you, Congressman Walz.

I just wanted to ask, before we excuse you, Mr. Walcoff, if you would comment, since not only have you run regional offices, but, if I'm not mistaken, you're in charge of all the regional offices now.

Mr. WALCOFF. I am right now, yes.

Mr. HALL. If you're familiar with the New York Regional Office's average of 255 days figures that our office had seen, and a backlog

of 9,638 claims, a rating of 83 percent, accuracy rating of 83 percent.

From what I hear, you know, from other people who have been in the office, is that there's a lot of attrition retirements—those spaces are not being filled, and that there are a lot of empty desks and empty chairs.

What do you think the plans are for New York, and how we can bring it up to snuff?

Mr. WALCOFF. I am familiar with New York's performance. I think everybody in VBA would say that it's certainly not to the level that we would like it to be.

New York suffered more than most other offices back in the 2004–2005 time frame, when we had a hiring freeze as an organization. Every office was affected by the freeze. New York was affected more than many because of the fact that they lost so many employees during that period of time and weren't able to replace them. They had a workforce that was a little bit older than many of our other offices, that was more effected by the retirements that were taking place, and they were unable to fill those jobs for a long period of time.

They are in a position where they're hiring now. I believe that 60 percent of their veterans service representatives have less than 18 months' experience, so that presents some other problems, in terms of getting them trained to the point where they're fully productive. But we are allowing them to hire more. And I would think that they will get to the point where there will be improvement. In the meantime, we are brokering a lot of their work out, as was referred to on a prior panel. And we will continue to do that, so that the veterans who live in that jurisdiction don't have to suffer any more than necessary by being in a situation where there are so many new employees. We want to get to the point where we don't have to broker out anymore; that New York has the right number of employees and they have the proper amount of experience, so they can handle their own work. That's what we're striving for.

Mr. HALL. Thank you very much, Mr. Walcott. And thank you for being here.

Thank you to everyone who testified today.

There are compelling reasons why the VA must fix the claims process and reduce the backlog. I, for one, believe that the backlog should be reduced to something that resembles the length of time that it takes an ordinary citizen, who has a health insurance policy, to find out whether or not they're covered for a particular knee or shoulder or the flu or a tick bite or for whatever it is they might go into the emergency room or doctor's office to check. They hand over their card and make a copy and somebody goes in a back room and calls an 800 number and comes back in 5 minutes and they're told yes or no. Our ordinary citizens, American citizens, are able to achieve that kind of quick answer, even if sometimes we don't like the answer. We get a quick resolution. I'd like to see something, see us get down to 2 months, and then eventually to 1 month and get it to be a short enough time, so that the veteran is not suffering from an injury or a disease for which, timely treatment is essential, that they're not waiting.

Also, if they're in financial circumstances that are untenable, that they're not waiting for a decision on those parts. It's a shame in this country, now I know you would agree with this, as we all do up here, that we have a record amount of divorces among military families, a record number of suicides among our returning veterans, and a record number of bankruptcies. Anything that we can do to help that transition to shorten the time that it takes for cases to be heard and decided, is what we want to do. They stood up for us, and now it's our turn to stand up for them. That's what I, as Chairman of this Committee, and my fellow Members hope to do.

I thank you for working with us. Thanks, again, to everybody who contributed, including Mike Tokarz, who submitted a statement for the record, Legislative Counsel for the American Legion, and Gerry Donnellan, the Director of Rockland County Veterans Agency, who also submitted a statement for the record.

[The prepared statements of Mike Tokarz and Gerry Donnellan appear on pages 65 and 66.]

We will keep this record open for 5 business days, and any veteran who would like to submit written comments can do so to my office or to the office of the Veterans' Affairs Committee. We can give you that address afterward.

Thanks again. This meeting stands adjourned.

[Whereupon, the Subcommittee was adjourned.]

A P P E N D I X

Prepared Statement of Hon. John J. Hall, Chairman, Subcommittee on Disability Assistance and Memorial Affairs

Good Morning,

I would ask everyone to rise for the Pledge of Allegiance—flags are located in the front of the room.

A few preliminaries. In accordance with Committee Rules, I ask that all cell phones and pagers be turned off, and as we have a lot of business to conduct in a short period of time I would like to conduct this hearing with as much decorum as possible. Out of respect for our witnesses, please try to refrain from speaking out of order.

I would first like to thank the witnesses for coming today to appear before the Subcommittee. I know the issues pertinent to the claims backlog at the Department of Veterans Affairs, or “the VA”, are of utmost importance to you.

On a personal note, as Chairman of the Veterans’ Affairs Subcommittee on Disability Assistance and Memorial Affairs, it is a special privilege for me to conduct this hearing in my district, and an honor for me to be able to address the issues facing local veterans in or nearby their hometowns.

For our veterans who are testifying today, I know that you have endured a great deal in seeking disability benefits from the VA and I thank you for sharing your experiences so that other veterans might not have to suffer the same result.

Everyone is familiar with the claims backlog problems at the VA and I will not belabor the issue. The claims backlog of over 600,000 cases is very troubling. The current waiting periods at all levels in the VA disability benefits system, from 177 days at the Regional Office to 751 days at the VBA or 240 days at the CAVC, are all unacceptable. The backlog and waiting times became exacerbated to the point of unmanageability due to the funding shortfalls over the past 5 years.

Yet, despite the backlog, I firmly believe that this system is girded by a cadre of dedicated and professional employees who are committed to our veterans. I know that my office has a wonderful working relationship with the VA’s New York City Regional Office that serves our district and I commend the employees for the fine work they do on behalf of our veterans.

These facts notwithstanding, the New York City VA Regional Office’s performance on processing claims has fallen far behind the national average. Currently, it averages 255 days to complete a claim and has a pending backlog of 9,638 claims (20 percent higher than its goal of 7,952).

But, I know that it is working with one arm tied behind its back, because as pointed out by the American Legion in its testimony, due to a hiring freeze that began in 2001 through January 2006 to comply with federal cuts to VA funding, the NY City RO needs at least a third more employees (40–50) to deal with the number of claims it currently has and the number of claims anticipated.

I am heartened by the fact that the FY08 Budget Resolution allowed and the FY08 MilCon-VA Appropriations bill will provide funding for over 1,000 full-time employees throughout the VBA to help with the overwhelming backlog. I look forward to sending this bill to the President before 110th Congress adjourns its first session. However, I firmly believe that the only way to maximize the VBA’s employees’ effectiveness in lessening the backlog is to give them the necessary tools and training to provide accurate ratings. As such, I look forward to receiving information on the VA’s STAR training program updates as recommended by the IDA.

As the home of the United States Military Academy at West Point, the 105th Airlift wing of the Air National Guard at Stuart Airport, as well as Camp Smith, an Army National Guard facility, issues pertaining to the backlog hit especially close to home. The veterans’ population in our district is 11.8 percent (roughly 70,000). Moreover, the Iraq War has had a significant impact on the district, particularly the West Point community. Sadly, West Point has had 55 graduates die in combat since September 11, 2001. With the number of these graduates heading to a combat zone,

the VA's ability to deal with future claims is especially important to our community **as well as** to the nation's ability to retain future officers of the United States Army.

The first panel of witnesses today will present testimony regarding the impact the extended waiting periods at the VA has had on those their organizations represent. We will also hear the testimony of 4 veterans from 3 different wars who will discuss the impact of long waiting times on their personal lives and financial well-being. I look forward to hearing their testimonies.

I also want to note that Ted Wolf, a Vietnam veteran battling prostate cancer, was scheduled to testify here today. While we will hear his testimony, because of health problems he cannot be here today. Ted and I have met multiple times and he is a truly wonderful person. I want to send my prayers to him and his family at this difficult time.

From the VA, I would like to hear what it is doing or intends to do to place appropriate resources in the NY Regional Office; what it is doing both to address its 600,000-plus claims backlog; and to reduce waiting times.

I want us all to remain aware of the special privilege we possess in being able to devise the policies and administer the benefits for these brave men and women and their families.

There is real sanctity in this privilege—we should always be mindful of whom we are serving.

Last, I would like to recognize several members of our audience. Michael Tokarz, a member of the American Legion Legislative Council, and Jerry Donnellan, the Veterans Service Agency Director for Rockland County, have provided written testimony for the record. Nelson Rivera and Tom Meier, the Veterans Service Agency Directors for Dutchess and Westchester County, respectively, are here as well. I want to thank them for attending and thank all our County Directors for their work in helping New York veterans. We are lucky enough to have 2 directors of National Veterans Service Organizations here today.

John Rowan, of the Vietnam Veterans of America, and Larry Schulman, the National Commander of the Jewish War Veterans of the USA, have both made the trip and I thank them for attending.

I also want to thank George Basher, the Director of the New York State Division of Veterans' Affairs, for attending. In addition to his service to New York veterans, Mr. Basher also serves on the Advisory Panel on Homelessness of the Secretary of Veterans Affairs in Washington.

Finally, Norm Bussel, a POW from World War II and an advocate for veterans, is here. Mr. Bussel, and his wife, Melanie, first helped Alex Lazos, who will testify shortly, file his claim with the VA. Mr. Bussel provided compelling testimony for this Committee in Washington and I'm pleased to see him again.

Thank you all for attending.

To take care of some official business, I request unanimous consent that the record remain open for 5 business days to revise, extend and receive additional statements and remarks.

