
501(C)(3) Veterans Non-Profit

**STATEMENT OF JEREMY VILLANUEVA
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BEFORE THE

**HOUSE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON TECHNOLOGY MODERNIZATION
ON**

**"PACT ACT IMPLEMENTATION: MODERNIZING VA DISABILITY CLAIMS
THROUGH EFFECTIVE TECHNOLOGY"**

JULY 13, 2026

Chairman Barrett, Ranking Member Budzinski, and members of the subcommittee, Paralyzed Veterans of America (PVA) would like to thank you for the opportunity to discuss PACT Act (P.L. 117-168) implementation and suggest ways to modernize the VA disability claims process. No group of veterans understand the full scope of benefits and care provided by the Department of Veterans Affairs (VA) better than PVA members—veterans who have incurred a spinal cord injury or disorder (SCI/D).

PVA, a congressionally chartered veterans service organization founded in 1946, has developed profound expertise involving the unique needs of our members. PVA uses this expertise to be the leading advocate for the quality of health care, research and education, civil rights, and benefits of our nation's catastrophically ill/injured veterans. Leading the charge to help secure compensation benefits for veterans, free of charge, are our 74 national service officers (NSOs) in 73 offices across the United States. Between July 2024 and June 2025, these NSOs filed nearly 27,000 claims on behalf of veterans. To date, PVA has secured over \$1.38 billion in benefits for veterans and their survivors.

PVA's NSOs are the nation's experts in VA benefits and, specifically, the benefits that are for the most profoundly disabled veterans. Issues with Special Monthly Compensation (SMC), clothing allowances, adapted housing grants, vehicle adaptations, and highly complex compensation cases are considered routine. Annually, our NSOs gather at our Continuing Education Program to get crucial updates from

the various PVA departments so they can stay current on the latest information that will affect the benefits of the veterans, dependents, and survivors they serve.

Our NSOs not only receive quality education to better help veterans but they are also provided with the latest technology and equipment to meet the challenge of assisting veterans in receiving their earned benefits. Some of this technology includes having access to multiple VA systems that non-accredited agents and organizations do not. Using these systems, NSOs can submit claims on behalf of the veteran, input evidence, track the claims process, review files, track VA payments, etc. However, many of these systems have changed over time and NSOs, veterans, and VA staff have had to adjust.

PACT Act Modernization

In 2022, Congress passed P.L. 117-168, the Sergeant First Class Heath Robinson Honoring Our Promise to Address Comprehensive Toxins Act (PACT Act), which expands VA health care and disability benefits for veterans exposed to burn pits, Agent Orange, and other toxic substances. Section 701(b) of that bill directed VA to develop a Five-Year IT Modernization Plan which the department sent to Congress in 2023 and provided an addendum to in 2024. According to that addendum, VA had 147 modernization efforts underway.¹ Many of these efforts include centralizing and consolidating data, decommissioning legacy systems, developing Outreach Modules, and increasing the use of automation. All of this is in preparation for the expected influx of claims brought on by the benefits expansions included in the PACT Act. While PVA applauds efforts to improve the efficiency of the claims process and improve the veterans' experience, some of these efforts have created new problems and issues with IT that veterans service organizations (VSOs) routinely raise with VA but have still not been addressed.

VBMS

For NSOs across the United States, from a multitude of accredited organizations, the development and phased deployment of the Veterans Benefits Management System (VBMS) was a landmark event for those seeking to quickly and accurately assist veterans in filing their claims and appeals. VBMS is an electronic, web-based system used by the VA to process compensation, pension, and other benefits. To accredited agents and organizations, its primary function was to serve as a digital repository for the physical paper files (C-files), so authorized representatives could more easily access the files of those who they represented. Prior to this, any NSO who was working on a claim or appeal and needed access to the veteran's files would have to request them from the VA. In many cases, a veteran's C-file was usually a large, heavy, cumbersome paper file that the NSO would bring back to their desk for review. If that veteran did not reside in that Regional Office's (RO) area of jurisdiction,

¹ [2024 Addendum to VA's 5-Year Benefits Systems Modernization Plan As Prescribed Under Section 701\(b\) of the PACT Act, December 2024](#)

it would become even more tedious. For example, the Boston RO used to cover the six New England states. Anytime an NSO needed to review a veteran's C-file from outside Massachusetts, they would have to send a letter to the Connecticut, Maine, New Hampshire, Rhode Island, or Vermont ROs requesting they send the C-file to Boston, so it could be reviewed. This would often take a month or more and sometimes required multiple requests. Obviously, this would cause significant delays in filing claims, appeals, etc. The creation of VBMS made veterans' files accessible from anywhere an NSO had a secure computer. Veterans can now call one of our NSOs and receive instant answers to their questions. VBMS has sped up processing and improved the accuracy of claims and appeals.

