TABLE OF CONTENTS
1 Executive Summary
2 The Scope of the Problem
7 The Response to the Care and Benefits Backlog
9 Conclusion
12 Recommended Reading and Online Sources
12 Endnotes

EXECUTIVE SUMMARY
More than 1.5 million troops have served in Iraq and Afghanistan.\(^1\) 30,000 troops are counted among those wounded in action.\(^2\) But hundreds of thousands of others have suffered injuries not recorded in the official tally, including the many veterans with serious mental health problems. These veterans are overwhelming the military and veterans’ health care and disability systems.

As a result, hundreds of thousands of wounded troops and veterans are being forced to wait months and even years for medical appointments and disability compensation. Some veterans with serious mental health problems have committed suicide while waiting for counseling, and others have fallen into debt awaiting compensation from the military or Department of Veterans Affairs (VA).

A major cause of the delays is the maze of paperwork that troops and veterans must navigate to get care or benefits. The military and the VA have separate health care systems and separate disability benefits systems, each with an exceptionally complicated and confusing bureaucracy.

The medical care offered through the Department of Defense (DOD) is some of the most advanced in the world. But some wounded troops are suffering delays in treatment because the military does not use a consistent digital medical records system. Moreover, troops too wounded to continue their service must chaperone complicated paperwork through an arduous and confusing process of medical evaluation. Some veterans’ advocates believe the Army is taking advantage of troops’ confusion to lower disability ratings and save money. According to the Dole-Shalala Commission tasked with addressing the problems faced by troops at Walter Reed, less than 40% of wounded troops say they are satisfied with the disability evaluation system.\(^3\)

For those who have left military service, the Veterans Affairs system can provide health care and benefits. Unfortunately, the transition from the DOD to the VA is far from seamless. Crucial DOD paperwork, including medical records and military service records, regularly gets lost in the shuffle from DOD to VA. Moreover, the transition from top-echelon military hospitals to a local VA facility can mean a reduced standard of care.
Changes to VA eligibility rules have restricted access to VA health care and contributed to the 1.8 million veterans who lack health insurance. But even for those veterans with access to the VA system, delays and bureaucratic hurdles are commonplace. High demand has created a huge backlog for mental health treatment, making care “virtually inaccessible” at some clinics, according to at least one high-ranking VA official.

The VA disability benefits system is also massively backlogged. There are about 400,000 pending disability claims, including 83,000 that have been waiting six months or more. The average wait-time for a disability claim is 183 days, or about six months. For claims that are appealed, the wait-time skyrockets to 657 days, or almost two years.

Despite the backlog, the VA’s claims processing staff has not substantially increased. In the meantime, veterans too wounded to work are often unable to support themselves or their families.

The public outrage over bureaucratic neglect and shoddy conditions at Walter Reed Army Medical Center shined a light on the many problems facing wounded troops and veterans. A wide array of recommendations has been made, but whether these solutions will be effectively implemented remains to be seen.

THE SCOPE OF THE PROBLEM

Problems in the Military Health Care and Benefits System

Despite the superior medical care offered by the Department of Defense, some of our most seriously wounded troops are experiencing substantial delays in care, and others are being denied the military pensions they have earned.

Troops Experience Delays in Care

The Pentagon has mandated the use of digital medical records at DOD medical centers. With such a system, medics in theatre can see how their patients fare after being evacuated and then use this information to improve their combat life-saving techniques. Military doctors using this system in the U.S. know exactly what procedures and tests were performed before the service member arrives in their hospital.

But billions have been invested in several different digital tracking systems, and squabbling within the Defense Department over which of the digital tracking systems to use has kept any system from being fully deployed. The Joint Patient Tracking Application (JPTA), which costs only $1 million to develop and can track wounded troops from combat life-saving to long-term hospital care in the United States, is only used at 13 of 70 military treatment centers in the United States. As a result, wounded troops are suffering through redundant tests, misdiagnoses, and delayed treatment.

Is the Army Underrating Troops’ Injuries?