I now would like to formally welcome Ranking Member Lamborn to my district, who is joining us all the way from Colorado's 5th district—home of the Air Force Academy, and recognize him for his opening statement. Thank you for being here, I know that you are just as committed to fixing the VA's claims backlog as I am.

**Prepared Statement of Hon. Doug Lamborn,
Ranking Republican Member**

Thank you, Mr. Chairman, and I thank you for inviting me here to New Windsor to hear from witnesses on the personal costs claims backlog. Before I begin I also want to recognize Larry Schulman, the National Commander of the Jewish War Veterans of the USA. Thank you for your attendance today, sir, and I look forward to working with you in coming year.

As everyone is aware the VA's compensation and pension backlog has reached an epic and regrettable level.

The over 400,000 disability compensation claims in the backlog are not just marks on an inventory sheet but represent a real veteran or their family who is waiting patiently for VBA to adjudicate their claim in an accurate and timely manner.

In reading the testimony of the second and third panel it seems to be that there is much work to be done in reaching this "human level". I am also not convinced that if we had this same hearing in my home state of Colorado that we would not find other veterans with similar problems of those veterans with us today.

VA has set a goal to decide a given claim in an average of 125 days. While more than 4 months strains the meaning of the word "prompt," it is not unreasonable, given the complexity and demands of the Veterans Claims Assistance Act and other administrative requirements.

Now we need VA to "just do it."

I know that we in Congress bear some responsibility for all this complexity and I am always looking for ways to help improve the bureaucratic process, while safeguarding it for veterans.

That is why my staff and I have consistently asked VA to help us help you. To the VA I say, send us legislative proposals and solutions for all of the challenges that are listed in Mr. Wolcuff's written testimony.

While I acknowledge that there is no silver bullet that will eliminate the backlog, I believe that we can take immediate, vital action by passing my bill H.R. 3047, the Veterans Claims Processing Innovation Act of 2007. This would be an important first step to helping solve problems in the VA claims process.

H.R. 3047 will bring VA's compensation and pension system into the 21st century. By increasing accountability and leveraging technology at the Veterans Benefits Administration, this bill would improve the accuracy and speed of benefits claims.

While I agree that VBA is making some improvements in terms of timeliness and needs to be adequately staffed, I am concerned that quality is being sacrificed in the name of speed.

Mr. Chairman I know we can both agree that after our 2 hearings this session, on the Board of Veterans Appeals and the Court of Appeals for Veterans Claims, that accuracy is a problem systemwide.

One way to improve this is by increased training and accountability at VBA, something that is included in H.R. 3047 by requiring an independent agency to review and certify VA's training programs.

I would rather have a veteran wait just a little bit longer for an accurate and fair rating then have them receive their rating quickly and it be wrong. It is imperative that all claims are done right the first time and I know that improving training is the first step toward this.

I thank you Mr. Chairman for promising to hold a legislative hearing on H.R. 3047 later this month.

I want to thank the witnesses for their testimony and my good friend Chairman John Hall for inviting me here this morning, and I yield back.

**Prepared Statement of Anthony Zippo, Director,
Orange County Veterans Service Agency, Goshen, NY**

Thank you Chairman Hall and other Members of the Subcommittee on Disability Assistance and Memorial Affairs for giving me the opportunity to speak for our veterans in Orange County. We have approximately 27,000 veterans in this county, including 1,300 Iraq veterans. Orange County veterans receive 27 million dollars from the Veterans Administration for disabilities and pensions.

As a county veterans' service agency our staff has had firsthand experience with the issues facing veterans today. One of the most frustrating aspects of assisting veterans with disabilities or their survivors, is having to explain that the Veterans Administration processing time could take up to a year, or more. Sometimes it could take 3 months, 6 months, 9 months, a year or even longer. There is no explanation why it takes so long.

We are taught by the VA and Veterans Organizations to submit completed claims.

Often, even when all the evidence is submitted issues are not addressed and claims are delayed. Delaying the claim may also delay the veteran's medical care, education, voc rehab, tax exemptions and other benefits that the veteran needs.

Very often, these are people who, due to serving their country are no longer able to support their families or otherwise return to their former lives. There was a family stationed at West Point. This family had, I believe 8 children. The officer was in the reserves and was being deployed to Iraq. He was an engineer as a civilian, making a good salary. Of course, being deployed changed all that. West Point didn't have quarters for the family causing them to live off base. The American Legion had to take this family under its wings and help house and feed them.

Many of our veterans are reservist or National Guard activated to federal duty. When they are deployed they leave behind families and jobs. Many return with injuries, physical and emotional and are unable to assimilate back into their former lives due to their post service disabilities. The delay in the adjudication of their claims put their lives on hold. Monetary benefits and vocational rehabilitation bene-

fits granted in a timely manner could make a more seamless transition back into civilian life.

There are some veterans who because of the delays get deeper into financial debt. They are paying for their medical care and do not receive any benefits from the VA until their claim is settled. In December 2005 we assisted a remarried widow with an application to have her Dependency and Indemnity Compensation restored. This entitlement was based on her first husband who was killed in action in WWII. Her benefits were not restored until March 2007 and only after we advised her daughter to contact her mother's congressman and the congressman contacted the VA. During the 15 months the claim was pending the widow became gravely ill. It appeared she might pass away before she received her benefits. This was especially frustrating because it was noted in VA records on May 11, 2006 that her benefits should be administratively restored.

Now to defend the Veterans Administration, their staff in the New York Regional office was close to 300 around 3 years ago. Now it's around 100 due to a hiring freeze, plus their work load has increased because of the war in Iraq. They have now started to hire again. However many people are retiring. Taking with them their experience. VA claims processing is not an easy job. It takes years of working with these claims and training to get the experience to rate a good claim.

Two quick examples from Iraq veterans:

An Iraq veteran was discharged May 31, 2006. The VA received a claim for several conditions on June 1, 2006. It was noted on the claim he was an Iraq veteran. The claim was still with the predetermination team at least until March 5, 2007 as per the American Legion. On May 7, 2007 the VA granted one of the claimed conditions (10 percent tinnitus). All other claimed conditions were deferred and are still pending 15 months later.

An Iraq veteran with 2 periods of active duty was last discharged December 10, 2005. The VA rec'd claim May 18, 2006. As per the American Legion the claim was with the VA predetermination team as of December 4, 2006. As per the American Legion February 12, 2007, the claims file in front office for continued development. As per the American Legion April 16, 2007 the claim was with predetermination for continued development. The claim is now 16 months old.

**Prepared Statement of R. Michael Suter, Chairman,
Veterans Affairs and Rehabilitation Commission,
American Legion, Department of New York**

Mr. Chairman and Members of the Subcommittee:

Thank you for this opportunity to present The American Legion, Department of New York's views on The Personal Cost Of The Claims Backlog. The American Legion, Department of New York commends the Subcommittee for holding this Field Hearing to better understand the impact the Department of Veterans Affairs (VA) claims backlog has on New York State veterans, not unlike other states in this great nation, but also to put an individual face and a name to the numbers and percentages normally discussed.

As more troops return from the war, brain injuries are a growing burden—for the veteran, for the few programs to treat them, and for taxpayers who pay for their disabilities and care. These American Patriots have gone off to war to defend and protect our way of life such as the freedom to speak at this hearing. They have lost body parts, eyesight, incurred brain damage, and, of course bear the stigma of posttraumatic stress disorder (PTSD). Doctors are finally realizing the fact that traumatic brain injuries (TBI) are masking or overlapping the PTSD symptoms and must be treated together.

Our estimate, when you add all disability compensation and pension dollars received by disabled veterans here in New York, would average out to be around \$1,039 per veteran per month. Based on that estimate, each veteran waiting and waiting and waiting for a decision on his or her claim is losing roughly that same dollar amount monthly. These veterans will eventually get their disability compensation retroactive back to their date of claim, however, in the mean time, their bank will not defer the house mortgage or car payment, the grocer won't give them credit until they receive their compensation just because the Federal Government takes 6 months, 12 months, 1½ years or 2 years or even longer to adjudicate and award their claim.

Currently The American Legion, Department of New York holds a Power of Attorney (POA) on 22,386 compensation and pension claims. The following is a breakdown of the claims status:

- Buffalo VARO—Claims pending, 1,751; claims adjudicated, 11,042
- New York VARO—Claims Pending, 1,450; claims adjudicated, 8,143

The following data reflects a breakdown of adjudicated claims with American Legion POA by the disability ratings:

Disability Ratings	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	IU	Total
Buffalo VARO	48	2,742	1,836	1,428	1,334	712	614	319	164	57	873	1,115	11,042
New York VARO	32	1,884	1,090	1,074	803	608	493	295	176	64	891	733	8,143

The VA is in the process of establishing centralized Virtual Information Centers (VIC) to answer the public contact phone inquiries. They are also in the process of consolidating the processing of all new and reopened non-service connected pension and death pension claims to centralized Pension Maintenance Centers.

There are 3 Pension Maintenance Centers; Philadelphia, Milwaukee, and St. Paul. They have been permitted to hire a significantly higher number of employees (50–100) to increase their staff with the anticipation of consolidating pension claims at these centers. This restricts the number of new hires for the Regional Offices that are in need of increased staffing to reduce their claims backlog and maintain an experienced staff to meet the claim needs of veterans, their survivors and dependents.

