

STATEMENT OF
MICHAEL S. FIGLIOLI, DIRECTOR
NATIONAL VETERANS SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

FOR THE RECORD

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS

WITH RESPECT TO

“Reevaluating the Rating Schedule: Examining VA’s Efforts to Modernize Disability Benefits”

Washington, D.C.

January 14, 2026

Chairman Luttrell, Ranking Member McGarvey, and members of the subcommittee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and its Auxiliary, thank you for the opportunity to testify on the Department of Veterans Affairs (VA) ongoing modernization of the Veterans Affairs Schedule for Rating Disabilities (VASRD), which is a critical component of VA’s disability compensation system.

The VFW considers this review as essential to ensuring the accuracy of disability compensation ratings while also providing equitable financial relief to veterans whose service-connected injuries or illnesses have caused, or may cause, undue economic hardship. As we begin this most important discussion publicly, we must note no witnesses appearing before the subcommittee for this hearing represent national VA-accredited organizations that routinely interact with VA and the rating schedule on behalf of claimants. Notably absent are organizations such as the VFW, Disabled American Veterans, the American Legion, the National Association of County Veterans Service Officers, any accredited agents or attorneys, or their representative trade associations that collectively hold power of attorney for millions of VA beneficiaries, and possess decades of direct, practical experience navigating the complexities and nuance of the VASRD in real-world adjudication.

Moreover, anyone who is accredited through VA has a regulatory requirement under 38 CFR Part 14 to understand the intricacies of the VASRD. Without witnesses who routinely train on and apply the VASRD for claimants seeking benefits, this hearing risks trusting academic or theoretical assessments rather than current, veteran-centered perspectives grounded in daily practice. This may unintentionally shape the subcommittee’s understanding of the VASRD in ways that do not fully reflect its operational realities.

The VFW is particularly concerned that mischaracterizations or misunderstandings about the VASRD may go unchallenged, including assertions that it is inherently flawed due to its

perceived age, that the combined ratings table philosophy is incoherent, or that disability compensation should be tied to employability. These arguments, while often presented as justification for radical reforms, carry serious implications for veterans and their families. Absent testimony from accredited advocates who can explain these principles in practical terms, the VFW believes the subcommittee may accept these positions without sufficient scrutiny or rebuttal from those most familiar with how these standards protect veterans from economic harm resulting from service-connected disabilities.

If these issues are not fully and publicly examined in the hearing room, the conversation risks moving in directions that undermine long-standing principles of veteran disability compensation. This compensation is first and foremost recognition of diminished earning capacity caused by injuries or illnesses incurred in service. Likewise, the combined ratings table reflects deliberate calculations intended to balance equity, consistency, and sustainability. These are complex matters that demand input from experienced practitioners who represent veterans every day, not just abstract policy discussions.

For these reasons, we believe the subcommittee has a responsibility to convene an additional future hearing that includes testimony from accredited Veterans Service Organizations, agents, and attorneys with experience applying the VASRD on behalf of claimants. Committee members deserve to hear directly from those who understand the downstream consequences of proposed changes. Similarly, we recognize that our perspective is not the only perspective on this matter, and we invite public dialogue and scrutiny of our perspective from members of the subcommittee to reach the best possible outcome for our veterans. Veterans deserve nothing less than a complete, balanced, and fully informed record before the subcommittee contemplates any legislative reforms to this critical system.

The current VA disability rating framework has been in existence since April 1, 1945. For more than 80 years, this framework has undergone continued modernization to ensure veterans receive fair and accurate compensation based on current medical science and labor market realities. The basis of the current system is centered on the “whole person” formula, establishing a mathematical calculation that assesses each disability as independent of one another.

This structure works hand in hand with a veteran’s “average impairment” and the claimant’s current disability picture. Previous to this implementation, a veteran who was fortunate enough to be granted a disability rating received payments based on “occupational variants” that were grounded in the veteran’s pre-war occupation. The current structure offers a more objective evaluation based on the “average impairment of earnings capacity” more reflective of the typical person in civil occupations. The justification for this structure is grounded in tort law, as the VFW has noted in its [recent discussions](#) over *The Washington Post*’s misrepresentation of the current VA disability system. This fact was recently reinforced in a [Military.com editorial](#) by contributor and Marine Corps veteran Haley Fuller, reminding readers that service-connected disability payments “were not designed as a safety net for those unable to function in civilian life. They were designed as a liability mechanism.”