Severely injured troops enter the military disability benefits system, where they are evaluated to determine fit-
ness for service and level of disability (from 0% to 100% disabled, depending on the severity of the injury). The most severely wounded soldiers are medically separated with severance pay, or medically retired with a pension and health care coverage for their families. The Army, Navy, and Air Force evaluated 23,000 military disability retirement cases in FY2005, and give out over $1 billion in retirement benefits annually.6

But the military will generally only rate one condition when deciding a service member’s disability. So a soldier severely injured by a roadside bomb could have injuries to his legs, hearing loss, a brain injury and Post-Traumatic Stress Disorder (PTSD), but he will only get rated for one of these problems. In some cases, it has not been the most disabling condition that gets rated—as in the case of one Army sergeant who was unable to continue serving because of a degenerative eye disease, but was rated 10% disabled for his shin splints.7

---

**EVEN THE ARMY ADMITS IT DOES NOT MEET ITS OWN GOALS FOR QUICK AND EFFECTIVE PROCESSING OF DISABILITY CLAIMS.**

The process is arduous and confusing; for a summary of the military and veterans’ disability systems, see Appendix A. Even the Army admits it does not meet DOD goals for quick and effective processing of disability claims.8 As a result, wounded troops face an unacceptable burden: chaperoning complicated paperwork through the military’s bureaucracy while recuperating from serious injuries.

Some veterans’ advocates believe, furthermore, that the Army is taking advantage of troops’ confusion regarding the disability process to give soldiers lower rates of compensation. The chairman of the Veterans’ Disability Benefits Commission has pointed out that the military “has strong incentive to assign ratings less than 30% so that only separation pay is required and continuing family health care is not provided.”9 Ron Smith, deputy general counsel of Disabled American Veterans, has said, “People are being systematically underrated. It’s a bureaucratic game to preserve the budget.”10 These advocates point to the Army’s own data to make their case:

- 27% of Army personnel found medically unfit for duty between 2000 and 2006 were assigned 0% disability ratings—that’s 13,646 soldiers found too disabled for military service, but not disabled enough to receive any military disability benefits.11 In contrast, only 3% of sailors and 4% of Marines and Airmen with service-connected injuries were given zero-percent ratings.12

- The rate of approval for reservists’ permanent retirement disability claims has decreased from 16% in 2001 to just 5% in 2005.13

- The number of troops being discharged from the military with a “personality disorder” has increased 40% in the Army since the invasion of Iraq.14 Many of these soldiers, particularly those with head injuries, seem to have clear cases for a disability rating—and yet are being told they have pre-existing conditions and therefore do not deserve compensation for their injuries.15

- In addition to low disability ratings, temporary ratings are also on the rise.16 Receiving a temporary disability rating, instead of a permanent one, leaves wounded troops in limbo because the military can later lower their ratings and benefits levels. Lump-sum payments, which are typically lower than the amount veterans would get over the course of their lives, have also increased.
During War, One-Third as Many Soldiers Get Permanent Disability Many More Get Only Temporary Ratings

In 2001, 642 soldiers were rated as having permanent disability, while 165 received temporary disability. In 2005, at the height of the Iraq War, less than a third as many soldiers were given permanent disability, while four times as many troops were stuck in the limbo of a temporary disability rating. Source: Army Times, 2007.

The Difficult Transition from the Military to the VA

In addition to the problems within the DOD and VA health care and benefits systems, there are also problems with the transition between the two systems, including lost paperwork, a drop-off in the quality of care, and the lack of coordination between two distinct disability rating processes.

Since 1998, the DOD and VA have been working to improve their information-sharing by creating interoperable electronic medical records. But progress has been slow. For instance, certain PTSD disability claims require the VA to get paperwork from the U.S. Army and Joint Services Records and Research Center. The center takes, on average, about one year to respond to requests from regional VA benefits processing offices.

Moreover, VA hospitals and clinics are not always ready to cope with the unique injuries suffered by Iraq veterans. For example, although Traumatic Brain Injury (TBI) is known as the “signature wound” of the Iraq War, it took several years and substantial pressure from Veterans Service Organizations including IAVA before the VA mandated TBI testing for returning troops. This unfamiliarity with new and complex injuries means that the most severely injured transitioning troops can face a serious decline in the quality of their care when they enter the VA system.