There are 700 rating claims from the New York Regional Office (NYRO) being brokered out to other RO's for ratings in October. Approximately 1,100 pension claims (190 death pension) have been brokered out from the NYRO to the Pension Maintenance Center at the Philadelphia Regional Office.

There was a hiring freeze implemented at the New York Regional Office from 2001 until January 2006. During FY 2006, 42 employees (24 percent of the staff) left the NYRO and 27 employees were hired. Staffing and experience continues to be a major concern at the NYRO. Approximately 60 percent of the Veterans Service Center staff has less than 2 years experience.

The number of employees in the veteran's benefits and service section of the RO was approximately 130 in April 2007. This is the section that handles the claims' process. The NYRO FTE ceiling is approximately 170. An increase of 40–50 additional employees in the immediate future would set in to motion what we believe is needed to reduce the claims backlog and maintain it at a workable level. It will take new employees 6 months to 2 years to obtain the job knowledge and expertise to become proficient in all aspects of their job responsibilities. However, progress should be seen within the first 6 to 9 months after their initial training is completed. Therefore, it would be beneficial to have staffing increases at the Regional Offices that need additional personnel the most due to hiring freezes and heavy claim volume. Increased staffing will result in the more timely placing of veterans and survivors claims under control (mail), reduced time in the claim development process (gathering evidence, exams, etc.), having claims ready to rate and the experienced personnel needed to process the ratings, and enough staff to promptly process the awards which is the final step in the claims process.

The claims backlog personally affects veterans and their families by delaying their monetary award and a better quality of life. After returning from serving their country many veterans find it difficult to find or maintain employment and some are at risk for becoming homeless. The claims process for many veterans is stressful and difficult to understand. They are unsure and confused between the Department of Defense (DoD) and VA.

The claims backlog also personally affects the veteran's entitlement to additional benefits. Completion of the awards process in many instances results in providing additional entitlements to veterans and their dependents, such as:

- Free healthcare for veterans receiving care for service connected disabilities
- Veterans with service connected disabilities rated 50 percent or higher receive free healthcare
- Vocational Rehabilitation: technical training, education, assistance in job training and placement
- VA life insurance: eligibility for veterans who are service connected
- Specially adaptive housing
- Automobile grants
- Disabled veterans are entitled to 10 points preference for civil service jobs

- Additional allowances for dependents when the veteran's award is 30 percent or higher
- ChampVA medical coverage for dependents of veterans who are 100 percent totally and permanently disabled
- Real Estate Tax Exemption eligibility in many states

Better outreach to our service men and women is monumental in helping them to understand the claims process, the difference between DoD and VA and how and where to obtain the evidence they need. For today's newest veterans this should be done on their return from being deployed.

Heroes to Hometown. An American Legion program designed to reach out to severely disabled soldiers and their families as they transition from military service to their civilian community. Through the American Legion representative at the Military Severely Injured Center located in the Pentagon, severely injured servicemembers can request transition assistance from the American Legion after leaving service. The American Legion has been involved in the Heroes to Hometown program since Past National Commander Bock signed a Memorandum of Understanding (MOU) with the DoD in July 2006.

On March 6th 2007 The American Legion signed an MOU with Walter Reed Army Medical Center that will significantly alleviate the long backlogs in out-processing wounded servicemembers. The American Legion provides a representative to the Physical Evaluation Board at Walter Reed to assist in the transition of wounded servicemembers from the Department of Defense to the Department of Veterans Affairs. This is a natural extension of our Heroes to Hometown program.

Examples of the Impact the Claims Backlog Have Around New York

In Clinton County a nursing home pension case for a Widow of a WWII Veteran was filed on September 30, 2003. The claim was lost and had to be resubmitted to the VARO on August 13, 2004. The claim was lost again and had to be resubmitted to the VARO April 8, 2005 and a request to reopen the claim was faxed to the VARO on November 20, 2006. During a conversation with the VARO on September 27, 2007 it was determined that the claim had been retired with no action taken by the VA. At no time was this claim adjudicated and the widow was never notified of this action. The VARO is reopening the claim. This WWII widow has waited over 4 years with no result. The impact this non-decision has had on this widow is unforgivable. She can't afford any outside activities, in fact after paying for a telephone and a television she can't even afford a snack to take to her room. Fifty dollars (\$50.00) a month doesn't go very far.

In Nassau County an eighty (80) year old WWII veteran is being treated for PTSD. In February 2006 he filed an increase for his service connected hearing loss and provided private medical evidence. This veteran also suffers from several non-service connected conditions. After 18 months the VARO is still "working on his case." An increase could possibly eliminate his VA prescription co-payments this veteran must currently pay.

In another case, a surviving widow, who lost her home in New Orleans, due to Hurricane Katrina, traveled to New York and moved in with her son on Long Island. It soon became apparent that she could not be left alone and she needed some one to care for her all day while her son was at work. The son found an assisted living facility nearby and began using up the widow's savings to provide her with a safe place to live where someone was always around to help. After 14 months the widow's savings were exhausted and the VA determined the widow was eligible for death pension with aide and attendance (A/A). VA then decided the widow was incompetent. Now the widow will face an additional delay (in months) while the VA decides whom to appoint as her Fiduciary.

Carl E. Munson of Yonkers filed to reopen his Pension Claim on February 15, 2006, to switch his fixed 306 pension to the Improved Pension. All required paper work was provided at that time. On December 2006, Carl received a letter from Philadelphia RO stating he was on the fixed 306 Pension. It only took 10 months for the VA to agree with Mr. Munson that he was currently on a 306 Pension. Again in February 2007, Mr. Munson resubmitted his request to be switched to the Improved Pension. He called the VARO on August 14, 2007 to see if anything was happening with his claim and was told claim should be decided soon. As of today, Carl Munson still has heard nothing.

Nursing Home pension claims submitted to the VARO ready to rate are taking in excess of 5 months to award. Pension for veterans or surviving spouses in assisted living facilities are taking a minimum of 12 months to award.

Another Yonkers resident and Gulf War One veteran first entered the military in August 1988 and stayed until August 1991. He remained a full time Reservist from

August 1991 until February 1994 when he went back on active duty until September 1996. He was deployed to the Gulf War from August 1990 until May 1991. He suffered symptoms of a heart attack in May 1991 in the Gulf War and was hospitalized on board a Naval Hospital Ship, U.S.S. Mercy, for approximately 1 month. He was first diagnosed with Cushing's disease in 1994. He originally filed a claim in late 1996, shortly after his discharge.

Since then, he has had multiple doctors evaluate him, multiple tests run and rerun and still has not been provided a clear diagnosis. Different doctors have said he has Cushing's disease and others have said fibromyalgia, while others have said muscle deterioration from an unknown etiology. He currently has muscle weakness in all 4 extremities, tenderness, extremely persistent aching pains, and is easily fatigued after only brief ambulation. He has persistent hyperglycemia and his CPK is elevated. During May 15 and 16, 2006 he underwent a study at the VA War-Related Illness and Injury Study Center in New Jersey. The Study Center found the following: probable carcinoid syndrome, sleep disturbance, left shoulder pain, rash, mood problems, anxiety disorder, NOS and adjustment disorder to include depression, chronic pain, chronic fatigue, elevated blood sugar, elevated liver function test, and poor functional physical basis due to the multiple disabilities.

This veteran has 3 small children and a wife. Due to his inability to work because of his disabilities, he has been evicted from his apartment, been separated from his wife for several months, and has lost nearly everything else. Although he has tried to work, he has not been able to continue due to his numerous disabilities from service. When he applied originally in 1996, less than a year after service, his disabilities included hearing loss, chest wall pain (claimed as a heart condition), right knee and leg cramps, migraine headaches, depression with memory loss, sinus condition, thyroid condition, asthma/hay fever, and skin condition. All were denied. He was told to apply for each individual medical problem versus Gulf War Syndrome. Now almost 11 years later, his claim is still under appeal.

Spencer P. Kennedy from Steuben County is a 60 year old U.S. Navy Veteran who was injured in 1966 when he sustained a compression fracture and dislocation of his spine. He underwent a surgical procedure to fuse this injury by removing bone from his left hip and placing it in the vertebrae. He was honorably discharged in 1971 after being on medical retirement for 5 years and appearing before a Navy Medical Board. He was rated at 40 percent disabled and then rated the same at the VA.

At about age 50, he began to experience chronic pain, mobility problems and limitation of movement to the degree that he sought help at VA. Doctors prescribed pain medications and continued to address his situation. In 2003 he began having more severe pain and mobility problems and was referred to an Orthopedic Surgeon, who ordered an MRI and X-Rays. The doctor determined that he was not a candidate for surgery and recommended pain management as an alternative. In 2005 and 2006, the same Orthopedic Surgeon rendered the same conclusions based on MRI's conducted by the VA that there is severe post-traumatic degenerative arthritis present in his lower and upper spine. Treatment letters were included in the VA file. Mr. Kennedy's pain and limitation of movement continued getting worse and the pain medications have had to be adjusted several times.

In March 2006 Spencer filed a claim for increased compensation due to his back condition. All pertinent medical records from non-VA doctors were sent to the VA to be included in his Claims file for review by claims examiners at the VARO. He also sent the RO a number of personal statements and letters from friends and medical professionals supporting his claim for an increase in compensation for the back disability.