Any deliberation on changes to the VASRD must respect this legal fact. Proposals like eliminating compensation for so-called minor disabilities or means testing the receipt of compensation must be stopped before ever coming before Congress. The VFW invites discussion with the subcommittee on these principles to ensure that there is consensus that “average impairment” and “lost earning potential” mean that veterans drawing service-connected compensation can both work and thrive financially, but that these factors do not absolve the U.S. government of its responsibility to resolve the tort.

Every American who volunteers for military service understands that service is dangerous. Every enlistment contract obligates the service member to upon order report to “combat or other hazardous situations.” Understanding this contractual obligation, veterans cannot sue the military for resolution of occupational illnesses or injuries under the well-established *Feres* doctrine. Eroding this paradigm would compromise the good order and discipline of the military and undermine the willingness of Americans to volunteer for this inherently dangerous profession. This is why the VFW has vocally opposed anyone who whispers the notion of eroding this benefit system, scaling back compensation systems, or radically manipulating the rating schedule.

While some view providing benefits to veterans as a sacred obligation, it is in fact much simpler than that. It is fulfilling a contract. Honor the contract.

At the time of its implementation, the schedule categorized approximately 1,600 medical conditions into broad body systems. The criteria were heavily designed to evaluate the physical trauma more common to World War II such as shrapnel and gunshot wounds, amputations, and infectious diseases. In the present day, there are more than 1,100 specific diagnostic codes, organized into 15 body systems that may qualify a veteran for disability compensation.

This is clearly indicative of the changes in how medicine has advanced, but it also indicates that VA has been receptive to changing with the times. We know that on today’s modern battlefield, troops are more likely to survive catastrophic injuries or diseases that may have been fatal in past conflicts. The current rating system is reflective of these advances that have been adjusted as medicine and other technologies continue to evolve.

MODERNIZATION

The VA’s modernization plan is centered on a phased revision of all 15 body systems in the VASRD. This effort involves updating outdated diagnostic criteria, incorporating modern medical terminology, and aligning evaluation criteria with contemporary clinical and functional evidence. Part of this modernization includes Earnings Loss Studies (ELS) that use data from multiple federal sources to better understand how disabilities impact veterans’ earning capacity, which is a critical data source for setting compensation levels. Organizationally, the VFW has asked for updates to any available ELS data on multiple occasions but has yet to receive any useful information. This data is critical to ensure that veterans are fairly compensated for injuries during service that impact their financial well-being. Additionally, this critical information will help show more clearly the long-term effects of illness or injury incurred in service in a way that

is often overlooked in the civilian sector, and especially in recent news articles that have painted veterans as undeserving and even criminal.

Many veterans who have rightfully been awarded a disability payment end up unemployed or underemployed because of long-term or unseen effects of their service. This is particularly true in veterans who experience the consequences of mental health or traumatic brain injuries. Previous occupations may trigger symptoms or cause disruptions in their daily employment. Employers may not be aware of these injuries and do not understand why the veteran needs to be absent from work for treatment or the side effects of medications. This can result in veterans taking jobs that do not require exposure to loud noises, interactions with the public, or other stressors that may have a negative result. The rating system, whether in its current form or future state, is critical to acknowledge and be sympathetic to the symptoms they may suffer and provide the necessary compensation to make up for lost wages.

To date, VA has made measurable but nominal progress. Several body systems, such as digestive, dental, endocrine, gynecological, and others, have recently been revised or updated with new criteria. Updates to the digestive system, which added or refined evaluation criteria for conditions like celiac disease and irritable bowel syndrome, became effective in 2024. Additional proposed updates for respiratory, auditory, and mental disorders are underway, with public commentary periods concluded and rulemaking in progress.