In addition, PVA, and other VSOs, signed a Memorandum of Understanding with VA to allow Electronic Notifications in VBMS. This enables PVA to receive all mail sent to claimants through the system rather than having paper copies mailed to our offices. This process is faster; more economical, for both the organization and the taxpayer; it is environmentally friendly; and gives us access to these documents from any location.

With these improved efficiencies, however, the veteran loses the personal connection with the VA in their claims process. This was compounded in 2015 when the VA started the implementation of the National Work Queue (NWQ). Before the NWQ, claims were typically processed at the RO located in the state where the veteran lived. This often led to significant backlogs in high-population states while other offices had extra capacity. This system was designed as an automated system that manages the digital workload by distributing claims to ROs across the country. It functions like a centralized "cloud" that pulls claims from a national level and looks for an office that currently has the capacity to take on that section of the process, regardless of where the veteran lives. A claim may be recalled from an RO back to the NWQ several times during its lifecycle. For example, if a specific action (like an exam) is pending and that office no longer has the next available capacity when the evidence arrives, then the claim may be sent back. However, NWQ has a multitude of internal rules that determine where a claim is sent to and when. Therefore, from the time a claim is submitted through completion, it can be picked up by dozens of different employees in numerous ROs. If an NSO detects a problem with a claim, VBMS will show them which facility, and more specifically, what employee has the claim, so at times, they can contact the employee. However, the claim can bounce back and forth between ROs and employees within the same day, and often back and forth to the NWQ as well. And while it is in the NWQ, it is not assigned to anyone, so there is no one to contact to discuss the claim to address concerns. Also, because a claim can bounce around between ROs and employees so quickly, it is difficult for employees to see claimants as a "veteran" or "survivor." This is one of the unfortunate dehumanizing effects of technology.

PVA believes that when claims were processed and decided in the claimant's local RO, employees would often see the same veteran over time and know the claimant's case. In addition, many decision makers worked with the same NSOs for years and the quality of work established credibility with the

VA decision makers. Therefore, if we submitted a claim arguing that a veteran is entitled to SMC R-1, which can be a fairly complex case, and the evidence is in equipoise, because of a history of credibility with the NSO, often it would be granted. All of this is lost when a claim is bouncing around cyberspace. PVA understands that the NWQ has helped considerably with reducing the wait time for claims but would like to work with the committee and the VA to see if reasonable adjustments could be made to allow NSOs to better monitor the process and interact with the VA raters. This would help NSOs to ensure that they maintain their role as the veteran's advocate.

Automation Issues

While PVA supports using new technologies to enhance the capabilities of VA and improve the experience of veterans, we are wary of the overuse of automation and the problems that it can create. In May 2020, the Veterans Benefits Administration began automating decisions for service-connected death claims to improve decision speed, accuracy, and consistency. In May 2025, the VA announced it planned to expand the use of automation in processing Dependency and Indemnity Compensation (DIC) claims to further reduce "red tape" for survivors seeking death benefits.²

In April 2026, the VA Office of the Inspector General (OIG) conducted a review of the DIC automation process. Of the 8,100 automated decisions, at least 8,000 of them contained deficiencies, either legal or procedural. More troubling though was that at least two percent granted DIC improperly, which resulted in \$2.7 million in erroneous payments. Disturbingly, the OIG noted that "the modernization plan VA submitted to Congress as required by the PACT Act did not fully explain that VBA uses end-to-end automation to grant service-connected death claims without human intervention when all automation rules are met. This suggests Congress may not fully understand the department's automation process, raising concerns about transparency and accountability."³ Now, not only will the VA have to recoup this money, but the NSOs will have to field calls from surviving family members to explain to them that they are now losing this benefit and may possibly be in debt to the VA. This is unacceptable. Entitled or not, a veteran's grieving loved ones deserve so much better.

