



CRS Issue Statement on Veterans' Benefits

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Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) are the largest sustained ground combat missions undertaken by the United States since the Vietnam War. Over 1.7 million servicemembers have been deployed to these two theaters of operation. Since FY2002, more than 1.0 million OEF and OIF veterans have left active duty making them potentially eligible for benefits and services provided by the Department of Veterans Affairs (VA). The Obama Administration has begun the process of drawing down forces from Iraq and surging the number of combat forces in Afghanistan. These factors will have a continued impact on VA health care, disability, education, vocational rehabilitation, employment and housing benefits. The 2nd Session of the 111th Congress will continue to focus on the treatment and compensation of this latest generation of veterans as well as aging veterans from previous conflicts.

Seamless Transition

Many taskforces and commissions have identified challenges faced by the Department of Defense (DOD) and the VA in coordinating care and evaluating disabilities for servicemembers and veterans returning from OIF and OEF theaters of operations. The 2nd Session of the 111th Congress will continue to provide oversight on seamless transition efforts currently underway by both departments. Key to the success of this effort is VA's ability to forecast usage of veterans benefits (and therefore assess the need for additional staffing and resources), to improve the VA's efficiency, and to maximize its coordination with DOD as well as with other federal agencies. Policy questions, therefore, center on questions such as: How will VA improve the accuracy and timeliness of its forecasts so that Congress is able to appropriate resources in a timely manner? How can VA coordinate with other federal agencies such as DOD, Labor, Health and Human Services (HHS), Housing and Urban Development (HUD), and the Small Business Administration (SBA) to maximize opportunities for returning veterans?

In providing seamless transition, the VA faces new challenges based on an impending surge of new veterans as well as the changing composition of veterans. Women constitute an ever-growing segment of the Armed Forces and consequently, the overall veterans population. Additionally, military recruiters are actively recruiting servicemembers from U.S. territories in the Pacific. These changing dynamics raise questions such as: What policies might improve the VA's capacity to care for the increasing number of female veterans who are entering the VA health care system? How will VA provide disabled veterans living in far-flung U.S. territories, with benefits and services that are generally available to veterans living in the fifty states? What can be done to ensure that separating veterans are made aware of the benefits and services that are available to them?

The VA will play a major role in informing initiatives related to development and implementation of health information technology and interoperability of medical records and a single disability evaluation process, elements critical to providing seamless transition. The VA's electronic health record system is a key part of its health system and considered a model for other health systems as well. At the same time, DOD has a health records system it uses in the course of providing treatment to active duty servicemembers. Enabling the sharing of electronic medical records between DOD and VA has been a long standing issue for Congress. Moreover, the National Defense Authorization Act of 2008 imposed a deadline of September 2009 for achieving a fully electronic and interoperable record between the two Departments. While the Departments have missed the deadline to fully comply with this requirement, Congress will continue to provide oversight to ensure that VA and DOD achieve this legislative requirement.

Health Care

VA reports that the most common combination of diagnoses found among returning combat soldiers is post traumatic stress disorder (PTSD), major depression, and cognitive impairments due to mild traumatic brain injuries (TBI). Concerns have been raised about a shortage of qualified mental health care professionals and VA's resulting capacity to serve veterans with these less-visible injuries. Like the private health care system, VA is faced with hiring and retention of a qualified health care workforce, including mental health professionals as well as others. These concerns could be exacerbated by proposals for VA to support the treatment of veterans' family members. The looming shortage of health care personnel at the VA has led to policy questions such as: Would additional compensation aimed at matching salary levels paid in the private sector attract more qualified and highly trained health care providers? Would loosening certain pay restrictions, thereby allowing nurses, physician assistants, and certain other employees to earn additional pay for evening or weekend work attract more qualified providers? Would increasing the pay caps for registered nurses and certified registered nurse anesthetists retain more nurses within the VA health care system? What measures can VA take to retain qualified health care personnel once they are recruited? How can VA better capitalize on its relationships with VA medical centers and medical schools to improve access to and quality of care, including access to primary care services? Should VA consider expanding its tuition support and loan forgiveness programs for medical personnel who agree to treat returning service members living in rural areas?

