Action in Congress

By Tom Philpott, Contributing Editor

Inconsistent Disability Ratings; Was the Army Cutting Costs?; Away With the Efficiency Wedges ....

Disability Ratings Dustup

Senators grilled Pentagon officials about major disparities in the way the armed services award disability ratings. They also challenged disparities in the award practices of DOD and the Department of Veterans Affairs.

Retired Army Lt. Gen. James Terry Scott presented data gathered for the Veterans’ Disability Benefits Commission, which Scott chairs. It showed that, from 2000 through 2006, the Army gave 30-percent-or-higher disability ratings to just 13 percent of soldiers found to have service-connected injuries or illnesses.

(Thirty percent is the threshold at which members are designated as disabled “retirees,” qualifying them and their dependents for retiree privileges.)

The Marine Corps, by contrast, awarded disability retirement to 18 percent of its disabled members. The Air Force did so for 27 percent and the Navy for 36 percent of disabled troops.

Gordon England, the deputy secretary of defense, conceded that there was a problem during his April 12 testimony at a joint hearing of the Senate’s Armed Services and Veterans Affairs committees.

England noted, “It certainly seems evident to me that we need to get down to some sort of consistent process, because it is confusing.” Sen. Carl Levin (D-Mich.) shot back: “It’s just unfair. It’s unjust.” Levin chairs the Armed Services panel.

How to Fix Disparities

Pentagon officials explained that disparities in the award of disability ratings have sometimes resulted from the missions that led to the disabilities of service members.

England noted, “Each of the services evaluates fitness to serve based on their particular service, so it is perhaps not surprising that maybe Air Force is different from Marine Corps because of the nature of what [their] people do.”

Harder to explain, Scott suggested, are data showing that the Army over the same six-year period awarded a zero percent rating to 13,646 soldiers that it found unfit for duty. By contrast, the Air Force, Navy, and Marine Corps had assigned a zero percent rating to only about 400 members per service.

The VA reviewed the cases of soldiers with zero percent disability ratings and 20 or more years of service. Afterward, it raised the disability ratings to an average of 56 percent. VA recognized many conditions that were ignored by the services.

Was the Army cutting costs? Acting Secretary of the Army Preston M. Geren said no, that the service’s evaluation boards are not in any way directed or encouraged to hold down costs by limiting disability awards.

However, Geren said the system “needs a radical overhaul” because it “doesn’t work for soldiers and their families today.” He added that the Army is pursuing reforms.

Scott recommended that Congress and the Bush Administration quickly:

- Restructure the DOD disability award process to streamline medical and physical evaluation board responsibilities.
- Require the services to evaluate and rate all disabilities of separating or retiring service members.
- Direct VA and DOD to conduct a joint analysis of rating instructions to determine the basis for wide differences.
- Change a law keeping veterans from receiving disability compensation for a partial month in which they are discharged and delays in the second month’s payment.

In April, VA Secretary R. James Nicholson accepted 25 recommendations of an internal task force. On receiving the study and recommendations, President Bush ordered VA to implement all of them, including one calling on VA and DOD to create a joint process to set disability ratings.

Help for Burn-Injured Vets

Members of the Senate Veterans’ Affairs Committee are expressing strong support for new legislation that would provide severely burned veterans up to $50,000 to modify their homes and up to $11,000 to modify their vehicles.

“I am highly confident that we can pass this legislation quickly,” said Sen. Larry E. Craig (R-Idaho), the panel’s ranking Republican. “It’s needed now.”

Co-sponsors of the bill, S 1096, include Sen. Daniel K. Akaka (D-Hawaii), Veterans’ Affairs Committee chairman, and Sen. John Cornyn (R-Tex.).
Chamblis says quality of life matters.

“Efficiency Wedges” Slammed

The surgeons general of the three military departments, appearing before a House subcommittee in March, slammed Pentagon efforts to insert “efficiency wedges” on their wartime medical budgets. The wedges amounted to straight out cuts, they said.

The testimony immediately threw DOD on the defensive on yet another sensitive veterans issue.

Lt. Gen. James G. Roudebush, the Air Force surgeon general, said his $190 million efficiency wedge won’t produce real savings but will merely reduce the number of patients who can be treated on base in the fiscal year that begins in October.

The same patients will seek their care from the Tricare network of civilian providers, driving overall costs even higher than would be the case if patients were seen in-house.

Before it cuts patient services, Roudebush said, the Air Force will slow spending on facility upkeep, medical equipment, and research and training.

In other words, said Rep. Vic Snyder (D-Ark.), chairman of the House Military Personnel subcommittee, the Air Force is being forced to reduce “seed corn.” “Yes, sir,” said Roudebush. “We push things downstream” creating “a bow wave of obsolescence, ... a bow wave of risk.”

Service medical departments saw their proposed 2008 budgets cut by a total of $650 million for unnamed efficiencies.

Vice Adm. Donald C. Arthur said the $343 million Navy cut is comparable to closing a large family practice hospital like the one at Camp Lejeune, N.C., or at the naval base in Pensacola, Fla.

Maj. Gen. Gale S. Pollock, acting Army surgeon general, called her cut “equivalent” to losing a community hospital. “It will be a cut in service,” said Pollock.

The efficiency mandates imposed by defense officials are in addition to $1.86 billion withheld from the same defense health budget on the assumption Congress will approve a plan to raise Tricare fees on retirees under age 65 and their families. (See “Action in Congress: Tricare Assumptions,” April, p. 26.)

Reserve Retirement

Sen. Saxby Chambliss (R-Ga.) is touting a bill (S 648) to lower the retirement age of reserve component members by taking into account the length of time they are mobilized in support of contingency operations.

Chambliss, who appeared April 18 before the Senate Armed Services subcommittees on personnel, joined other witnesses speaking in support of improving the quality of life for service members and their families.

At the same hearing, representatives for military families warned that the high pace of operations and frequent deployments were taking a toll on family members.

Reservists clearly deserve an improved retirement package given their deepening role in Iraq, Afghanistan, and other fronts in the war on terrorism, Chambliss said. His bill, the National Guard and Reserve Retirement Modernization Act would lower the age 60 start of reserve retirement by three months for every 90 days reservists have served on active duty since Sept. 11, 2001, to support a contingency or respond to a national emergency.

The bill prohibits a drop in retirement age below 50 regardless of how long a reservist is mobilized. Also, Tricare health coverage still wouldn’t begin until age 60, if the bill is enacted into law.

National Guard and Reserve personnel are the only federal retirees who have to wait until age 60 to draw their annuities, said Chambliss.

Through late May, the bill only had eight co-sponsors, but Sen. Lindsey O. Graham (S.C.), ranking Republican on the personnel subcommittee, said he favors the idea. Congress might delay any action on costly changes to Guard and Reserve benefits, however, until the Commission on the National Guard and Reserves delivers its final report to Capitol Hill next January.

Pretax Health Premiums

More than 150 House members have signed on as co-sponsors of a bill that would amend the tax code to allow federal civilian and military retirees to pay health insurance premiums on a pretax basis and to allow a tax deduction for Tricare supplemental premiums or enrollment fees.

The House bill was introduced by Rep. Tom Davis (R-Va.) and referred to the military personnel subcommittee whose chairman, Rep. Vic Snyder, recently signed on as a co-sponsor. An endorsement from the House Ways and Means Committee would be a bigger prize.

Sen. John Warner (R-Va.) has introduced an identical bill, S 773, in that chamber. It has attracted 25 co-sponsors.