In May 2006, while exiting his vehicle, his legs gave out and he experienced severe pain, falling to the ground. During the next 7 months, he fell under similar circumstances 6 more times as the numbness began to return to his legs and knees. He now must use a cane for stability purposes.

Mr. Kennedy waited 6 months before he was scheduled for a Compensation & Pension (C&P) examination on September 20, 2006. His C-file, which contained medical & lay statements concerning his back disability, was not provided to the C&P examining physician. A Notice of Disagreement (NOD) was filed concerning the results of the C&P examination on November 30, 2006.

In January 2007, another C&P Exam was requested which took 8 months (August 31, 2007) to schedule. He is scheduled for an informal hearing at the VARO on October 11, 2007 to discuss his claim. "In all of this, I feel as though those persons making the decisions related to my claim are not reading or placing any weight on all of the evidence that has been provided," Mr. Kennedy has stated, "I feel as though the VA is dragging its feet and if they wanted to, they could adjudicate my claim." Mr. Kennedy honestly believes he has proven that he has serious pain, mobility and

mental issues that VA could take into consideration. He is totally frustrated by this lack of adjudication. "I am frightened that I will soon become completely incapacitated and will lose everything. I am losing control slowly and continue to have more and more pain and am in serious financial difficulty. This whole thing has impacted my life tremendously in a negative way. The VA has the information and all the evidence necessary. All they (VA) need to do now is to **READ** the damn file and make a decision." In August 2006, Spencer was forced to stop working, as he was unable to walk long distances, lift more than 10 pounds, or stand for long periods of time. He has used up all his credit and equity and personal savings to pay his bills. He is unemployable as no company wants to hire someone with a severe back problem.

Addressing Congress for a final time before stepping down last week VA Secretary Nicholson pointed to persistent problems between the Pentagon and VA in coordinating care for veterans while struggling to reduce backlogs in disability claims from Iraqi war veterans. "Current efforts won't be enough to cut down the wait times our veterans are being required to endure," Nicholson said, "In fact, VA can influence the output—claims decided—of its work product, but it cannot control the input—claims filed."

Unlike most all of the failed challenges of the past, this is one challenge we can correct. We must remember the promises made many years ago to "care for those who shall have borne the battle and for his widow and orphans" as President Abraham Lincoln proclaimed. We are still paying for WWII and every war/conflict this nation has gone through since. Don't continue to budget next year what should have already been paid pre-2007.

Conclusion

The best way to help veterans is to fix the entire VA claims adjudication system. Piecemeal solutions do not work and should be avoided. The VA work measurement system should be changed so that VA regional offices are rewarded for good work and suffer a penalty when consistent bad decisions are made. Managers, attorneys, and law judges at the Board of Veteran Appeals should be rewarded for prompt careful work and should be penalized when they make bad decisions. American Veterans who seek VA disability benefits deserve better treatment than what they currently receive from the VA.

Thank you again, Mr. Chairman, for allowing The American Legion, Department of New York to present comments on these important matters. As always, we welcome the opportunity to work closely with you and your colleagues to reach solutions to the problems discussed here today that are in the best interest of America's Veterans and their families.

Prepared Statement of Alex Lazos, Harriman, NY (Veteran)

My name is Alex Lazos. I am a former Marine Corps combat veteran and attained the rank of Sergeant during my 5 years as a U.S. Marine. I was part of the initial Operation Iraqi Freedom initiative which became Operation Enduring Freedom and is still going on as we meet here today.

I enlisted in the Marines directly after graduating high school in 1999 and was honorably discharged in August 2004.

After returning from Iraq, I was experiencing severe mental and emotional disturbance which gradually worsened with each passing month. After I was discharged, my grandfather, John Lazos, who was an Army paratrooper in World War II and a Purple Heart recipient encouraged me to seek help from the Veterans Administration. At the time, I wasn't even aware of what the VA had to offer or that its services would be available to me. Nobody told me prior to being discharged or after being discharged. I was just handed my DD-214 and told "thank you, your enlistment is over."

I was immediately diagnosed with severe combat related posttraumatic stress disorder, though the services and treatments at the time put in front of me were vague and incomplete. The initial process of registering with the VA and trying to "navigate" the system was extremely frustrating, especially trying to get to talk to someone face-to-face. It seemed every phone call I made would result in me being given another phone number. When I was finally given appointments, it would end up having nothing to do with what I called about. I would be scheduled for a physical when I had a psychiatric complaint, and the medical provider wouldn't even know why I was there to see them. This was going on continually. I got bounced from one

place and person to the next, meanwhile my symptoms and quality of life worsened and I became more and more depressed and suicidal.

It was not difficult to become disillusioned and downhearted considering it appeared there was no prospect of getting any help. By June 2005, I decided to leave New York and try to re-build my life, hoping a change of scenery would be the answer. I chose to go back to North Carolina where I had been stationed. It was a terrible decision but at the time I was not in the right state of mind to make any good decisions and it only made things worse. In August 2005, I went to the North Carolina VA center and filed my initial claim for benefits. I remember being told "it is a very long process and to expect to get denied the first couple times".

By September 2005, I was evicted, homeless, severely depressed and attempted suicide. I returned to New York and reentered the VA healthcare system once again seeking help.

From then until September 2006, I was in and out of inpatient psychiatric wards and drug and alcohol detoxes, amassing legal problems, unable to find or maintain work and my life and condition continued to spiral down until I hit bottom. Once again considering suicide as a viable option and with my life completely out of control, I entered the Montrose VA where I would remain for the next 11 months as a psychiatric inpatient.

In January 2007, I re-filed my original claim and found out the VA had given me a rating of ZERO percent service-connected disability from my prior claim. I was treated primarily for my posttraumatic stress during my stay at Montrose and as the date for my discharge from the Montrose neared, my claim had still not been processed, yet I have been diagnosed with severely disabling PTSD and had been in their system for going on 3 years.

You can't imagine the panic that set in, wondering where or how I would live and how I could continue my recovery process. I started writing to all the elected officials and Congressman John Hall's office got one of my many letters and contacted me. Thanks to his intervention, my claim was expedited and by August 2007, 3 years after I had first filed my claim, I started to receive my benefits.

I can't begin to tell you how the quality of my life has improved. I can live independently and support myself while focusing on my recovery and treatment and I can finally start rebuilding my life that's been on hold for over 3 years.

I don't understand why it had to take so long to get help. I don't understand how the VA could instantly recognize that I have a seriously disabling condition as a result of my military service yet took 3 years to process my claim and compensate me for it. My experience with the VA and the claims process has been a battle in and of itself, and having returned home from one war to fight another one with an organization that was put in place with the sole purpose to serve veterans like myself is incomprehensible still to me. I also believe that full and complete funding should be granted to the Veterans Administration in support of increasing space and duration of programs, an increase in available services and manpower, and the implementation of long-lasting, effective changes to better serve and benefit our ever-growing veteran population. The claims process needs to be expedited for everyone, and funds to pay disability and compensation benefits need to be made available.

I see a lot of finger pointing and blame going on in politics today over this war and the results of a decision made in 2003. Well that was 4 years ago, the war is still going on and assigning blame isn't going to change a thing. This isn't a time for blame, it's a time for change, and unfortunately whereas war can be declared overnight, the results will last a lifetime. And for the servicemen and veterans whose lives literally hang in the balance, these issues need to be immediately addressed.

And despite my relief at having my life back, the guilt that I feel that I've gotten these benefits while so many of my fellow veterans continue to suffer is only comparable to the survivor's guilt that I feel for surviving Iraq while so many haven't.

I would like to reiterate something often lost in the endless shuffle and re-filing of paperwork and political bickering: Generations of Americans have volunteered to make extreme personal sacrifice sometimes at the cost of their own lives to defend and ensure the integrity and future of the United States of America and as veterans, we were asked to pick up a weapon and lay down our lives for our country without question. Shouldn't our treatment on returning home reflect nothing less? I feel that our troops deserve the same level of loyalty and commitment from the Veterans Administration as we were asked to give when we put on our uniforms and swore an oath to our country.

Thank you and God bless the United States of America and the men and women who protect it.

**Prepared Statement of Ted H. Wolf
Pomona, NY (Veteran), as presented by John Rowan, President
Vietnam Veterans of America**

My name is Ted H. Wolf. I'm a Vietnam veteran. I served in Vietnam from September 1966 through August 1967. I was in a transportation unit stationed at the Newport facility on the Saigon River. One of the operations of the facility was the handling of Agent Orange drums. As is well known and well documented, Agent Orange is the code name for a herbicide developed for the military. The purpose of the product was to defoliate trees and shrubbery where the enemy could hide. My exposure to broken drums containing Agent Orange caused me to become afflicted with prostate cancer.

My prostate cancer did not become "active" until August 2002. However, even before then my family and I experienced other effects of the Agent Orange. In the 1970s, my wife suffered 7 miscarriages. Furthermore, my only living daughter was born with a hemangioma. We now believe that both of these events were related to my exposure to Agent Orange.

My prostate cancer was diagnosed by a urologist in August 2002. I immediately went to Memorial Sloan-Kettering Cancer Center for further information, and eventually treatment. One way in which doctors rate the aggressiveness of prostate cancer is through a Gleason score. A patient is graded on a scale of 1-10. I was diagnosed with a 9. At Sloan-Kettering, I was treated with localized radiation as well as hormone therapy.

