



Department of Veterans Affairs Office of Inspector General

Review of State Variances in VA Disability Compensation Payments

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Executive Summary

Introduction

In December 2004, the *Chicago Sun-Times* ran a series of articles highlighting low disability compensation payments for Illinois veterans compared to national data. In reaction to these articles, Congressman Dennis Hastert, Speaker of the House of Representatives; Congressman Lane Evans, Ranking Member of the House Veterans' Affairs Committee; and numerous other members of the Illinois congressional delegation sent a December 10, 2004, letter to the Secretary of Veterans Affairs requesting a review of all factors that could be contributing to the disparity experienced by Illinois veterans as compared to veterans in other states. In response, the VA Secretary requested that the Office of Inspector General (OIG) determine why there are differences in the VA's average monthly disability compensation payments made to veterans living in different states. Since then, Senators Richard J. Durbin and Barack Obama have also expressed interest in this issue.

Historical Perspective

A *Chicago Sun-Times* article presented the fiscal year (FY) 2003 ranking of average annual disability compensation payments by state. This particular ranking, obtained from the Veterans Benefits Administration (VBA), reflects an average rollup of all claims decisions made over several decades, which are still being paid. Illinois ranked 50th. Our review of more recent data for new claims decisions during the past 6 years shows that Illinois moved in state ranking from 44th in FY 1999 to 23rd in FY 2004.

Historical data for the 6-year period shows that the national variance from the low to high states increased from \$3,383 in FY 1999 to \$5,043 in FY 2004. In contrast, data for new claims decisions showed the variance increased from \$2,915 in FY 1999 to \$6,054 in FY 2004. For FY 2004 claims, New Mexico had the highest average annual amount of any state at \$11,206. Merely removing New Mexico from the new claim state ranking reduced the national variance from \$6,054 to \$3,284, suggesting that state may be cause for concern.

Differences in average annual compensation payments by state is not necessarily indicative of a problem. For every state to have similar average payments, every factor that affects payments would have to be virtually identical within each state. Statistically, this would be unachievable. There are numerous factors that affect payments by state. Some of these are veteran demographic factors that are generally beyond VA influence, such as the percentage of military retiree populations in each state. Because of these factors, some variance is to be expected. On the other hand, there are factors that affect compensation payments that VA has direct influence over, such as disability rating

decisions. A more definitive question is whether the magnitude of the variance from the highest average state payment to the lowest average state payment is within acceptable limits. The objective of this review was to determine why the variance exists and whether there is cause for concern.

Review Methodology

To accomplish our objective, we identified more than 20 possible demographic and benefit rating factors that might affect the average amount of disability compensation payments by state and extracted 6 years (FYs 1999–2004) of data from VBA information systems in order to analyze these factors. After analyzing and trending this data, we concluded that, because the majority of state average payments fell within a normal deviation from the national average payment, a detailed review of all states would not be beneficial in helping to explain whether the full range of the variance was problematic. Therefore, we selected two clusters of states—one cluster representing the six states with the highest average compensation payments and one representing the six states with the lowest payments. We then analyzed the demographic and claims processing factors to determine the extent to which these factors impacted the FY 2004 variances.

We also issued a questionnaire to 1,992 VA regional office (VARO) rating specialists and decision review officers (DROs) to gain their perspective on training and issues that affect the rating of disability claims. We evaluated 2,100 post-traumatic stress disorder (PTSD) claims folders at 7 VAROs, including 3 in the high cluster and 2 in the low cluster. We reviewed the quality and consistency of medical examinations used to support disability rating decisions, and we assessed the effectiveness of the VBA Statistical Technical Accuracy Review (STAR) program in identifying and reducing certain types of processing errors in rating decisions. We reviewed prior internal and external studies conducted during the last 50 years that addressed similar issues. Although many of these studies identified concerns with inconsistent rating decisions, the situation still exists. Previous and ongoing OIG investigative efforts involving benefits fraud were also considered as a factor impacting the amount of disability compensation payments.

FY 2004 State Ranking

For FY 2004, approximately 2.5 million veterans in the 50 states received disability compensation benefits totaling \$20.9 billion.¹ Based on the historical state ranking data, the national average annual payment per veteran was \$8,378. Average annual payments by state ranged from a low of \$6,961 to a high of \$12,004, for a variance of \$5,043. Following are the clusters of states with the highest and lowest average annual payments:

¹ Does not include veterans paid through the District of Columbia, San Juan, and Manila Regional Offices.

<u>High Cluster</u>		<u>Low Cluster</u>	
New Mexico	\$12,004	Indiana	\$7,287
Maine	11,626	Michigan	7,241
Arkansas	10,968	Connecticut	7,204
West Virginia	10,866	Ohio	7,039
Oklahoma	10,697	New Jersey	7,028
Oregon	10,277	Illinois	6,961
Average	\$11,073	Average	\$7,127

Comparing the high cluster average of \$11,073 to the national average of \$8,378 shows a variance of \$2,695. The low cluster average is \$1,251 below the national average. Preliminarily, this suggests that the high cluster may be more problematic than the lower ranked states.

Demographic and Benefit Rating Factors

The following demographic and benefit rating factors help explain the variances in state average annual disability compensation payments. Demographic factors are variables that VA has virtually no control over. Our review shows that many of these variables have a correlation to the ranking of compensation payments by state. These factors support the presumption that some part of the variance is predictable and valid.

