

WRITTEN TESTIMONY

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Before the

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“PACT Act Implementation: Modernizing VA Disability Claims Through Effective Technology”

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Chairman Barrett, Ranking Member Budzinski, and distinguished Members of the Subcommittee: thank you for the opportunity to testify today. My name is Caleb Max. I am President and CEO of the National Artificial Intelligence Association, NAIA, the premier association representing hundreds of companies dedicated to driving responsible AI innovation and adoption across industries, including the federal government.

Before the invention of the automated teller machine, every bank customer had to wait in line for a human teller regardless of how simple their transaction was. A customer depositing twenty dollars waited behind customers with complex transactions that took far longer to process. ATMs changed that. Simple, rules-based transactions were automated. Tellers were freed to handle what actually required human judgment. No one argues that ATMs replaced bank tellers in a harmful way. They made the whole system faster, more accurate, and more accessible.

The approach that makes this work is called neurosymbolic AI, a combination of rules-based logic that the federal government has used since the 1970s and modern AI capable of reading, interpreting, and routing complex information. If the automated system can approve a claim based on available evidence, it does. If it cannot, it flags the claim for human review with the evidence already organized and the relevant gaps already identified. The human is always in the loop. The human always has the final word. This is the model the VA needs. Not AI replacing people. AI handling what does not require people so the people can do what only they can do.

I want to address directly the concern I know is in this room: that AI will replace the humans who approve veteran claims. It will not and it should not. Augmentation of work with technology is not a threat to the workforce. It is a force multiplier for it. And for veterans waiting months for a decision that determines their access to care and compensation, that difference is everything.

This is why statute matters. Today, AI governance of Veteran benefits at VA lives mostly in contract language. That approach has three flaws: safeguards vary from contract to contract, they expire when the contract does, and Congress has no systematic visibility into whether they are working. OMB guidance sets a baseline, but memoranda can be revised or withdrawn. Congress should elevate these safeguards into permanent, department-wide law applied to every AI system that touches a veteran's claim.

From the standpoint of the AI industry, clear statutory requirements are not a burden. They are a roadmap. When companies know the rules on development, deployment, transparency, benchmarking, and traceability as defined by the customer, in this case VA and VBMS, they build to that standard and deliver measurably better results. Without defined standards, every vendor interprets the requirements differently, and bias creeps in whether intentional or not. At minimum, every claims-related AI system should be benchmarked on accuracy against claims with known outcomes, failure rates with automatic escalation to human review, bias across veteran populations, and workflow traceability of every AI-generated summary to its source documents.

Before I close, I will mention that the Albany VA Medical Center is actively exploring a pilot concept of a solution which coordinates a veteran's healthcare journey from prior authorizations, scheduling, medical records exchange, medical claims, and provider payments. Their pilot concept offers lessons directly applicable to improving VBMS. The Albany VA Medical Center's solution includes a neurosymbolic AI component which processes prior authorizations.

I bring this up because there is a structural problem that no amount of good tech solutions will overcome on its own, and I would be doing this Subcommittee a disservice if I did not name it plainly. New AI tools often die on the table of implementation because the perceived risks of implementation often outweigh the benefits for contracting and program offices. Congress has the authority to change those incentives through procurement reform, budget flexibility for proven AI transitions, and safe harbor provisions for good faith AI pilots like the one in Albany.

In closing, Caesar Augustus once observed that experience is the teacher of all things. The more VA employees and veterans interact with well-designed AI tools, the more trust is built. The goal is not to mandate adoption. It is to create enough successful experiences that resistance becomes the exception rather than the rule. Veterans have earned the right to a benefits system that operates at the speed and accuracy that modern technology makes possible. NAIA and its member companies stand ready to partner with VA on an AI strategy with clear milestones, accountability measures, and a roadmap that treats AI not as an experiment but as the operational backbone of a modern benefits system.

Respectfully submitted,

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