Sometime during the course of my treatment, I investigated and found out that Agent Orange was a cause of prostate cancer. I submitted an application to the Veterans Administration for disability compensation on account of my diagnosis of prostate cancer. In April 2003, after enduring a physical and sending my medical records from Memorial Sloan-Kettering, I was granted a disability rating of 100 percent.

In February 2004, my disability rating was lowered to 40 percent. I was informed that this reduction in benefits was on account of the fact that I was not utilizing the required number of pads for leakage each day and also because my PSA score (a number used to determine the presence of prostate cancer) had declined. On account of these 2 factors, the Veterans Administration deemed that I was in remission.

I did not feel that this was fair, but I did not have the strength to commence an action. In preparing for this hearing, however, I spoke with my oncologist at Memorial Sloan-Kettering, Dr. Michael Morris. Dr. Morris explained to me that the Veterans Administration's reasons for reducing my benefits were absurd. First, he said there is absolutely no correlation between number of pads used for leakage and the severity of prostate cancer. Second, he explained that although my PSA number had decreased, I was not actually in remission. Rather, he explained that there is a residual effect from hormone therapy, which keeps the PSA down for approximately 2-3 years. What is disturbing is that the Veterans Administration handled my case without having any knowledge of my illness and it made decisions without any basis in fact.

In May 2006, my PSA tripled indicating that the disease was still active. Bone scans taken in August 2006 indicated progression to 8 different spots on my skeleton. At this point, I contacted the Veterans Administration. They asked me to send proof which I did, and they then responded by saying that it would be a minimum of 3-4 months before any action was taken on my case.

The county in which I live, Rockland County, New York, maintains an office of Veterans Affairs. I contacted them for assistance, and they recommended that I contact my Congressperson. The office of the Congressperson attempted to assist me, however, she was defeated in the November 2006 election and therefore no real action took place.

In January, I contacted the newly elected Congressperson, Representative John Hall, and his office rendered immediate assistance. The person in his office who assisted me was Lisa DeMartino. She worked miracles and within 3 weeks, the Veterans Administration increased my compensation and gave me back compensation from June 2006.

My concern is that without the assistance of wonderful people at the congressional level, the average veteran is forced to wait a long period of time to get any assistance. I pay for my own healthcare. Our family rate is \$14,000 a year, and I am able to select where I want to be treated for my illness. Under no circumstances would I want to be treated by the Veterans Administration. I do not believe that their level of competency for treating my disease would have reached an acceptable level. I have no confidence in them, especially in light of the fact that they lowered my ini-

tial benefits, thereby showing that they had no idea of how prostate cancer functions.

My concern is for the young veterans returning from Iraq and Afghanistan. The backlog that they face in receiving care is unconscionable. Competent healthcare should be available to all veterans. We currently have in place the Medicare system which allows one to select his/her own doctor. This would allow a veteran to find medical care close to home without having to travel to a VA facility. The closest VA facility may be many miles away, perhaps requiring an overnight stay.

The Veterans Administration has for too long been allowed to defend its bricks and mortar policy of large facilities, which until the war were inadequately used. I feel that the American serviceman could best be served by being able to avail themselves of the best private care available.

I want to thank this Committee for investigating the Veterans Administration and the healthcare being provided to our returning veterans. A service person who has volunteered to serve his country should receive the best possible care available regardless of cost. Their benefits, if unable to continue to work, should be such that they are being paid a living wage to take care of their families. Those that have given so much should not be forced to continue to pay for their willingness to serve their country. Our troops who served with pride and distinction should not have to beg for adequate healthcare. It is our continued responsibility to provide the best healthcare possible whether within the VA health care system or the private sector.

Prepared Statement of Eddie J. Senior, West Harrison, NY (Veteran)

Good morning. I would like to introduce myself. My name is Eddie J. Senior. I come before you today in the hope of getting the much needed help with regards to my disability claim as well as the claims of many other Veterans. I also wish to share with you my personal experiences with the Veterans Administration and the hardships and frustrations of the VA Claims Backlog.

I served in the Army from January 1985 to March 1993. I was deployed for Operations Desert Shield and Desert Storm in 1991 with the 101st Airborne Division. Up until that time I never had an issue with my health. I served as a helicopter crewmember which required a yearly flight physical and I was considered to be in excellent health. Shortly after returning from the Persian Gulf my health began to decline. The Army doctors were unable to properly diagnose my illnesses. Over a short period of time I became unable to perform my duties as a Sergeant in the Army and because of my health problems, was forced to leave the service.

After leaving the service my symptoms persisted and my health continued to decline. I eventually received a letter from the VA urging me to come in for an examination because of my service in the Persian Gulf. During my initial visit I was examined by a VA doctor and was asked to talk about my condition and symptoms. He quickly dismissed them as something that was "all in my head" and that I was fine. I continued to go to the VA Hospital in the Bronx, N.Y. and received several tests and examinations. It was during this time that I was advised by the personnel in the compensation office where my exams were scheduled, that I should file a claim with the VA based on my current condition. They suggested that I do it as soon as possible considering the long amount of time it would likely take to receive a decision. My initial claim was filed in early 1995.

In October 1995 I noticed a lump in my neck. I immediately went to the VA Hospital emergency room. After being told by the doctor that I should not have waited so long to come in I explained to him that I have been coming to the VA hospital for about 8 months and that I've been told over and over that there was nothing wrong with me. After further examinations and a surgical biopsy on the lump it was discovered that I did in fact have something wrong and that it was very serious. The surgeon who did the biopsy said that she saw something that she had never seen before. She requested that a specialist be brought in to help. The second doctor performed 2 more surgeries, the first to diagnose, and the second to remove the cancer that had been found. The third and final surgery, scheduled for 1½ to 2 hours, took 9½ hours because of the severity of the cancer. During my postoperative care the surgeon explained to me what he had found and that he had never seen a case of thyroid cancer as severe as mine. I had hoped this would solve my health questions but soon realized that this was not the case. My symptoms, which include fatigue, headaches, respiratory and psychological problems continued and worsened.

Prior to the discovery of the cancer I was denied VA benefits for my symptoms for lack of evidence proving service connection. Soon after the diagnosis of the can-

cer I was awarded a nonservice connected improved pension. On the award letter for the pension it was stated that I was being awarded 50 percent for Depressive Disorder, 100 percent for Thyroid Cancer and Fatigue, Dizziness, Concentration Difficulties and headaches. (*See Exhibit #1) I was given the 50 percent Psychological rating as a result of a C&P exam that was given to me in December 1997. Unknown to me the examining VA doctor stated in his report that this condition was “**directly associated**” with my military service. (*See Exhibit #2) This should have given me a “Service Connected” rating of 50 percent for this symptom. I contacted the VA regional office and was told that the pension was the best decision that I could get.

It wasn't until I contacted the Westchester County Veterans Service Office and reviewed my records, both in-service and VA medical, with the Veterans representative that I was made aware that the decision and rating I was given was incorrect.

I re-submitted my claim to the VA in August 2005 stating the facts and re-submitting evidence related to my claim. Approximately 1 year later I received another denial. My service officer then assisted me with submitting a Notice of Disagreement. After waiting almost another year I was scheduled for my second C&P exam at the VA Hospital in May 2007. After waiting for the exam report to be completed I requested a copy from the VA I read through it and noted statements made by the examining doctors where they concluded that my conditions **started** and were **caused** by my time in service. (*See Exhibits #3, 4, 5)

With this information in hand I truly believed, as did my Veterans Service Officer, that I would receive a service connected disability rating of 100 percent retroactive to my date of discharge. Unfortunately this was not the case. I recently received an award letter from the VA notifying me of their decision to grant me a 60 percent service related rating for Chronic Fatigue Syndrome.

While waiting for a decision, and on agreement with my Veterans Service Officer, I contacted the office of Congressman John Hall to seek assistance with this matter. A letter on my behalf from Congressman Hall's office was given to the VA asking them to review my records including documentation of medical records indicating service connection for psychological conditions that were earlier documented by the VA, also service connection dating back to my date of discharge with regards to the opinions of the VA medical doctors. This letter was a reflection of the beliefs of my Veterans Service Officer that this claim is not being given a proper rating or retroactive date.

The recent decision letter dated Sept. 7, 2007, made no mention of the Psychological condition and the disability rating of 60 percent for the Chronic Fatigue Syndrome was **only** backdated to September 2005 instead of March 1993. This decision will now require yet another appeal. The information in my claim file clearly states, on VA medical doctor reports that my condition manifested in service, was caused by my service and persists today to a degree that is considered totally disabling according to VA regulations. As noted on the letter of decision page 3, it reads: The examiner also stated: “That your Chronic Fatigue Syndrome accounts for your array of muscle pain, joint pain, difficulty concentrating, respiratory problems and sleep disturbance.” (*See Exhibit # 6) These are the same symptoms that I have been repeatedly denied service connection since my initial claim in 1995. (*See Exhibit #7) On page 4 of my 2007 C&P exam report it states in comment one that my symptoms in service are more suggestive of Chronic Fatigue Syndrome. (*See Exhibit #8) This statement proves that this condition was present while I was still in the service. I do believe that if these facts were recognized, a continued appeal on my behalf would not be necessary and I would have been awarded the correct disability rating and retroactive date. This is just an example of the frustrations experienced by many veterans who file claims with the VA.