Finally, troops moving from the DOD to the VA system face the confusion of two separate disability systems, one for the military and one for the Department of Veterans Affairs. (See Appendix A.) Whether a veteran gets a disability rating from the DOD or from the VA will have a dramatic effect on the amount of money they will receive, but ignorance of the system leaves many troops without the full compensation to which they are entitled. As the Army Inspector General has said, “A majority of Soldiers interviewed do not know or understand the differences between Army and Department of Veterans Affairs (VA) disability ratings.” Without adequate understanding of the two systems, veterans are less likely to apply for and receive the full range of benefits they have earned.

As a result of the confusing disability systems, complex injuries, and an antiquated information-sharing process, veterans are suffering considerable delays in care and benefits instead of experiencing the “seamless transition” they have been promised.

Problems in the VA Health Care and Benefits System

Once in the VA system, troops face new hurdles. At the VA, medically-retired troops join the millions of veterans who seek VA care and benefits in the months or years after their military service. Unfortunately, backlogs are delaying treatment and compensation for many of these veterans.

Waiting for VA Care

The VA health care system includes 171 hospitals and hundreds of clinics and drop-in counseling facilities called Vet Centers. Annually, almost 6 million veterans of all generations rely on the VA for health care, including about one-third of the 750,000 Iraq and Afghanistan veterans eligible for VA coverage. The American Legion calls the VA “the health care model others in the health care field should emulate.” Veterans of Foreign Wars, AMVETS, Disabled American Veterans, and Paralyzed Veterans of America agree that VA health care is “equivalent to, or better than, care in any private or public health-care system.”
By 2006, the VA claim backlog has grown by more than 50% to about 378,000 claims. At the same time, the number of claims waiting over six months, reached 83,000, up from 47,000 in 2003. Source: GAO-07-562T.
to wait months before receiving compensation. The number of pending disability claims has increased by over 50% over the past three years. As of December 8, 2007, there were over 408,000 pending claims. The number of people waiting at least six months for VA claims decisions has nearly doubled, to 83,000. The average wait-time on a claim is 183 days. Iraq and Afghanistan veterans receive “priority” in claims processing, and on average receive their claim result in 110 days. Often unable to work because of their injuries, many veterans awaiting claims processing have few options but to rely on friends and family for support, or to fall into debt.

Another problem is the widespread inconsistency in VA claims decisions. Veterans applying at certain regional VA claims offices have a better chance of receiving benefits than veterans submitting similar claims to offices in other parts of the country. For example, average annual disability payments are $7,556 in Ohio but $12,395 in New Mexico. Furthermore, wounded veterans who approach the VA without professional assistance receive less than half the compensation awarded to those who are represented by a lawyer or service organization. Such wide variation in claims decisions casts serious doubts on the efficiency and the accuracy of the claims process.

In fact, according to the VA’s own numbers, about 12% of ratings decisions are not accurate. The VA’s inaccuracy is a huge source of the claims backlog; over 81% of claims filed in 2006 were claims re-opened for appeal. Injured veterans who contest a wrong decision face a drawn-out appeals process which takes, on average, a staggering 657 days. That’s almost two years of waiting for disability payments.

**AVERAGE ANNUAL DISABILITY PAYMENTS ARE $7,556 IN OHIO BUT $12,395 IN NEW MEXICO.**

These delays are caused by bureaucratic inefficiency and poor DOD-VA communication, but also by a severe staff shortage at the VA. Disability claims have increased by over 30% since 2000, but the number of VA claims processors has failed to keep pace. Although former VA Secretary Nicholson has said he believes the VA is “adequately staffed,” there clearly are not enough VA employees to deal with all the incoming disability claims.

---

**IN PERSON: ANDREW BROWN**

Sergeant First Class Andrew Brown served in Iraq helping build the new Iraqi Army. When he got home in October 2005, he struggled with anxiety, depression, and Post-Traumatic Stress Disorder. Over time, he became suicidal.

As he tried to get the mental health care he desperately needed, the DOD and the VA failed to heed his call for help. The Pentagon was supposed to be keeping track of veterans like Drew through post-deployment health assessment forms. But Drew filled out the forms and asked for help from a mental health professional five times over sixteen months before he received a follow-up phone call from the military. Drew also tried to schedule an appointment with the VA, only to be told he would have to wait three weeks, and schedule his appointment between 8:30am and 4:30pm, Monday through Friday, at a hospital that was a substantial distance away.