The VA also faces challenges in maintaining its current medical facility infrastructure as well as in constructing new medical facilities. There have been numerous delays and cost overruns with regard to construction of new facilities. At the heart of this issue is the question of the cost-effectiveness of various strategies such as building new medical centers, leasing facilities, or sharing medical center space with private entities. Specifically, questions focus on: What is the appropriate balance of construction, leases and contract care? What is the appropriate role for federal funding in the construction of medical facilities for VA on land that is leased by the Department? Should VA perform the construction, contribute funds to construction done by private organizations on VA's behalf, or not be involved in the construction of facilities on Department-leased land? For those cases in which VA contracts with non-VA providers, what should be VA's responsibility for monitoring care furnished by contract providers and how should that monitoring be carried out?

During the 1st Session and continuing into the 2nd Session, Congress has considered several proposals to reform the U.S. health care system. While none of these proposals contain any provisions that would reduce benefits or increase cost-shares or fees for VA beneficiaries, enactment of health reform legislation may possibly indirectly affect the VA health care system through changes in the private health care market place. Some of these proposals would impose an excise tax on high-cost employer-sponsored health insurance, and an annual fee on health insurance providers as well as a tax on medical devices and branded drugs. Therefore, policy questions would focus on: will the veterans health care program be considered a "high cost" health plan? And would the cost associated with procurement of medical devices and pharmaceuticals increase for the VA?

Disability Compensation

The combination of new veterans from recent conflicts and the aging veteran population has resulted in a significant increase in claims for disability compensation. This has led to long processing times for disability claims. Policy debates may focus on how to streamline the disability claims system, increase quality, timeliness and consistency of claims processing, and update the Disability Rating Schedule. One option for increasing the efficiency of the disability claims system is to consolidate services within fewer offices, and VA has had some success in this area, leading some to question whether further consolidations might be desirable. Other questions of efficiency focus on the development of an electronic claims system, specifically, whether VA's success in developing an electronic health record will be replicated in its development of an electronic system for processing claims. Congress has asked whether such systems should be developed in-house, by contractors, or by a combination of both.

The Dole-Shalala Commission recommended the creation of a multi-tiered disability system, a recommendation which was the basis for proposed legislation in the 110th Congress. This approach has been criticized by some who argue it would treat veterans of different generations differently. The 2nd Session of the 111th Congress will continue to grapple with such questions as: Should quality of life payments be included in the Disability Rating Schedule? If this approach were to be adopted, should it include a two-tier disability compensation system, one that compensates older veterans under a different rating schedule, while compensating new veterans under a more generous rating schedule? Should a new system treat claims resulting from combat versus non-combat injuries or diseases with different priority? How can VA ensure that any changes to the current disability system are fair, equitable, and uniformly administered for all veterans? These issues also give rise to basic questions about VA's authority to make changes to the disability compensation rating schedule.

Education, Vocational Rehabilitation, and Employment

Congress passed the Post-9/11 Veterans Educational Assistance Act in 2008 establishing a new program of educational assistance for veterans and servicemembers who served on active duty in the armed forces after September 10, 2001. Oversight of VA's implementation of the program will be one issue, as well as the capacity and efficacy of federal programs to assist veterans seeking civilian employment and preferences in federal employment for veterans. Also of interest is the question of the extent to which eligible veterans apply for vocational rehabilitation benefits, the extent to which they complete applications, have a rehabilitation plan developed and complete the plan. Questions of interest include: how effective is VA's vocational rehabilitation outreach strategy? What factors influence the use of vocational rehabilitation services? How successful are VA's vocational rehabilitation programs?

Homeless Veterans

The VA estimates that approximately 25% of all homeless individuals in the U.S are veterans. Among homeless veterans, up to one-third are chronically homeless (defined as disabled individuals who have been homeless for long periods of time). How to address the housing needs of veterans as well as the extent to which appropriate services are focused on homeless veterans will likely be an issue. Questions might include: What is the correlation between combat service and homelessness? How can VA work with HUD and private entities to address the needs of the homeless and their families?

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