- **Power of Attorney Representation.** Data indicates that veterans whose claims are represented by veterans service organizations receive, on average, \$6,225 more per year than those without representation. There is also a correlation between state ranking of compensation payments and the percentage of representation in that state. For example, the high cluster of states shows an average representation of 69.5 percent, while the low cluster averages 54.7 percent representation.
- **Enlisted versus Officer.** On a national level, data indicates that enlisted veterans average \$1,775 more per year than veterans who served as officers. There is also a correlation between the state ranking and the percentage of enlisted personnel. For example, the high cluster shows an average of 63.4 percent enlisted personnel receiving compensation benefits compared to the low cluster, which shows 44.4 percent enlisted personnel receiving benefits.
- **Military Retirees versus Non-Military Retirees.** Data indicates that military retirees receive \$1,438 more per year than non-military retired claimants. Our analysis shows that states with a higher percentage of retired military veterans are ranked higher in terms of average annual disability compensation payments. For example, the high cluster averages 27.6 percent retired military veterans receiving compensation benefits compared to the low cluster, which averages 16.6 percent military retirees.

- **Participation of Veterans Receiving Benefits.** Data indicates a correlation between the state ranking and the percentage of veterans who reside in a state and who receive disability compensation. For example, the high cluster shows an average of 12.3 percent of the veterans in those states receiving benefits compared to 7.7 percent in the low cluster. One explanation for this is the rate at which veterans submit new disability claims. For example, the rate of new claims for the high cluster was 103.2 claims per 1,000 veterans in the state, compared to only 43.5 claims per 1,000 veterans for states in the low cluster.
- **Period of Service.** Data indicates that Vietnam veterans receive, on average, \$2,328 more in annual compensation payments than veterans in the next highest period of service. The national average compensation payment by period of service is: Vietnam—\$10,930, Korean Conflict—\$8,602, World War II—\$7,798, Peacetime—\$6,979, and Gulf War—\$6,058. Our analysis shows a correlation between the percentage of compensation recipients who are Vietnam veterans and the state rankings. For example, the high cluster shows an average 39.4 percent of veterans receiving compensation are Vietnam veterans compared to 33.8 percent in the low cluster. The number and extent of service-connected disabilities for presumptive conditions are greater for Vietnam veterans, which partially explains why their average compensation payments are higher than those of veterans of other periods of service. The impact of period of service is more definitive when analyzing the mix of percentages of different periods of service. For example, states with a high percentage of Vietnam veterans and a low percentage of World War II veterans have higher average compensation payments. Our analysis shows that the high cluster averages 13 percent World War II veterans, while the low cluster averages 23 percent.
- **Branch of Service.** Analysis of branch of military service indicates that Marine Corps veterans received the highest average amount of compensation when compared to the other branches and that there was a correlation with the average amount of disability payments by each branch of service and the state ranking. However, the percentage of veterans in each branch of service did not correlate to the state rankings. Data indicates that states with higher average payments make higher payments to all branches of service, and those with lower average payments make lower payments to all branches of service.
- **Dependents.** Data indicates that, nationally, veterans with dependents receive more per year than veterans without dependents. States with higher percentages of veterans with dependents will average higher disability payments. Data shows that the percentage of veterans with dependents in the high cluster averaged 43.8 percent compared to 30.3 percent in the low cluster.

- **Special Monthly Compensation.** Data shows that the percentage of veterans receiving Special Monthly Compensation (SMC) and the average amounts of SMC per veteran impact the ranking for average annual compensation payments by state. For example, in the high cluster 9 percent of the veterans received SMC, while the percent of veterans receiving SMC in the low cluster averaged 7.2 percent.
- **Age.** Data shows that veteran age minimally influences disability compensation amounts. For example, average veteran age in the high cluster was 58 compared to the average age of 61 in the low cluster. While this suggests that younger veteran populations may result in higher payment rates, the relationship is more closely associated with period of service, which our analysis shows includes more Vietnam era recipients.
- **Average Number of Disabilities.** The more service-connected disabilities a veteran has will typically result in a higher overall combined rating and a higher benefit payment. There appears to be a correlation between the number of disabilities and the high and low clusters, with average numbers of disabilities of 3.0 and 2.4, respectively, a 25 percent difference.

The following claims processing characteristics include those factors that VA has some control over.

- **Pending Claims.** There did not seem to be a correlation between pending claims and the variance, as most states in the high and low clusters exceeded the 50-state average for pending claims. There was a small correlation between the percent of pending claims and the timeliness of claims processing, with the low cluster having a slightly higher rate of claims processed in more than 120 days. Of note was the fact that the percent of ratings completed in more than 120 days by state ranged from a low of 29.8 percent to a high of 80.6 percent in FY 2004.
- **Brokered Claims.** Claims transferred to other states for adjudication due to workload demands (brokered claims) may influence the average annual payment made by the referring state; however, since VBA does not track the payment history of brokered cases by claim folders, we could not determine if brokering affects the variance. It is noteworthy that for FY 2004, 13.3 percent, or more than 91,000 cases, were brokered to other states, with the high cluster averaging 10.7 percent and the low cluster 13.9 percent brokered claims. Brokered claims ranged from a low of no cases to a high of 88.2 percent of all cases. Illinois brokered 21.1 percent of all its cases in FY 2004.
- **Appeal Rates.** Appeal rates did not appear to influence the variance. While data shows appeal rates averaged 47.7 appeals per 1,000 veterans in the high cluster as

compared to 32.7 appeals in the low cluster, 10 out of the 12 states in both clusters were not significantly different. Appeal rates also varied significantly by state, from a low of 11 to a high of 80 per 1,000 veterans.