Although he must take time off work to do so, Drew is now regularly seeing a VA psychiatrist. But many veterans will not be as quick to advocate for themselves. The military and VA bureaucracy will keep them from the care they need and the benefits they deserve.
As Claims Backlog Grows, Little Change in Number of VA Claims Processors

<table>
<thead>
<tr>
<th>Year</th>
<th>Claims Staff</th>
<th>Claims Pending</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>254</td>
<td>0</td>
</tr>
<tr>
<td>2004</td>
<td>321</td>
<td>0</td>
</tr>
<tr>
<td>2005</td>
<td>346</td>
<td>0</td>
</tr>
<tr>
<td>2006</td>
<td>378</td>
<td>0</td>
</tr>
</tbody>
</table>

Despite the skyrocketing backlog of disability claims, VA benefits claims staffing has decreased. Source: GAO-06-225T.

THE RESPONSE TO THE CARE AND BENEFITS BACKLOG

Walter Reed Scandal Draws Attention to Delays and Neglect

On February 18, 2007, The Washington Post published the first in a series of articles outlining the poor conditions, neglect, and bureaucratic hurdles faced by outpatients at Walter Reed Army Medical Center. Although many at the DOD expressed surprise at the squalid conditions faced by Walter Reed’s outpatients, years of official visits, mainstream media coverage, and Congressional testimony had given them ample opportunity to learn of these conditions.

After an early response from Walter Reed management that referred to The Washington Post articles as “unfair,” there were speedy efforts to repair the superficial housing problems at Walter Reed, and calls to conduct a more thorough examination of the problems facing returning troops.

Calls for Fundamental Reform

A wide array of government agencies, commissions, task forces, and veterans advocates have urged sweeping reform of the military and veterans' care and benefits systems.

Government Accountability Office, 2002-present

For years, the GAO has reported on the difficult transition from DOD to VA and the backlog in VA claims processing. The GAO has suggested that restructuring the field offices at the VA could help make claims more consistent and accurate, but admits that this alone will not be enough to fix the VA system. The current disability payments rating system was set up in 1945, when many jobs required manual labor, and before recent technological advances that have made more careers possible for disabled people. As a result, the GAO has concluded, “programs are grounded in outmoded concepts of disability,” and much more could be done to assist “those with return-to-work potential to return to the labor force.” Only a “fundamental reform of VA’s disability compensation program” will resolve these issues.

Linda Bilmes, Harvard University, January 2007

Another recent suggestion for reforming the VA disability system has come from Linda Bilmes, a professor of Public Policy at Harvard University. In “Soldiers Returning from Iraq and Afghanistan: The Long-term Costs of Providing Veterans’ Medical Care and Disability Benefits,” Bilmes recommends ‘fast-tracking’ of Iraq and Afghanistan veterans’ claims via a “single center staffed with a highly experienced group of adjudicators who could provide most veterans with a decision within 90 days.” She also suggests the expansion of Vet Centers’ role to include helping veterans with their claims. Finally, Professor Bilmes recommends an IRS-like audit system to provide veterans with benefits during the long processing period. “The VBA could simply approve all veterans’ claims as they are filed—at least to a certain minimum level—and then audit a sample of them to weed out and deter fraudulent claims.” Bilmes argues that because such a high percentage of claims are eventually approved, the risk of fraud would be low.

As Claims Backlog Grows, Little Change in Number of VA Claims Processors

[Graph showing claims staff and pending claims from 2003 to 2006]
The Independent Review Group, April 2007
The Independent Review Group, headed by former Army secretaries Togo West and John Marsh, was tasked by the President with examining the problems at Walter Reed. Their report condemned Walter Reed leadership for “virtually incomprehensible” failures to maintain hospital facilities and criticized the “Byzantine” disability claims procedures the troops at the hospital were forced to endure. The group also called for a new center to focus on research and treatment of Traumatic Brain Injuries and Post-Traumatic Stress Disorder, and additional mental health screenings for veterans in the months after they return home.