As I stated earlier, I find myself needing to file yet another appeal. This will only delay this process yet again. It has been explained to me that this appeal to the Board of Veterans' Appeals could and most likely will take approximately 2 more years to have my hearing with even more time for a decision. It is these kinds of delays that cause extreme frustration and stress as well as financial hardship for many Veterans.

I have personally been waiting 12 years to settle this matter and hope by coming here today to speak about my case that I will be able to get the help needed to finally bring closure to my claim.

In closing, I would like to thank you for your time and attention to this urgent matter of importance to myself and the many other Veterans who find themselves in the same situation. Thank you.

**Prepared Statements of Christopher and Angela Ryan, Ellenville, NY
on behalf of Sergeant Eddie Ryan (Veteran)**

We are honored to introduce to you, our son, Marine Sgt. Eddie Ryan. He was proud, very proud to serve our country as a United States Marine. His first combat tour of duty in Iraq was during the first invasion, when Eddie served a machine-gunner. According to his fellow Marines, Eddie was highly motivated, fulfilled his job at an excellent level and was very brave and courageous in tough combat situations.

Eddie then trained hard to become an elite Marine sniper. Out of 16 of the best Marines picked from his battalion Eddie came in first place during the sniper endoc, a Marine skills test. Fourteen out of the 16 never made the cut. Eddie never told us this out of his humbleness, his other Marines did. During Eddie's second combat tour of duty in Iraq, he was up for meritorious sergeant promotion after less than 2½ years of active duty. According to Major General Huck and the other Marines in his Scout Sniper platoon, our son was a "highly regarded Marine" in his battalion.

Eddie was severely wounded on his second combat tour of duty in Iraq, April 13, 2005.

After being in Landstuhl, Germany, for 5 days we went to Bethesda Naval Hospital in Maryland. For 5½ weeks we stayed in Bethesda. Eddie came out of his coma and the doctors recommended he be sent for intensive rehabilitation. We were warned by the families of other wounded soldiers that our jobs as caregivers would increase extensively under the VA. Eddie's care from the VA started at the Hunter McGuire VA in Richmond, Virginia, and we found out that this was true. But our question was why had our jobs had increased? Why, when our brave young men and women stand between us and our Nation's enemies, would wounded soldiers be welcomed home by a VA system that gives them substandard care?

As parents of this wounded Marine with a severe traumatic brain injury, we wanted to do our best to give him the care that he so desperately needed and deserved; however, the staff not only wouldn't allow us to but refused to do it themselves. Eddie was fed by a belly tube and was totally dependent on the care of others. He missed several meals and when we brought this to light and held the staff accountable, we faced opposition.

Eddie's condition deteriorated. His six-foot, one-inch tall body of solid muscle at 200 pounds went down to 166 pounds. He had no control of his bowels so he was in a diaper. He would sit in his own feces for hours because of the laziness of some of the staff who would just stand around and talk together at times when young Marines and soldiers needed immediate care. At times there would only be 2 nurses on a night shift responsible for the care for many so severely wounded.

We had visiting hours from 11am to 8pm. We knew Eddie was not receiving the care he desperately needed but when we would come early or stay late to check on and assist our son, the staff would call security on us.

The lack of care for Eddie became evident when his skin broke down under his tailbone and turned into a terrible bedsore, an area mom still fights with everyday to keep clean. The sore became infected and Eddie needed to be placed on an antibiotic I.V. drip for 6 weeks. Because of this we needed to wheel this tower around, holding up his therapies and slowing down progress when time was crucial.

Our stay at the Hunter McGuire VA was not good. It was a horrible experience not only for us but for all the other parents and spouses that were in the TBI ward as well. There are other parents we still have contact with and share bad memories of the past with. The rooms had the stink of urine. We could go on and on.

At this point and time, our issues are the lack of therapies we have for Eddie and the lack of home care. Eddie is rated for 24-hour home healthcare from an LPN, which he has never received to date.

At times, Eddie has seizures but the VA sees no urgency in this. We received only personal care assistance and many days have no coverage at all, leaving Eddie and mom alone, unless dad takes off from work. We have asked the VA about this but to no avail.

Neurologists and neurosurgeons have told us from the beginning that Eddie needs to work hard every day in rehab to regain as much as he can and that the first 5 years are critical. We asked the VA for more therapies but instead his VA doctors actually reduced his 45-minute physical therapy sessions from 5 days a week to 2 days a week. With help from Congressman Hinchey and Senator Clinton's office, Eddie was re-instated back to 5 times a week but that took 7 weeks to do that this summer. In the meantime, he missed out on hours of therapies during the most important phase of his rehabilitation.

The VA gives Eddie 45 minutes for physical therapy 5 times a week, 45 minutes of occupational therapy 2 times a week (some weeks less) and 45 minutes of speech therapy 5 times a week.

The doctors said Eddie was not even supposed to live. He not only survived but this young Marine sniper, our son, remembers his intense training in the Marine Corps and is displaying his tenacity in rehab. Eddie has made remarkable progress and yet the VA doctor that cut Eddie's therapies has never even examined Eddie, never personally evaluated Eddie, never had the decency to visit or meet this brave young warrior, a Purple Heart recipient with 2 combat tours in Iraq.

Eddie's dream is to go back in the Marine Corps one day. As a family with many, many, witnesses, we are sad to say we have had to and continue to have to fight and battle with the VA for much of what Eddie is in need of.

The VA should be there for these wounded warriors asking them and their families "What do you need?" or "How can we help you and your family?" On the contrary most times we stand on opposite sides of the fence.

We as a family are asking Congress to change and address this.

**Prepared Statement of Michael Walcoff
Associate Deputy Under Secretary for Field Operations
Veterans Benefits Administration, U.S. Department of Veterans Affairs**

Mr. Chairman and Members of the Subcommittee:

Thank you for providing me the opportunity to appear before you today to discuss the Veterans Benefits Administration's (VBA) pending claims inventory and claims backlog.

Today I will discuss the claims backlog and the challenges we face in providing timely decisions on veterans' claims for disability compensation. These challenges include the growth of the disability claims workload and the increasingly complex nature of that workload. I will also discuss some of the actions we are taking to improve claims processing and reduce the time veterans must wait for decisions, to include our efforts to expedite the processing of claims from Operations Iraqi Freedom and Enduring Freedom (OIF/OEF) veterans. We view these efforts as opportunities to achieve greater processing efficiencies and enhance our service to veterans.

Growth of Disability Claims Workload

The number of veterans filing initial disability compensation claims and claims for increased benefits has increased every year since FY 2000. Disability claims from returning Afghanistan and Iraq war veterans as well as from veterans of earlier periods of war increased from 578,773 in FY 2000 to 806,382 in FY 2006, an increase of nearly 38 percent. For FY 2007, disability claims receipts were up 4 percent through August compared to the same time last year. Additionally, VBA received a record high of 80,383 claims for a single month in August 2007. This high level of claims activity is expected to continue over the next few years.

The primary factors leading to the sustained high level of claims activity are: Operation Iraqi Freedom and Operation Enduring Freedom; the addition of type II diabetes as an Agent Orange presumptive disability; more beneficiaries on the rolls with resulting additional claims for increased benefits; improved and expanded outreach to active-duty servicemembers, guard, and reserve personnel, survivors, and veterans of earlier conflicts; and implementation of Combat Related Special Compensation (CRSC) and Concurrent Disability and Retire Pay (CDRP) programs by the Department of Defense.

Ongoing hostilities in Afghanistan and Iraq are expected to continue to increase VA's compensation workload. Veterans of the Gulf War Era, which includes veterans who served in Afghanistan and Iraq, currently comprise the second largest population receiving compensation and pension benefits after Vietnam Era veterans. In 2001, a change in law added type II diabetes mellitus to the list of presumptive disabilities associated with Agent Orange exposure in Vietnam. This change prompted a surge of new claim receipts and added to the increase in veterans on VA's rolls.

The number of veterans receiving disability compensation has increased by almost 400,000 since 2000—from just over 2.3 million veterans to nearly 2.7 million at the end of FY 2006. This increased number of compensation recipients, many of whom suffer from chronic progressive disabilities such as diabetes, mental illness, and musculoskeletal and cardiovascular diseases, will continue to stimulate more claims for increased benefits in the coming years as these veterans age and their conditions worsen. Reopened disability claims, which include claims for an increase in dis-

ability percentage, currently comprise nearly 60 percent of VBA's disability claims receipts.

VA is committed to increasing outreach efforts to active-duty personnel. These outreach efforts result in significantly higher claims rates. Original claims receipts rose from 111,672 in FY 2000 to 217,343 in FY 2006, a 96 percent increase. We believe this increase is directly related to our aggressive outreach efforts and we believe this trend will continue. Separating military personnel can receive enhanced services through our Benefits Delivery at Discharge (BDD) Program, which I will discuss in more detail a little later. On either a permanent or itinerate basis, VBA staff members are now stationed at 140 military discharge points around the nation, as well as in Korea and Germany.

Combat-Related Special Compensation (CRSC) and Concurrent Retired and Disability Pay (CRDP) further contribute to increased claims activity for VBA. It is now potentially advantageous for the majority of our military retirees to file claims with VA and to receive VA disability compensation, since their waived retired pay may be restored and not be subject to waiver in the future under these new DoD programs.