- **Transferred Cases.** Another factor that potentially impacts the variance is cases originally adjudicated in one state and later transferred to another state because the veteran relocated. Since VBA does not track transferred cases, we were unable to determine the impact transferred cases had on the variance.
- **Grant Rates.** Another factor that might impact the variance would be grant and denial rates for compensation claims. While VBA published grant rates for a number of years through FY 2002, it discontinued the practice because the data was determined to be incomplete and misleading. Since VBA stopped tracking grant and denial rates by VARO, we were unable to determine the impact these rates had on the variance.
- **Rater Experience.** An analysis of raters with more than 2 years experience did not appear to demonstrate a correlation to the state rankings. We found 86 percent of the raters in the high cluster averaged more than 2 years experience compared to 82 percent in the low cluster. It should be noted that Illinois raters having more than 2 years experience increased from 69.4 percent in FY 2002 to 100 percent in FY 2004. This may account for some of Illinois' rise in the state ranking from 37th in FY 2002 to 5th in FY 2005.

Our analysis of rating decisions shows that some disabilities are inherently more susceptible to variations in rating determinations. This is attributed to a combination of factors, including a disability rating schedule that is based on a 60-year-old model and some diagnostic conditions that lend themselves to more subjective decision making.

- **VA Schedule for Rating Disabilities.** The VA disability compensation program is based on a 1945 model that does not reflect modern concepts of disability. Over the past 5 decades, various commissions and studies have repeatedly reported concerns about whether the rating schedule and its governing concept of average impairment adequately reflects medical and technological advancements and changes in workplace opportunities and earning capacity for disabled veterans. Although some updates have occurred, proponents for improving the accuracy and consistency of ratings advocate that a major restructuring of the rating schedule is long overdue.
- **Ratings for the 15 Body Systems.** Some body systems result in a much wider range of ratings, demonstrating that there are some disabling conditions that are affected more by subjective decision making. For example, variability in ratings by body system ranged from a low of 5 percent in the Skin/Scars body system to a high of 26 percent in the Systemic (Infectious Diseases, Immune Disorders, and Nutritional

Deficiencies) body system. Data shows that for ratings that can be independently validated based on physical measurements (for example, amputations), the assigned degrees of disability were consistent. For example, our review of data for 276,024 veteran claims with Musculoskeletal and Auditory body systems-related disabilities, such as above-the-knee or below-the-knee amputations, tinnitus, and total deafness, found that veterans received consistent ratings nationwide. The rating schedule criteria for other body systems, such as mental disorders, were more susceptible to interpretation and judgment because much of the evidence to support a disability is self-reported by the claimant. We selected the mental disorder system for further analysis because it had the fourth highest variability rate of the 15 body systems, the highest overall nationwide rating average of 58 percent, and it included PTSD, which is one of the fastest growing disability conditions.

- **Ratings for PTSD.** During FYs 1999–2004, the number and percentage of PTSD cases increased significantly. While the total number of all veterans receiving disability compensation grew by only 12.2 percent, the number of PTSD cases grew by 79.5 percent, from 120,265 cases in FY 1999 to 215,871 cases in FY 2004. During the same period, PTSD benefits payments increased 148.8 percent from \$1.7 billion to \$4.3 billion. Compensation for all other disability categories only increased by 41.7 percent. While veterans being compensated for PTSD represented only 8.7 percent of all compensation recipients, they received 20.5 percent of all compensation payments.
- **Veterans with 100 Percent Disability Related to PTSD.** Data shows that the variance in 100 percent PTSD cases is a primary factor contributing to the variance in average annual compensation payments by state. For example, the total \$5,043 variance that exists from the low state to the high state is reduced to \$3,323 when PTSD Individual Unemployability (IU) and schedular 100 percent PTSD payments are removed from the state averages. This suggests that 34.1 percent, or \$1,720, of the \$5,043 variance is explained by these cases. The driver is not the amount of the awards but the difference in the number of veterans with 100 percent PTSD ratings in each state. States with higher average payments have higher percentages of veterans rated 100 percent or IU for PTSD. For example, New Mexico has the highest payment average of \$12,004, and 12.6 percent of its veterans are in this group. Illinois has the lowest average payment of \$6,961 and only 2.8 percent of its compensation recipients are rated 100 percent for PTSD.
- **All Veterans Rated with Individual Unemployability.** From FY 1999 to FY 2004, the number of veterans receiving increased benefits for IU increased 107 percent from 95,052 to 196,916 (includes 53,390 PTSD cases). Data also shows a direct correlation to the variance, in that the high state cluster averaged 14.3 percent veterans with IU compared to only 5.4 percent in the low cluster.

- **Percentage of 10 Percent Versus 100 Percent Ratings by State.** Our analysis shows that states vary in terms of the percentages of 10 percent versus 100 percent ratings and that there is a correlation to the variance. For example, the high cluster averages fewer 10 percent ratings and more 100 percent than the low cluster. The high cluster averages 23.5 percent for veterans with 10 percent ratings and 11.6 percent for veterans with 100 percent ratings. The low cluster averages 35.7 percent for veterans with 10 percent ratings and 7.1 percent for veterans with 100 percent ratings.
- **Lump-Sum Payments.** In 1997, as part of an overall strategy to improve claims processing timeliness, we suggested that VBA could offer lump-sum payments to veterans to reduce the number of reopened claims. Taking into consideration that 30.6 percent of all claims are rated 10 percent, combined with results from our survey where rating specialists expressed concern with insufficient staff to adequately process claims, consideration should be given to offering lump-sum payments to veterans as settlement of all future compensation cases. Lump-sum payments for all veterans with disabilities rated 20 percent or less would result in reducing 46.9 percent, or 1.17 million active claims. It would also result in reducing recurring compensation payments of \$1.96 billion a year and would free up staff to improve the quality and timeliness of future workload. Acceptance of a lump-sum payment would not change a veteran's eligibility for VA health care.