Task Force on Returning Global War on Terror Heroes, April 2007
The Task Force on Returning Global War on Terror Heroes brought together the secretaries of six federal departments, under the chairmanship of then-VA Secretary Jim Nicholson, to coordinate their work and find ways to improve the delivery of services for new veterans. Six weeks later, the Task Force report made 25 recommendations that the federal departments committed to putting into action. These recommendations included joint DOD/VA disability ratings, joint DOD/VA electronic health records, a case management system to oversee the transfer of troops from the DOD to the VA, a TBI tracking database and TBI screenings for all OEF/OIF veterans receiving care at the VA, better VA outreach to the Guard and Reserve, and better interagency collaboration on improving care for rural veterans.

Institute of Medicine and National Research Council, May 2007
A recent report by the Institute of Medicine and the National Research Council concluded that the VA’s PTSD evaluation techniques are inadequate. According to the report, the criteria for mental disorders are “crude,” “overly general,” and unreliable. In addition, the committee responsible for the report questioned the use of separate ratings for mental illnesses that often appear together (like PTSD and depression), the inconsistent criteria for rating relapsing/remitting conditions, and the use of “occupational impairment” as the sole metric for PTSD disability. The committee recommended a fundamental re-examination of PTSD assessment, but did not make specific suggestions, instead deferring to the upcoming report by the Veterans’ Disability Benefits Commission (see below).

President’s Commission on Care for America’s Returning Wounded Warriors, July 2007
This presidential commission, headed by former Senator Bob Dole and former Health and Human Services Secretary Donna Shalala, had a broader scope than either the Independent Review Group or the interagency Task Force. In July, this commission released its final report calling on Congress and the Administration to implement Comprehensive Recovery Plans, streamline the military and veterans’ disability systems into a single system, improve care for people with Post-Traumatic Stress Disorder (PTSD) and Traumatic Brain Injury (TBI), strengthen support for families, improve the transfer of patient information, and support Walter Reed until its closure.

Limits on VA Eligibility
While many veterans struggle to get access to VA services, others have lost their VA eligibility altogether. In 2003, the VA stopped accepting new “Priority 8 veterans,” largely those who do not have a service-connected disability and whose annual incomes exceed certain standards. No longer covered by the VA, almost a million of these veterans lack any health insurance at all.

Iraq and Afghanistan veterans were originally protected from Priority 8 status by a special exemption if they sought VA care within two years of their service. Recently, however, IAVA worked with Congress and other veterans’ organizations to secure an extension of this eligibility window to five years. So far, only about a third of Iraq and Afghanistan veterans have sought VA care, so hundreds of thousands of troops who would have otherwise missed the two-year window for easy access to care are now eligible under this extension.
Veterans’ Disability Benefits Commission, October 2007
The independent Veterans’ Disability Benefits Commission, established by Congress in 2004, studied these and other suggestions to ensure that benefits adequately “compensate and assist veterans and their survivors for disabilities and deaths attributable to military service.”
In October 2007, the commission released their final report. Among their sweeping recommendations were overhauling the disability ratings system, improving PTSD and TBI benefits, and increasing benefits of up to 25 percent during the systematic re-evaluation. Additionally, the Commission recommended a system of case managers to ease wounded troops’ transitions to civilian life, Congressional funding to reduce the disability claims backlog by 50 percent in two years, and greater interaction between VA hospitals and Vet Centers.

Months of Recommendations, But Little Progress
The DOD and VA have taken some steps to respond to the recommendations offered by these various experts. The Wounded Soldier and Family Hotline Call Center was established to offer wounded troops and their families a way to seek assistance in resolving issues with the recovery process. In its first three months, the hotline, which is staffed twenty-four hours a day, seven days a week, received over 3,000 calls from soldiers with health care concerns. The DOD and VA have also announced the hiring of “recovery coordinators” to guide seriously wounded troops through the health care and disability system. In addition, the Department of Defense and the VA have begun testing a new disability evaluation system, through a pilot program that will run at three Washington, DC-area military hospitals.

But more than six months after conditions at Walter Reed were exposed, a new report from the GAO found that the response to the calls for fundamental reform following the crisis has been largely insufficient. Specifically, the GAO concluded that there has been little development in rectifying staffing shortfalls, facilitating VA/DOD data sharing, or streamlining the disability evaluation systems. Furthermore, the report concludes, there has been no progress in expediting the processing of disability payments, and efforts to improve the care provided to service members with TBI and PTSD have also been largely unsuccessful.