Complexity of Claims Processing

The increase in claims receipts is not the only factor changing VA's claims processing environment. The greater number of disabilities veterans now claim, the increasing complexity of the disabilities being claimed, changes in law, and Court decisions affecting VA's decisionmaking process pose additional challenges to timely processing of our claims workload. The trend toward increasingly complex and difficult-to-rate claims is expected to continue for the foreseeable future.

A claim becomes more complex as the number of directly claimed conditions, or issues, increases because of the larger number of variables that must be considered and addressed by VA decisionmakers. Multiple regulations, multiple sources of evidence, and multiple potential effective dates and presumptive periods must be considered. The effect of these factors increases proportionately and sometimes exponentially as the number of claimed conditions increases. Additionally, as the number of claimed conditions increases, the potential for additional unclaimed but secondary, aggravated, and inferred conditions increases as well.

VA's experience since 2000 demonstrates that the trend of increasing numbers of conditions claimed is system-wide rather than just at special intake locations such as BDD sites. The number of cases with 8 or more claimed disabilities increased from 21,814 in FY 2000 to 51,260 in FY 2006, representing a 135 percent increase over 7 years.

Combat operations in Iraq and Afghanistan have generated claims for traumatic brain injuries with complicated residual disabilities and complex combat injuries involving multiple body systems. Additionally, the deployment of U.S. forces to underdeveloped regions of the world has resulted in new and complex disability claims based on environmental and infectious risks, concerns about vaccines, and other complicating factors.

The aging of the veteran population that is service-connected for diabetes also adds to the complexity of rating claims. VA has already begun seeing increasingly complex medical cases involving neuropathies, vision problems, cardiovascular problems, and other issues directly related to diabetes. If secondary conditions are not specifically claimed by a veteran, VA decisionmakers must be alert to identify them. This increasing complexity of disabilities adds to the difficulty of processing claims and the resources required to adequately process pending claims.

In the past decade, the number of veterans submitting claims for post-traumatic stress disorder (PTSD) has grown dramatically and contributed to increased complexity in claims processing. These cases present unique processing requirements to obtain the evidence needed to substantiate the in-service event causing the post-service post-traumatic stress disorder.

The Veterans Claims Assistance Act (VCAA) of 2000 significantly increased both the specific requirements and the length of time of claims development. VCAA requires VA to provide written notice to claimants of the evidence required to substantiate a claim and which party (VA or the claimant) is responsible for acquiring that evidence. VA's duty to notify and assist claimants throughout the process increased as a result of VCAA, adding more steps to the claims process and lengthening the amount of time it takes to develop and decide a claim. For example, VA must assist veterans in perfecting and successfully prosecuting his or her claim by obtaining government records, providing assistance in gathering private records, and obtaining all necessary medical examinations and opinions. Since VCAA's enactment, we are required to review claims at additional points in the decision process and provide additional notifications to the veteran.

BDD

VBA has successfully expedited claims processing through the Benefits Delivery at Discharge (BDD) Program, a jointly sponsored VA and DoD initiative to provide transition assistance to separating servicemembers who have disabilities related to their military service.

Under the BDD program, servicemembers can apply for VA service-connected disability compensation and related benefits prior to separation from service, which allows VA to begin payment of benefits as soon as possible after discharge. Servicemembers who apply for disability compensation under the BDD program undergo one medical examination instead of both a military separation exam and a VA exam for the disability claim. Timely decisions on servicemembers' disability compensation claims also help ensure the continuity of medical care for their service-connected disabilities. The goal of the program is to deliver benefits within 60 days of military separation. During FY 2006, VBA completed more than 29,000 claims under the BDD program.

Pending Inventory and Productivity

At the end of August 2007, our pending inventory of rating related claims was 396,664, and our average processing time was 182.6 days. However, not all of the claims in our inventory should be defined as backlog. This number includes all claims, whether pending only a few days or a number of months. Under the very best of circumstances, it takes about 4 months to fully develop and decide a claim. This includes the time to notify and assist veterans in obtaining military and private medical records, scheduling necessary medical examinations and receiving results, and ultimately evaluating evidence and making a decision. Based on our current receipts of approximately 70,000 claims each month and our timeliness performance target of 145 days, our expected level of pending inventory with no backlog would be approximately 318,000 claims.

VBA provided veterans decisions on more than 774,000 disability claims in FY 2006. Through August 2007, we had completed 749,894 decisions thus far in FY 2007, which represents an increase in productivity of over 7 percent, compared to the same time period in 2006. Between April and August 2007, VBA processed more claims than in any 5-month period on record. Despite the increase in claims processed, VBA's pending claims inventory has remained relatively stable for the past 6 months, which is a result of the increased level of claims received.

Facing the challenges I've discussed, VBA is aggressively pursuing measures to decrease the pending inventory of disability claims and shorten the time veterans must wait for decisions on their claims.

Priority Processing for OIF/OEF Veterans

Since the onset of combat operations in Iraq and Afghanistan, VA has provided expedited and case-managed service for all seriously injured OIF/OEF veterans and their families. This individualized service begins at the military treatment facilities and continues as these servicemembers are medically separated and enter the VA medical care and benefits system. We assign special benefits counselors and case managers to work with these servicemembers and their families throughout the transition to VA to ensure expedited delivery of all benefits.

In February, the Secretary of Veterans Affairs announced a new initiative to provide priority processing of all OIF/OEF veterans' disability claims. This initiative covers all active duty, National Guard, and Reserve veterans who were deployed in the OIF/OEF theatres or in support of these combat operations, as identified by DoD. This allows all OIF/OEF veterans who were not seriously injured in combat, but who nevertheless have a disability incurred or aggravated during their military service, to enter the VA system and begin receiving disability benefits as soon as possible after separation.

Hiring Initiative and Training

We are addressing the increasing workload by adding large numbers of new claims processors nationwide. We have added more than 1,100 new employees since January 2007 and will add a total of 3,100 by the end of fiscal year 2008. These employees will be placed in critically needed positions in regional offices throughout the nation.

Along with the multitude of activities involved in a recruitment program of this magnitude, we have begun the critical tasks of training, equipping, and acquiring space to house our new employees. We have modified our new employee training program to focus initial training on specific claims processing functions. This will allow new employees to become productive earlier in their training program, and at

the same time allow our more experienced employees to focus on the more complex and time-consuming claims.

Rehired Annuitants and Brokering

Recently retired rating specialists and claims processors have been recruited to return to work as rehired annuitants, enabling us to increase FY 2007 decision output by nearly 19,000 claims. The efforts of our rehired annuitants are focused on processing claims pending more than 1 year and for veterans over the age of 70. We expect to double the utilization of rehired annuitants during FY 2008. In doing so, we expect to complete approximately 4,000 additional claims per month in FY 2008. We have also significantly increased overtime funding to maximize the contribution of our experienced and trained staff.

One aggressive strategy implemented to balance the inventory of claims across stations has been to send cases from stations with high inventories to other stations with the capacity to take on additional rating work. This brokering strategy allows us to deliver more expeditious decisions on veterans' claims by maximizing existing resources and transferring work to more efficient stations.

Consolidation

About 5 years ago, VBA centralized pension maintenance operations to 3 Pension Maintenance Centers (PMCs). In the coming year we will also centralize original pension claims to the PMCs and consolidate all pension activity to these 3 offices. This will allow regional offices to dedicate more resources to compensation claims processing.

We will also gain processing efficiencies this year by centralizing all compensation and general assistance telephone calls to 9 Virtual Information Call Centers (VICCs). Limiting telephone customer service to dedicated call centers will free-up employees to focus on claims processing. In the past year we have assembled workgroups to evaluate the efficiencies that may be gained in the further consolidation of appellate work and fiduciary activities.

Though we continue to face challenges, VBA has actions in place to improve claims processing and reduce the time veterans must wait for decisions as we strive to provide benefits in a responsive, timely, and compassionate manner.

Mr. Chairman, this concludes my testimony. I will be happy to respond to any questions that you or other Members of the Subcommittee have.

Prepared Statement of Michael Tokarz, Legislative Council Member, American Legion, Poughkeepsie, NY

Mr. Chairman and Members of the Committee:

Thank you for this opportunity to express my views as a member of the American Legion Legislative Council from New York, a veteran, and a constituent in the 19th Congressional District of New York.

The American Legion believes Priorities are for treatment not access. All veterans deserve access to the Veterans Administration system based on their service alone. Compensation and transition should follow a parallel course to the healthcare treatment of veterans. They should not be set as a prerequisite to healthcare. The "timeliness of access" is critical. The VA established its own acceptable access standard for primary care at 30 days, but to most Americans with private healthcare plans—30 days would be unacceptable. Actual timeframes by the VA's own admission average over 100 days depending on case complexities and jurisdiction in which they are filed. Unfortunately, the continued disparity between demand for services and available resources continues to cause delays in the delivery of healthcare. This is with the restrictions on enrollment of Category 8 veterans still in place. The current global war on terror has placed even more demands on the VA healthcare system to meet its obligation to the men and women of the armed forces—past, present, and future. As a grateful nation welcomes with opened arms this new generation of wartime veterans, veterans of previous conflicts and the Cold war are being denied enrollment and, therefore, access to their healthcare system of choice.