Survey of Raters

We issued a questionnaire to 1,992 rating specialists and DROs to gain their perspective on training and on the issues that affect the rating of disability claims; 1,349 (67.7 percent) responded. Results included:

- Eighty-one percent agreed that when rating a claim they start with the assumption that the veteran is applying for the highest possible rating.
- Sixty-five percent of respondents reported insufficient staff to ensure timely and quality service.
- Fifty-seven percent responded that it was difficult to meet production standards if they adequately develop claims and thoroughly review the evidence before issuing rating decisions.
- Forty-one percent of the respondents estimated that 30 percent or more of the claims were not ready to rate when presented for rating.

- Twenty percent estimated that, of the claims that were not ready to rate, more than 10 percent were actually rated without all the needed information.
- Fifty-two percent of the raters responded they could support two or more different ratings for the same medical condition.
- Survey respondents expressed generally positive opinions of the quality of their training, but indicated training has not received high priority.

Disability Examinations

Our review determined there was no apparent difference in the quality of medical examination reports completed by VA and QTC Medical Group, Inc. (QTC) physicians. However, raters surveyed believe many VA and QTC examinations are incomplete. Thirty-two percent of the survey respondents estimated that 20 percent or more of the medical examinations should have been returned because they were not sufficient for rating purposes. Only 7 percent of the survey respondents estimated that more than 20 percent of the medical examinations were actually returned to the examiners because they were insufficient for rating. Very few raters interviewed have seen or were familiar with the reports generated through use of the medical examination report templates being developed by the VA Compensation and Pension Examination Program.

PTSD Case Reviews

We reviewed 2,100 compensation cases at 7 VAROs and found VBA procedures were not always followed, and that VAROs approached stressor verification requirements differently from state to state. In 527 (25 percent) of the 2,100 cases reviewed, we found inconsistencies in the methods raters used to develop and verify veteran-reported evidence about the claimed service-related stressor event before granting compensation benefits. The error rate ranged from a low of 11 percent in Oregon to a high of 40.7 percent in Maine. The error rate for Illinois was 21.7 percent. To demonstrate the potential consequence of not obtaining or developing adequate evidence to support a PTSD claim, the 25 percent error rate equates to questionable compensation payments totaling \$860.2 million in FY 2004. Over the lifetimes of these veterans, the questionable payments would be an estimated \$19.8 billion.

Our review at three VAROs revealed that the STAR program was ineffective in detecting the evidence development weaknesses identified in our review of PTSD cases. We determined that veterans sought less treatment for PTSD when their ratings were increased to 100 percent. Of 92 PTSD cases reviewed, we found that 39 percent had a decline in mental health visits after achieving 100 percent status. The average decline in visits was 82 percent, with some veterans receiving no mental health treatment at all.

Part of the problem is that the compensation program has a built-in disincentive to get well when veterans are reapplying to get their disability ratings increased.

Legislated Pay Increases

The disproportionate pay increases by Congress for higher rating levels impact the variance of compensation payments by state. An increase in the number of IU and 100 percent schedular ratings combined with disproportionate pay increases by Congress for higher rating levels has resulted in IU ratings and 100 percent schedular ratings comprising 16.3 percent of all ratings, which make up 57.4 percent of all disability compensation payments (\$12 billion out of \$20.9 billion). This is a primary reason why states with higher percentages of IU and 100 percent ratings have higher average annual compensation payments. For example, data shows that the high cluster averaged 25.9 percent IU and schedular 100 percent ratings compared to 12.5 percent for the low cluster.

Benefits Fraud

Fraudulent and improper claims are additional factors that will unnecessarily increase the amount of disability compensation payments if left unchecked. In addition to several major individual domestic fraud cases investigated over the years, such as the \$11.2 million compensation fraud case in Atlanta, recent international benefits reviews by the OIG in the Philippines and Puerto Rico saved \$66 million in fraudulent and improper payments over a 5-year period. It should be noted that international benefits were not included in our variance analysis. VBA's FY 2004 income verification match with data from the Internal Revenue Service identified 8,486 veterans rated IU who reported earned income. If all 8,486 matches were fraudulent and invalid IU cases, the estimated cost savings for the next 5 years is over \$600 million.

Conclusion

Variances in average annual disability compensation payments by state have existed for decades. The factors that influence these payments are complex and intertwined. As outlined in this report, compensation payments by state are affected by legislated pay increases, an antiquated rating schedule, veteran demographics, and inconsistent rating decisions. Payments may be affected by claims processing practices, disability examinations, timeliness pressures, staffing levels, rater experience and training, and fraud. We concluded that some disabilities are inherently prone to subjective rating decisions, especially for conditions such as PTSD where much of the information needed to make a rating decision is not physically apparent and is more susceptible to interpretation and judgment. This subjectivity leads to inconsistency in rating decisions.

VBA acknowledges and is concerned that there are variances in claims decisions across the system. In fact, the October 2001 VA Claims Processing Task Force Report noted that the need for greater accountability and consistency in benefits delivery operations was the most significant issue facing VBA at the time. Since then, VBA has implemented several initiatives to improve consistency of decision making. While much has been accomplished, more needs to be done. The following recommendations are intended to assist VBA in their efforts to further improve consistency in rating decisions.