CONCLUSION
Troops returning from Iraq and Afghanistan are straining the VA and military health care and benefits systems. The Congressional Budget Office has predicted that Iraq and Afghanistan veterans’ health care and benefits over the next ten years will cost between 10 and 13 billion dollars.

Already the cracks are beginning to show, as backlogs for care and benefits remain in the tens and hundreds of thousands. Over the past year, many recommendations have been made for remediating these systematic failures. A chorus of experts has called for interoperable DOD/VA electronic medical records, a case management system for the most severely wounded vets, a complete overhaul of the military/veterans disability system, and a commitment to dramatically reducing the VA disability benefits claims backlog. Although some small steps have been made, Congress and the Administration have failed to act decisively on these recommendations. In the meantime, wounded veterans are waiting. For all of IAVA’s recommendations on troops and veterans’ health care and benefits, see our Legislative Agenda, available at www.iava.org/dc.
APPENDIX A:

The following chart simplifies the military’s disability evaluation and compensation system. It shows the process for troops who are injured or become sick and may not be able to continue their service.

This process is often the first of two disability evaluations a wounded service member must undergo. The second system, that of the Department of Veterans Affairs, is outlined on the following page.
APPENDIX A (PAGE 2):

This chart outlines, in broad terms, the disability evaluation system of the Department of Veterans' Affairs. While the military’s disability evaluation system compensates servicemembers for conditions that render them unfit for duty, the VA compensates veterans after their service is complete for conditions that negatively affect their opportunities for civilian employment or their quality of life.

Veteran gathers service records, VA and civilian medical records and submits a claim to one of the 57 regional VA benefits offices.

VA Ratings Specialist

Is the veteran eligible for VA benefits?

Veteran accepts

Claim is rejected

Veteran appeals

Is the disability service-connected? (for each disability)

What percent disabling is the condition? (Each condition rated separately, according to the VA Schedule for Rating Disabilities)

Veteran receives monthly compensation based on the total percentage of disability (average wait to this point: 177 days from first date of first file)

VA Board of Appeals examines claim, makes ruling (average wait: 637 days)

Veteran accepts

Veteran appeals

Federal Courts make final ruling
RECOMMENDED READING AND ONLINE SOURCES

For more information about the mental health effects of war, please see the IAVA reports: “Mental Health Injuries: The Invisible Wound of War” and “Traumatic Brain Injury: the Signature Wound of the Iraq War.” All IAVA reports are available at www.iava.org/dc.

You can also learn more about veterans’ care and benefits from the following sources:


• The President’s Commission on Care for America’s Returning Wounded Warriors, “Final Report,” July 30, 2007: http://www.pccww.gov/docs/Kit/Main_Book_CC%5BJULY26%5D.pdf.


ENDNOTES

All links are current to date of publication.


2 The category of “wounded in action” does not include all troops who are injured. Those hurt in accidents and those whose injuries become apparent after their service are not included in this count. You can see the regularly updated Defense Department numbers at the following URL: http://www.defenselink.mil/news/casualty.pdf.

3 The President’s Commission on Care for America’s Returning Wounded Warriors, “Final Report,” July 30, 2007, p. 6: http://www.pccww.gov/docs/Kit/Main_Book_CC%5BJULY26%5D.pdf.


9 James Terry Scott, Chairman Veterans’ Disability Benefits Commission, Statement Before the United States Senate Joint Hearing of the Armed Services and Veterans Affairs’ Committees, April 12, 2007, p. 9.


While veterans can apply for both military and VA benefits, they will not necessarily receive both benefits in total. Instead, they will often receive the greater of the two benefits. This issue is referred to as “concurrent receipt.” For more information, see the Veterans’ Disability Benefits Commission, “Honoring the Call to Duty: Veterans’ Disability Benefits in the 21st Century,” October 2007, p. 196: http://www.vetscommission.org/reports.asp.


VA Performance and Accountability Report, FY 2007, p. 3.


70 Read the complete report at http://www1.va.gov/taskforce/.


73 The President’s Commission on Care for America’s Returning Wounded Warriors, “Final Report,” July 30, 2007, p. 8: http://www.pccww.gov/docs/Kit/Main_Book_CC%5BJULY26%5D.pdf.


77 Learn more at http://vetscommission.org/.