Despite these efforts, implementation has been slower than expected and extended far beyond initial timelines. According to the Government Accountability Office (GAO), the comprehensive update has been delayed by lengthy internal reviews and lack of clear metrics. As a result, full completion is now projected for fiscal year 2026, far behind VA's original intent. The VFW provided comments to the Federal Register as far back as April 2022 for proposed changes to mental disorders among others. Through the last two Administrations, we have asked for progress reports as to the remaining proposed changes and final rules. We have been consistently told that the regulations are still under review.

We are happy to note that over the past three years limited progress has taken place. However, it has been inconsistent and, at times, obscure. While VA has published updated criteria for some body systems, major areas still await final rulemaking and implementation. Several proposed changes have been delayed multiple times, leaving veterans and stakeholders uncertain about timing and the potential effects of the proposed changes. This prolonged uncertainty undermines confidence among veterans, family members, and survivors.

There are considerable advantages to the modernization plan. Updated criteria reflect contemporary medical understanding, removing archaic language and measurement concepts, and enabling adjudicators to make clearer, more consistent decisions. By continuing to evaluate and incorporate earnings loss data, there will be a closer tie between disability evaluation and real-world economic impact. This can lead to fairer and more equitable compensation among veterans. It will also encourage those who may have shied away from seeking benefits and health care treatment to pursue the benefits their service has earned them.

CHALLENGES

However, this modernization effort also faces substantial challenges. The slow pace of rulemaking and implementation frustrates veterans who have waited years for meaningful updates. The lack of transparency, clearly defined metrics, and organizational leadership as noted in GAO reports, makes it difficult to assess where bottlenecks persist and how they will be resolved.

As VA moves forward with modernizing the rating schedule, it must also continue to invest in its IT infrastructure. This has long been a concern of the VFW and our partner organizations. The constant changing of platforms and systems may be an operational necessity, but it also has unintended consequences. If VA were to complete its review today, it is more than likely that the underlying systems VA depends on to process claims still would not be up to date to manage these vast and complex changes. This will lead to continued delays in benefits and an excess workload.

The VFW has long held that we support the use of AI and analytics to assist in the claims development and review process. It has the potential to increase the efficiency of evidence gathering, improve accuracy, and promote consistency in benefit decisions. We agree that changes to the rating schedule and its underlying support system are necessary to support objective review and decision making. However, we remain steadfast in our position that VA must balance technology and human discernment. An overreliance on underdeveloped technology may lead to poor quality in decisions, especially when considering the unique human factors of each disability claim. While AI is a powerful tool to promote efficiency, the VFW maintains that claims must include human review prior to issuing any final decisions. VA should ensure that regulatory changes and the use of technological platforms enhance the process but do not replace the human element of supporting veterans.

CONCLUSION

In closing, the modernization of the VA Schedule for Rating Disabilities represents a potential vital step toward a more just and contemporary disability compensation system for our nation's veterans, if it is conducted with the needs of the veteran as its central obligation. While the current plan has yielded some updates and demonstrates a commitment to consistent, evidence-based revisions, its execution has been hampered by delays and management challenges.

VA's advisory mechanisms, such as the Advisory Committee on Disability Compensation, provide important stakeholder input, but they too have consistently highlighted the complexity of this reform. These committees are designed to guide periodic review and revision of the VASRD, yet their outputs must be integrated into a larger regulatory process that has proven slow and administratively heavy.

The VFW is ready to work with VA and this subcommittee to overcome these persistent obstacles. VA must continue to honor the selfless service of veterans, family members, and survivors. We look forward to working together to ensure equitable benefits for all entitled claimants. The VFW urges VA to accelerate progress, provide clear updates to stakeholders and

this subcommittee, establish clear milestones, and maintain transparent communication with veterans and Congress.

Chairman Luttrell, Ranking Member McGarvey, this concludes our testimony. We are happy to answer any questions you may have.

Information Required by Rule XI2(g)(4) of the House of Representatives

Pursuant to Rule XI2(g)(4) of the House of Representatives, the VFW has not received any federal grants in Fiscal Year 2026, nor has it received any federal grants in the two previous Fiscal Years.

The VFW has not received payments or contracts from any foreign governments in the current year or preceding two calendar years.