Recommendations

To address issues pertaining to compensation payment variances, we recommend that the Under Secretary for Benefits take the following improvement actions:

1. Conduct a scientifically sound study using statistical models, such as a multi-variant regression analysis, of the major influences on compensation payments to develop baseline data and metrics for monitoring and managing variances, and use this information to develop and implement procedures for detecting, correcting, and preventing unacceptable payment patterns.
2. Coordinate with the Veterans' Disability Benefits Commission to ensure all potential issues concerning the need to clarify and revise the Schedule for Rating Disabilities are reviewed, analyzed, and addressed.
3. Conduct reviews of rating practices for certain disabilities, such as PTSD, IU, and other 100 percent ratings, to ensure consistency and accuracy nationwide. At a minimum, these reviews should consist of data analysis, claims file reviews, and onsite evaluation of rating and management practices.
4. Expand the national quality assurance program by including evaluations of PTSD rating decisions for consistency by regional office, and to ensure sufficient evidence to support the rating is fully developed and documented, such as verifying the stressor event.
5. Coordinate with the Veterans Health Administration to improve the quality of medical examinations provided by VA and contract clinicians, and to ensure medical and rating staff are familiar with approved medical examination report templates and that the templates are consistently used.
6. In view of growing demand, the need for quality and timely claims decisions, and the ongoing training requirements, reevaluate human resources and ensure the VBA field organization is adequately staffed and equipped to meet mission requirements.

7. Consider establishing a lump-sum payment option in lieu of recurring monthly payments for veterans with disability ratings of 20 percent or less.
8. Undertake a more detailed analysis to identify differences in claims submission patterns to determine if certain veteran sub-populations, such as World War II, Korean Conflict, or veterans living in specific locales, have been underserved, and perform outreach based on the results of the analysis to ensure all veterans have equal access to VA benefits.

Comments

The Under Secretary for Benefits agreed with the review findings and recommendations and provided acceptable improvement plans. (See Appendix I for the full text of the Under Secretary for Benefits' comments.) We will follow up on the implementation of recommended improvement actions until they are completed.

(original signed by:)

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Introduction

Purpose

At the request of the Secretary of Veterans Affairs, the OIG conducted a review to evaluate factors contributing to variances in average annual VA disability compensation payments by state. The Secretary initiated the request in response to concerns expressed by Members of Congress about the reasonableness of the payment variances.

Background

Congressional Concerns about Variances in VA Disability Compensation Payments.

In December 2004, the Secretary asked for the OIG review after receiving inquiries from the Senate and House Committees on Veterans' Affairs and an Illinois delegation that included the Speaker of the House, the Ranking Member of the House Committee on Veterans' Affairs, and 16 other Members of Congress. The congressional delegation expressed concerns that possible inconsistencies in VA disability rating practices may have caused Illinois veterans to receive lower disability ratings and smaller payments compared to veterans in other states. The members of the Illinois delegation requested that the Secretary assess the disability rating methods used at VARO Chicago, which processes claims for Illinois veterans, and identify other factors that might be contributing to payment differences nationwide.

VA Disability Compensation Program. Part of VA's Compensation and Pension (C&P) program, disability compensation is a tax-free monetary benefit paid to veterans who are disabled by injury or disease incurred or aggravated during military service. The purpose of this benefit is to compensate veterans for the average loss in earnings capacity in civilian occupations associated with the severity of the service-connected conditions. Service-disabled veterans are entitled to compensation benefits regardless of their income or employment status, with the exception of IU benefits.

In FY 2004, VAROs administered compensation benefits totaling \$20.9 billion to about 2.5 million veterans residing in the 50 states. The recurring compensation payments to these veterans averaged \$8,378 annually. For individual states, the average annual payments ranged from a high of \$12,004 for veterans residing in New Mexico to a low of \$6,961 for veterans in Illinois. The New Mexico average annual payment was 43.3 percent higher than the average payments for all 50 states and the Illinois average payment was 16.9 percent lower than the 50-state average. The difference between the high and low average annual payments was \$5,043.

Disability Compensation Claims Processing. After a veteran submits a benefits application to the VARO of jurisdiction, a VARO veterans service representative (VSR) develops claim evidence by obtaining the veteran's military service medical records and other relevant medical information. The veteran undergoes a medical examination by a

VA or a contract clinician. A VARO rating specialist evaluates the evidence and determines if the claimed impairments are service-connected, assigns a degree of disability for each impairment by applying the medical criteria of VA’s rating schedule, and determines the veteran’s overall degree of service-connected disability.

The rating schedule classifies diagnostic codes by 15 body systems, such as musculoskeletal, mental, and cardiovascular; by specific conditions, such as impairment of the knee, PTSD, and hypertensive disease; and by the severity of the conditions. The degree of disability for both individual conditions and the overall disability rating is expressed as a percentage in 10 percent increments from 0 percent, for conditions that are disabling but not to a compensable degree, to 100 percent, for conditions that are totally disabling.

After the disability rating and determination of service-connection have been completed, the VSR processing the claim enters the pertinent rating and claim information into VA’s automated Benefits Delivery Network (BDN) to begin the veteran’s monthly compensation payments. These payments are usually retroactive to the date the VARO received the claim. If a service-connected condition worsens, a veteran can file a claim for an increase in disability rating and higher compensation payments. If VA denies a disability claim or assigns a rating lower than the veteran feels is appropriate, the veteran may appeal the decision first to the VARO of jurisdiction, then to the VA Board of Veterans Appeals (BVA), and finally to the U.S. Court of Appeals for Veterans Claims (CAVC). Under certain circumstances, a veteran who disagrees with a decision of CAVC may appeal to the U.S. Court of Appeals for the Federal Circuit and then to the U.S. Supreme Court.

