



Modernizing VA Services to Promote Veterans' Independence

Despite generous resources from the VA and DOD to empower veterans once they transition to civilian life, bureaucratic barriers too often hold them back from success. Change is overdue. Congress should establish an independent assessment and expert commission to provide recommendations for reforming and modernizing disability benefits and related services. The VA should provide necessary benefits and services for the seriously injured while promoting policies to help veterans achieve their full potential.

THE ISSUE

Our veterans' benefits system is obsolete. Many of the features of our disability rating system date to the 1940s or earlier and do not reflect modern advances in medicine and treatment.

Despite a shrinking number of veterans, VA disability compensation spending has rapidly increased over past decades. In 2021, the VA paid [\\$112 billion in disability benefits](#), roughly [four times the amount it issued in 2000](#), adjusted for inflation. During this period, the number of veterans in the U.S. [shrank over 30 percent](#). As disability compensation continues to rise, policymakers should more thoroughly evaluate long-term outcomes to ensure these resources are truly serving our veterans.

After two decades of war, our newest generation of veterans is seeking care and services from the VA at significantly higher rates than those of previous conflicts. Over 44 percent of post-9/11 veterans have [been diagnosed with service-connected disabilities](#), compared to 27 percent of veterans from other eras. Of post-9/11 veterans, over 56 percent report a disability rating of 60 percent or higher—these individuals have a workforce participation rate of under 64 percent, [nearly a third less than counterparts](#) rated at 30 percent or lower.

The VA should be compensating those disabled by their service to our country while balancing those responsibilities with the long-term benefits that rehabilitation and economic independence provide.

Shifting our disability benefits system from one focused on compensation towards greater emphasis on rehabilitation, reintegration, and economic independence will better serve our veterans. As the PACT Act goes into effect, millions of veterans will be eligible for additional benefits, making it even more urgent to investigate potential reforms to the VA disability system and ensure we can continue to keep our promises to those most injured by their service.

POLICY SOLUTIONS

CONDUCT AN INDEPENDENT ASSESSMENT AND FORM A COMMISSION ON DISABILITY COMPENSATION | The VA's disability system and related services should be reformed, modernized, and shifted from a compensation-focused benefits system towards a greater focus on rehabilitation. In 2014, the VA Choice law created the independent assessment and the [Commission on Care](#) to provide analysis and reform proposals to the VA health care system. Congress should apply the same model to examine the VA's disability compensation practices and services, measure outcomes and effectiveness, study the long-term impact on veterans and provide recommendations for innovative reforms.

PROMOTE ECONOMIC INDEPENDENCE | Congress should work to identify what the VA and other agencies can do to help more veterans reach their full potential through greater economic independence after exiting service. Policymakers should work with the VA and other agencies to alleviate burdensome transition processes such as benefits claims and service record backlogs, connect veterans to job opportunities, remove licensing barriers, promote greater self-sufficiency, and improve customer service for benefits and services.

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