The restriction of enrollment for Priority 8 veterans creates another "access gap" for recently separated veterans who did not serve in a combat setting. Some recently separated veterans must wait until their VA disability claims are approved in order to enroll. For others, unless they are economically indigent, they are prohibited from enrolling. Those recently separated veterans that successfully transition may very well never be eligible to enroll at all. None of these situations are very compelling messages to the men and women currently serving in the nation's armed forces or

those considering enlisting in the military. The American Legion believes all veterans are entitled to VA healthcare regardless of disability, rating, or economics.

The backlog in VA cases is nothing new. Recommendations from Veterans Service Organizations and the VA's own internal reviews called for additional staffing and training to reduce the backlog and number of appeals. Concern over adequate staffing in Veterans Benefits Administration (VBA) to handle its demanding workload was addressed by VA's Office of the Inspector General (IG) in a report released in May 2005 (Report No. 05-00765-137, dated May 19, 2005). The IG specifically recommended, "in view of growing demand, the need for quality and timely decisions, and the ongoing training requirements, reevaluate human resources and ensure that the VBA field organization is adequately staffed and equipped to meet mission requirements."

The mission continues to grow yet staffing is stagnant and a majority of Viet Nam era workers with the experience necessary for the demands being placed on the system are now reaching retirement. The loss of experience in this critical time can only slow down adjudications. Instead of reviewing how well the additional staffing recommended in 2005 could be reducing the backlog of new cases and appeals, we are again presenting testimony on the need for that additional staffing. With the estimated time for a Claim adjudicator to become fully trained and functional at approximately 24 months it is apparent that even an influx of new hires by the VA will not do enough in the near future to help the thousands of veterans whose lives are now in this bureaucratic limbo.

Families, Veteran Service Organizations, religious institutions and friends now make up much of the support network for veterans that should be in the VA system. The stresses placed on these veterans and their families have become a national disgrace. Compensation must wait, but the mortgage or rent must be met, spouses and children still get sick and need care outside of the VA, transportation and energy costs still go up, every challenge that the average American must face burdens these veterans while coping with a disability or transitioning back to the fullest possible employment. It is our belief that doctors, nurses and professional caregivers are what veterans deserve to see in the VA system and anything that comes between them should be kept to the absolute minimum.

The American Legion is reviewing the recommendations of the Wounded Warrior Commission and looks forward to the recommendations of the Veterans Disability Benefits Commission and the Commission on the Future of Veterans. Changes are needed and it is the American Legion's hope that the best ideas from each of these Commissions can be tailored into meaningful reform of the treatment and compensation of America's veterans. I thank the Chairman and Committee for their pursuit of the best answers to these staggering problems and look forward to working with you to fulfill the promise of complete health care and full transition for all veterans.

**Prepared Statement of Jerry Donnellan, Director,
Rockland County Veterans Service Agency, New York, NY**

Ever been to war? Mine was in the last century and that's hard to admit. The fact we lost is even harder. Being shot at tends to focus you, and things experienced stay with you. No one hates war more than those who have lived it, yet we send our children to go and peer into hell. They come back with scars, some physical, more mental. You can't take someone from a normal ordered society and drop them into a combat zone, a year later pull them out, put them back on Main Street, and expect them not to have some baggage. In a strange way the lucky ones with all their fingers and toes can carry deeper scars. As scary as it is, you're never more alive then in combat. Your senses are on overload, pores wide open, adrenalin coursing. But you will pay for this dance with the devil, in the silence of a future midnight when the demons return to collect. Old soldiers have passed many such midnights. For us it's normal. The mission is to let this generation know that it can and must be dealt with or it will deal with you. This mission for some has become a career.

Fifty-four counties across this state have Veterans' offices. These were put in place by the State of New York in 1945 to inform returning war veterans of their rights and benefits. Makes sense because dealing with the state and federal bureaucracies is daunting. They're hard to deal with, so hard in fact that they won't release discharges and contact information on veterans returning to their counties. When questioned, we're told it's to protect the privacy of the returning veteran . . . Yep, that was my question. If we don't talk to them, who will? And do you really

believe we aren't going to protect their privacy? We are of the same faith. We've shared the same baptism of fire. . . .

Might be that we are too good at what we do. And giving us the contact information would allow us to reach all the returning vets in our county, that would lead to more claims, therefore and even the larger backlog. Maybe that's the problem. Well we shouldn't worry because these new veterans are above average. They're above average in unemployment, alcoholism, divorce, foreclosures, Posttraumatic Stress.

This year the Army set a record. Some say the highest in 26 years, others say the highest since Vietnam. The record is for suicide. But I digress. We don't have to worry about them filling out claims, but it may be a barometer. However, keeping the claims process long and frustrating saves money. *First*, by not having to hire more and competent people. *Second*, by frustrating veterans to the point where they drop their claims, there's another savings. *Third*, is the truly uncooperative veteran who dies while waiting for a settlement, sad, but yet another savings.

So let's get this straight. We have a government agency that's figured out that by spending less money they can make or at least keep more money. The bean counters love this stuff. So where is the motivation for change unless money in the VA budget is specifically targeted? How did we get here? Wasn't hard. We're about where we were in Vietnam. Then the VA Hospital System was gearing up to handle the geriatric population of WWI when it was hit with thousands of young veterans with nasty wounds that had never been seen before. But due to advances in medical technology and speed of evacuation from the field, more of them were coming home. At that time for every person killed, 3 to 4 were wounded. If you were wounded and made it to a dust off chopper, odds were that you had a 95 percent chance of living. They didn't know what to do with them, but they did have bed space as did the Department of Defense so they could hang onto them longer until they figured it out.

What happens after a war in general, is military and VA budgets tank. The people are tired of war, the economy is in need of transition. However, after Vietnam you could square that. It's kind of like the 'perfect storm' in the way those 3 elements came together. It was a lousy war that we lost. The public was suffering not from war fatigue, they were genuinely angry and the economy was going over the falls. Remember the gas lines? So a new phrase came into our lexicon, "base closures". However, with every base at least one hospital was lost. At the same time, the VA hospitals began following the medical trend of the private sector—going into shorter hospital stays, more outpatient, therefore they too, were eliminating beds and opening community clinics, the first of which was in Rockland County.

Then there was Desert Storm. That showed America we could go to the other side of the world, win a war in 100 hours, take only 168 killed and come home. Perfect, we avenged Vietnam and proved the bean counters right, all in one shot. It was then that the bed letting began. From the time of Desert Storm to the beginning of Iraqi freedom, the Department of Defense and Veterans Affairs beds went down 65 percent. So now we've got fewer beds especially in the Department of Defense, and now the killed to wounded ratio has gone off the map. For every one person killed, 15 are wounded. We are approaching 4,000 killed in Iraq and Afghanistan. That translates to 60,000 wounded. With that number of wounded in Vietnam, we would have had 20,000 killed.

So you can see the volume has been turned way up. The wounds are more grievous and are taking longer to recover as well. Now what happens is the wounded come back to Walter Reed, Bethesda or other DoD hospitals. They can't handle the load. If DoD determines that the vet is too badly wounded to return to duty, the vet is in fact no longer of any value to the military, and he is retired. This hands the veteran off to the Department of Veterans Affairs. Not only getting them off their hands, but off their books. The VA is not in that much better shape in terms of beds and has only one-tenth of DoD's budget. Also this is the point at which VA claims begin, again adding to the backlog. VA only has so much space and so many people in terms of rehab. When new wounded come in to begin rehab, the old have no place to go. So they are sent either home to ill-equipped parents or spouses, or move to nursing facilities.

In either case, rehabilitation effectively stops or at least considerably slows. The fact that the veterans aren't rehabilitated to the highest point possible, they become more of a burden to the VA. Again, more claims and for a longer period of time, not to mention that the veterans are left with a poorer quality of life. What could happen is DoD could hold onto these people on active duty. They would then still have "Tri-care" military health insurance. The veteran then could be outsourced to a state of the art private rehab facility near their home. Tri-care would be used to cover the cost. No new hospitals would need to be built or medical staff hired. And

that rehab could start today and continue 'til it was determined by a medical professional, not an administrator, that as much as possible had been done for the veteran. On the claims backlog side, we could rehire recently retired claims adjudicators on a per diem or contract basis, possibly even with an incentive for more than average number of claims cleared. These people already know the system. They already have the training. There's no adjusting period. They could start tomorrow. Four of such people working full-time in each VA Regional Office could clear the backlog in 2 years.

The second idea would allow regular VA doctors in hospitals and clinics to diagnose vets beginning their claim, and have that diagnosis be adjudicated. The way it works now is, in order to file the claim the veteran has to have a diagnosis. That diagnosis is submitted with the claim. Months go by, the veteran is then sent for another physical examination and diagnosis. In many cases they are sent back to exactly the same medical facility and the same doctor who examined them in the first place. Therefore if the original doctor is a VA doctor, let them submit their findings directly to the adjudication board. This may necessitate an increase in doctors on the clinic level; however one doctor could serve several clinics. That in itself should take a couple of months out of the claim process. It's not perfect, or may not work in all circumstances, but I'll take a bite. These people, facilities, and systems, are all in place as we speak. This could begin tomorrow if there is a political will to do so.

Last, appoint someone to head up the transition, who would report back to Congress in 6 months. Max Cleland would be my suggestion. As a former senator he knows the beltway. As the former Director of the Veterans Administration under President Carter, he knows the VA. As a wounded Vietnam veteran he has seen the system from both sides.