Disability Compensation Monetary Benefits. The amount of monetary compensation depends on the veteran’s degree of service-connected disability and the number of dependents. VA pays monetary benefits for combined disability ratings of 10 percent and higher.² As shown in Table 1, as of December 2004, the basic monthly compensation payments ranged from \$108 for a 10 percent-disabled veteran to \$2,299 for a 100 percent-disabled veteran:

Table 1. Basic Disability Compensation Payments by Degree of Disability

Degree of Disability	Monthly Payment Rate	Annual Payments	Degree of Disability	Monthly Payment Rate	Annual Payments
10 percent	\$108	\$1,296	60 percent	\$839	\$10,068
20 percent	\$210	\$2,520	70 percent	\$1,056	\$12,672
30 percent	\$324	\$3,888	80 percent	\$1,227	\$14,724
40 percent	\$466	\$5,592	90 percent	\$1,380	\$16,560
50 percent	\$663	\$7,956	100 percent	\$2,299	\$27,588

Source: VBA Compensation Rate Tables

² Under certain circumstances, multiple 0 percent disabilities can have a combined percentage of 10 percent.

For disability ratings of 30 percent or higher, VA pays additional benefits for veterans' dependents. For example, if a 100 percent-disabled veteran has a spouse and two children under age 18, the monthly payment increases by \$290 to \$2,589. As of September 2004, 905,187 (36.3 percent) of the 2.5 million veterans were receiving additional benefits for dependents.

For very serious disabilities, such as the loss of a limb, VA pays additional SMC that exceeds the basic compensation rates. For example, VA would pay SMC benefits of \$3,155 a month to a veteran disabled by the anatomical loss or loss of use of both hands with no dependents. For a veteran with the same disability who has a spouse and two children under age 18, VA would pay SMC benefits of \$3,445 a month. VA also pays additional benefits if the veteran requires the regular aid and attendance of another person. As of September 2004, 203,149 veterans (8.1 percent) were receiving SMC benefits.

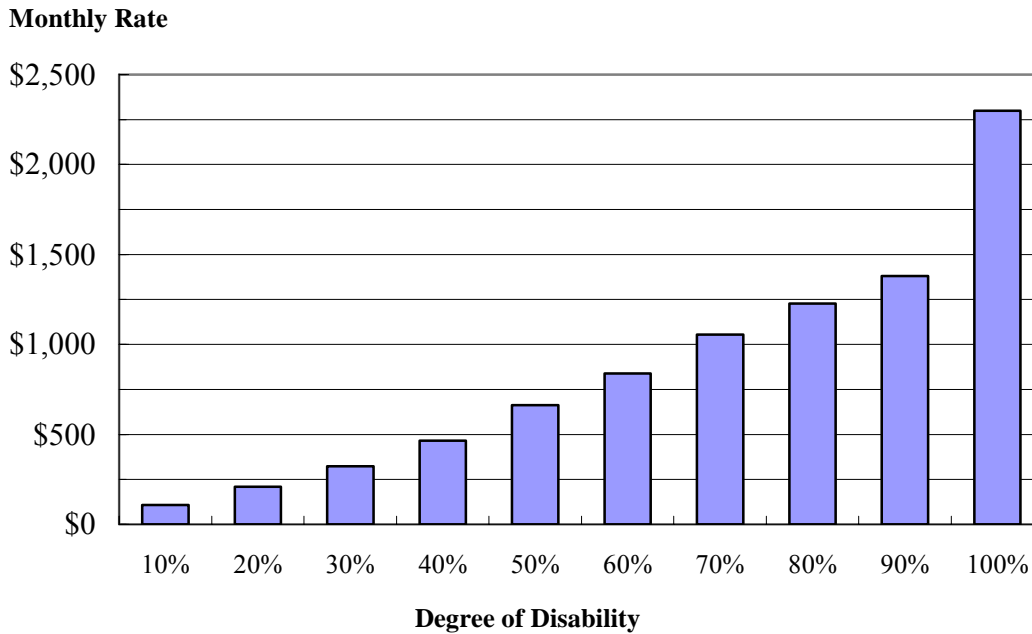
In FY 2004, the average degree of disability for all 2.5 million veterans receiving compensation benefits was 37.0 percent, which represents an 11.8 percent increase from the 33.1 percent average degree of disability in FY 2000. In FY 2004, the largest group of recipients by degree of disability was the 763,100 veterans who were rated 10 percent disabled (30.6 percent), but who accounted for only \$977 million (4.7 percent) of compensation payments. In contrast, the 208,779 veterans rated 100 percent disabled equated to 8.4 percent of compensation recipients, but accounted for \$6.5 billion (30.9 percent) of total compensation payments.

Disproportionate Relationship between Degrees of Disability and Compensation Payment Rates. As shown in Table 1, the compensation payment rates are not proportional to the corresponding degrees of disability, with the higher disability ratings having disproportionately larger monetary benefits than the lower ratings. Starting in the late 1950s, occasional non-linear disability rating-to-payment-rate relationships evolved as a result of periodic legislative rate increases that were weighted towards the higher ratings. By increasing the payment rates in this way, Congress surmised that higher disability ratings of over 50 percent adversely affect the ability to earn a living more than at lower rated disabilities, and that a disability rating of over 90 percent is the threshold for greatest need. The following examples and Figure 1 illustrate the relationships between disability ratings and compensation payment rates:

- A 100 percent disability rating is 10 times greater than a 10 percent rating, but the basic monthly 100 percent compensation payment rate of \$2,299 is 21.3 times greater than the 10 percent payment rate of \$108.
- A 100 percent rating is 2 times greater than a 50 percent rating, but the 100 percent payment rate is 3.5 times greater than the 50 percent payment rate of \$663.