Compounding all of this, the OIG also noted in the same report that the quality review for these automated claims was "less rigorous than the steps traditionally processed claims undergo." PVA believes that this is backwards. Not only does this cast suspicion on how many processes are being automated "end-to-end" but how automation is being used in general. Human decision making should be the standard if not mandated and if automation is used anywhere in the claims process it should be **clearly** noted in the rating decision.

² [VA announces major survivor benefits reforms, May 5, 2025](#)

³ [VAOIG Report, "Review of Automated Decisions for Veterans' Service-Connected Death Claims" April 30, 2026](#)

Missing Functionality

According to our NSOs, removal of dependents from a veteran's claim is needlessly burdensome to the veteran and service officer. When veterans experience qualifying life events like divorce, marriage of a child, or death of a dependent and seek to halt payments for that dependent, they must fill out VA Form 21-686c, a rather lengthy and complicated form, and submit it to the VA or go online via VA.gov to submit the form and the needed documentation. Even when veterans submit their request in a timely manner, many wait several months or even longer to have VA remove the additional monetary amount for their dependent from the veteran's monthly compensation. Because of VA's inaction, the veteran accrues a debt totaling hundreds and sometimes thousands of dollars that the department will eventually be forced to try and recoup. The veteran has the option of asking for the debt to be waived, which is a process that PVA's NSOs assist with regularly. To seek a waiver, a different form must be completed and taxpayer dollars spent for VA employees to consider the veteran's request.

In addition, when a veteran returns to active duty, either due to being recalled as a reservist or a voluntary reenlistment, their benefits are generally not affected. However, "[p]ension, compensation, or retirement pay on account of any person's own service shall not be paid to such person for any period for which such person receives active service pay."⁴ The veteran is obligated to inform the VA either via phone or by filing a VA Form 21-4138, "Statement In Support of Claim," to inform the department of the veteran's intention to enter active duty and the need to pause any benefit payments. The issue then becomes how quickly the VA acts on the request. As with the removal of dependents off a veteran's award, it often takes the department months to stop a veteran's compensation payments, creating a debt totaling thousands of dollars that the veteran must repay. This debt can create a crippling financial situation for the veteran, especially if it occurs while the service member is deployed and there is little or no help on how to fight the decision. Any veteran who has chosen to return to duty to serve our country deserves better.

PVA believes that increased investment in adding functions to existing systems could significantly decrease the occurrence of needless overpayments, such as those described above. Our NSOs have access to VBA systems that have significantly reduced the waiting time for processes like filing claims and adding dependents. Unfortunately, the process does not work the same for what should be a relatively simple task like removing dependents off a veteran's award. Currently, it's so burdensome that our service officers must warn clients of the almost certain impending debt that will be created. The same is true with veterans who seek to halt their disability compensation to return to active duty.

VA should be required to develop an easier way for veterans to remove dependents or halt benefits through a system like VA.gov. Investing in such a system would save the department considerable

⁴[38 U.S. Code § 5304 - Prohibition against duplication of benefits](#)

funding in the long run by greatly reducing the number of waiver requests needed due to overpayments. It should be noted, however, that any new website or function must be accessible to all veterans, including those whose conditions require disability accommodation. Also, creating a specific form to halt VA payments for those who are returning to active duty would help the department manage these requests more quickly, and decrease the overall number of debts that are incurred.

PVA would once again like to thank the subcommittee for the opportunity to participate in this hearing, and I look forward to answering any questions you may have.

Information Required by Rule XI 2(g) of the House of Representatives

Pursuant to Rule XI 2(g) of the House of Representatives, the following information is provided regarding federal grants and contracts.

Fiscal Year 2026

Department of Veterans Affairs, Office of National Veterans Sports Programs & Special Events—
Grant to support rehabilitation sports activities — \$368,500.

Fiscal Year 2025

Department of Veterans Affairs, Office of National Veterans Sports Programs & Special Events —
Grant to support rehabilitation sports activities — \$502,000.

Fiscal Year 2023

Department of Veterans Affairs, Office of National Veterans Sports Programs & Special Events —
Grant to support rehabilitation sports activities — \$479,000.

Disclosure of Foreign Payments

Paralyzed Veterans of America is largely supported by donations from the general public. However, in some very rare cases we receive direct donations from foreign nationals. In addition, we receive funding from corporations and foundations which in some cases are U.S. subsidiaries of non-U.S. companies.