- A 100 percent rating is only 10 percent higher than a 90 percent rating, but the 100 percent payment rate is 70 percent higher than the 90 percent rate of \$1,380.

Figure 1. Relationship between Degrees of Disability and Compensation Payment Rates



States with higher average disability ratings will have disproportionately higher average annual payments. As such, part of the variance is attributed to congressional pay setting. Additional payment amounts for SMC and dependents, which are also weighted towards the higher ratings, further increase compensation payment variances.

Basis of the VA Schedule for Rating Disabilities. Federal law has required VA to develop and apply a schedule to evaluate reductions in earning capacity resulting from specific disabilities or combination of disabilities. The rating schedule was to be based, as far as practicable, upon the average impairments of earning capacity resulting from such disabilities in civilian occupations. The law also requires VA to readjust the rating schedule from time to time in accordance with its experience. However, under no circumstances shall such readjustment cause a veteran’s disability rating to be reduced (38 U.S.C. 1155).

The concept of average impairment of earning capacity dates back to the 1919 rating schedule that had been developed in accordance with the provisions of the War Risk Insurance Act of 1917. The law required the development and application of a schedule for rating reductions in earning capacity resulting from permanent injuries based on average impairments of earning capacity resulting from such injuries in civilian occupations and not on the specific earning impairments for individual cases.

The last major modification to the rating schedule occurred in 1945, when it was revised to reflect advances in medicine, science, and technology and to add new diagnostic codes and a numerical indexing system for disabilities. Since then, VA has revised and expanded the schedule's medical criteria several times to clarify terminology, add new conditions, and increase the number of levels of disability for some conditions. However, these more recent revisions have not changed the basic relationship between disabilities and average earnings impairment established in the 1945 rating schedule. Since 1994, VBA has revised rating schedule criteria for 13 of the 15 body systems.

Recurring Concerns about the Rating Schedule. Over the past 50 years, various commissions and studies, including the 1956 Bradley Commission, the 1971 Economic Validation of the Rating Schedule (ECVARS), and more recent VA-sponsored reviews, have repeatedly raised questions about whether the rating schedule and the concept of average impairment adequately reflected the effects of economic, medical, and social changes on the earning capacity of disabled veterans. Some of the concerns that one or more of the studies cited include:

- The rating schedule is based on the principle of average impairment of earning capacity, not on the effect of the individual veteran's specific impairment.
- The schedule may not adequately reflect advances in medicine, technology, and rehabilitation, or changes in types of work, workplace requirements, or societal attitudes towards disability.
- The disabilities in the schedule may better reflect functional impairments instead of impairment to earnings capacity.
- The schedule does not take into consideration the veteran's actual earnings or income.
- Unlike other disability programs, VA disability compensation payments are usually a lifetime benefit, and disability ratings are rarely reduced and usually increase over time.
- Different raters or VAROs may not consistently apply rating criteria when making disability determinations.

Significant findings of the studies and reviews are presented in more detail in Appendixes A and B. One recent study made no recommendations, but did raise some challenging questions.

Literature Review and Analysis of the Legislative History of the VA Disability Compensation Program. Under a VA contract, a research firm conducted a review and analysis of the legislative history of the disability compensation program for the use of the new congressionally-mandated Veterans' Disability Benefits Commission. The 2004

research report reviewed the methods, conclusions, and recommendations of previous studies of VA's disability compensation program. The report also discussed trends in national disability and the approaches used in different disability programs, such as Federal and state workers compensation. Although it made no policy recommendations, the report suggested nine prioritized questions that VA might consider for further research:

1. How well does the VA disability compensation program meet the intent of Congress of replacing average impairment to lost earning capacity of disabled veterans?
2. Do benefits compensate for loss of quality of life due to service-connected disabilities?
3. Should measures of impairment, disability criteria, and the rating schedule be reexamined?
4. Are VA disability compensation and other programs adequate for the risks of military service to health and life?
5. Does the disability benefit affect the incentive to work?
6. How well or to what extent do disability benefits contribute to beneficiaries' total income?
7. Should Congress reconsider the requirement that disability compensation be based on average impairment and not on the loss of individual earning capacity?
8. How does rehabilitation affect earning capacity and how should disability compensation and rehabilitation programs be coordinated?
9. Should mentally disabled veterans be identified separately from those who are physically disabled?

Continuing Changes to Disability Compensation Requirements. In recent years, legislated changes to rating criteria and compensation program requirements have had the effect of expanding veterans' potential eligibility and entitlement to disability compensation benefits as illustrated by the increase in disabilities presumed to be service-connected, elimination of the bar against concurrent receipt of compensation and military retirement benefits, and current proposals, which if enacted would relax evidence requirements pertaining to certain periods of service.

Expansion of Presumptive Conditions. VA awards disability compensation for certain illnesses or other conditions presumed to be service-connected, even when the conditions do not manifest themselves until many years after military service, if the condition can be reasonably associated with the veteran's military service. In recent years, various

statutory changes have expanded the number of presumptive conditions and the periods in which they may be claimed in response to the experiences of modern warfare and advances in scientific and epidemiological knowledge. (See Appendix C for a listing of diseases subject to presumptive service connection.) For example:

- For veterans exposed to radiation from nuclear weapons testing during the 1940s and 1950s or other radiation-risk events, VA presumes service connection for leukemia and a number of other types of cancer.
- For Vietnam veterans exposed to Agent Orange or other herbicides, 11 diseases, such as non-Hodgkin's lymphoma, diabetes, and prostate cancer, are presumed to be service-connected even when the conditions manifested themselves many years after military service.
- For Gulf War veterans, VA presumes service connection for a number of medically unexplained or multi-symptom illnesses, such as chronic fatigue syndrome, chronic muscle or joint pain, sleep disturbances, and abnormal weight loss that might occur within an as-yet-undetermined period.

Concurrent Receipt of VA Disability Compensation and Military Retirement Benefits.

Until recently, veterans entitled to both disability compensation and military retirement benefits had their payments offset so that the total benefits would not exceed the maximum amount payable from either program. Because compensation benefits are income tax-free, veterans generally chose to receive the maximum compensation payable and offset their military retirement benefits, which are taxable. In November 2003, the National Defense Authorization Act for 2004 eliminated some of the restrictions on the concurrent receipt of these benefits. Beginning in 2004, veterans with disabilities of at least 50 percent and 20 years of military service began retaining an increasingly larger part of their concurrent benefits and would receive full concurrent benefits after 10 years. The law was subsequently amended to eliminate the 10-year phase-in period for 100 percent-disabled veterans, which allowed them to receive full concurrent benefits effective January 2005.

New Disability Benefits Commission Established. The National Defense Authorization Act for 2004 established a new commission, the Veterans' Disability Benefits Commission, to conduct a study of benefits payable to veterans and survivors for service-connected disabilities and deaths. The study is to include an evaluation of the laws and regulations covering eligibility for benefits; compensation rates, including the appropriateness of the rating schedule, based on average impairment of earning capacity; and comparable benefits provided by other Federal programs, states, and the private sector. The commission is to consult with the Institute of Medicine of the National Academy of Sciences on the medical aspects of contemporary disability policies. The commission is to complete its report and recommendations within 15 months of its first meeting, which is scheduled for May 2005.

Scope and Methodology

In conducting this review, we performed a series of data analyses of disability compensation payments, claims processing information, and demographic factors using information from the BDN master record files, VBA annual reports, and other VA and non-VA sources. To complete these analyses in a timely manner, we used a methodology to summarize compensation data consistent with that used by VBA in their annual reports. Because of the complexity of continually tracking payments to millions of veterans, VBA uses a somewhat simplified approach in presenting some payment data. For example, to compute average annual compensation payments, VBA uses payment data for the veterans receiving compensation as of September 30, the last day of each fiscal year, and multiplies the monthly payment rate for each veteran by 12 months to calculate estimated annual average payment amounts. This method has some limitations in that it does not account for such factors as payments for retroactive periods, changes in payment rates, and gains and losses in veterans receiving compensation that occur throughout the year. While our methodologies were similar, the data sort criteria were not the same and resulted in minor differences in average annual payment by state. The VBA Annual Report uses RCS Report 0237 and aggregates data by veterans' mail code. For our analysis, we sorted payment data from the C&P Master Record "Office of Jurisdiction" field and aggregated the data to the state level. However, based on our review of VBA's historical payment data for the past 20 years, we believe the data is representative of the relative average payments made to veterans residing in different states.

Since the basis for this requested review was related to average annual payments by state, we based our analysis and data presentation by state where appropriate. Accordingly, we excluded data related to Puerto Rico, the Philippines, and the District of Columbia. To better understand the factors influencing the state payment variances, we selected the six states with the highest average annual payments (high payment states) and the six states with the lowest average annual payments (low payment states) for detailed analyses.

We also reviewed VBA claims processing and disability rating policies and procedures, as well as various studies and evaluations of disability compensation program and rating schedule issues. We discussed compensation program policies, procedures, issues, and initiatives with VBA headquarters and VARO managers and employees.

We conducted a web-based questionnaire survey of all 1,992 rating veterans service representatives (RVSRs) and DROs. The purpose of the survey was to obtain their views on issues affecting the rating of disabilities and the processing of compensation claims. The survey consisted of 38 questions about the respondents' work experience, training, claims development practices, application of the rating schedule, production requirements, and staffing issues. We received responses from 1,349 (67.7 percent) of the potential participants.

We also conducted onsite visits at seven VAROs—Albuquerque, New Mexico; Chicago, Illinois; Cleveland, Ohio; Portland, Oregon; Roanoke, Virginia; San Diego, California; and Togus, Maine—where we reviewed a sample of 2,100 compensation cases that included a PTSD disability with a rating of 50 percent or greater. Five of the states included in our case review are also included in our high or low payment states. The purpose of this review was to determine whether PTSD claims were properly processed and adequately developed for evidence of service connection. We selected PTSD claims for detailed review because of the high variation in the proportions of PTSD disability ratings awarded by different VAROs, the greater degree of subjectivity required to evaluate PTSD claims, the significant increase in claims and compensation payments associated with PTSD disabilities in recent years, and the vulnerability to fraudulent claims.

To evaluate the consistency and adequacy of medical evaluations used in disability rating determinations, we reviewed a random sample of 349 medical evaluations for initial PTSD and joint conditions that had been completed by VA and contract physicians and other clinicians during the 9-month period January–September 2004. We performed our review work during the period December 2004–April 2005.

Results and Conclusions

Issue 1: Comparison of Average Annual VA Disability Compensation Payments and Percentages of Veterans Receiving Compensation by State

Findings

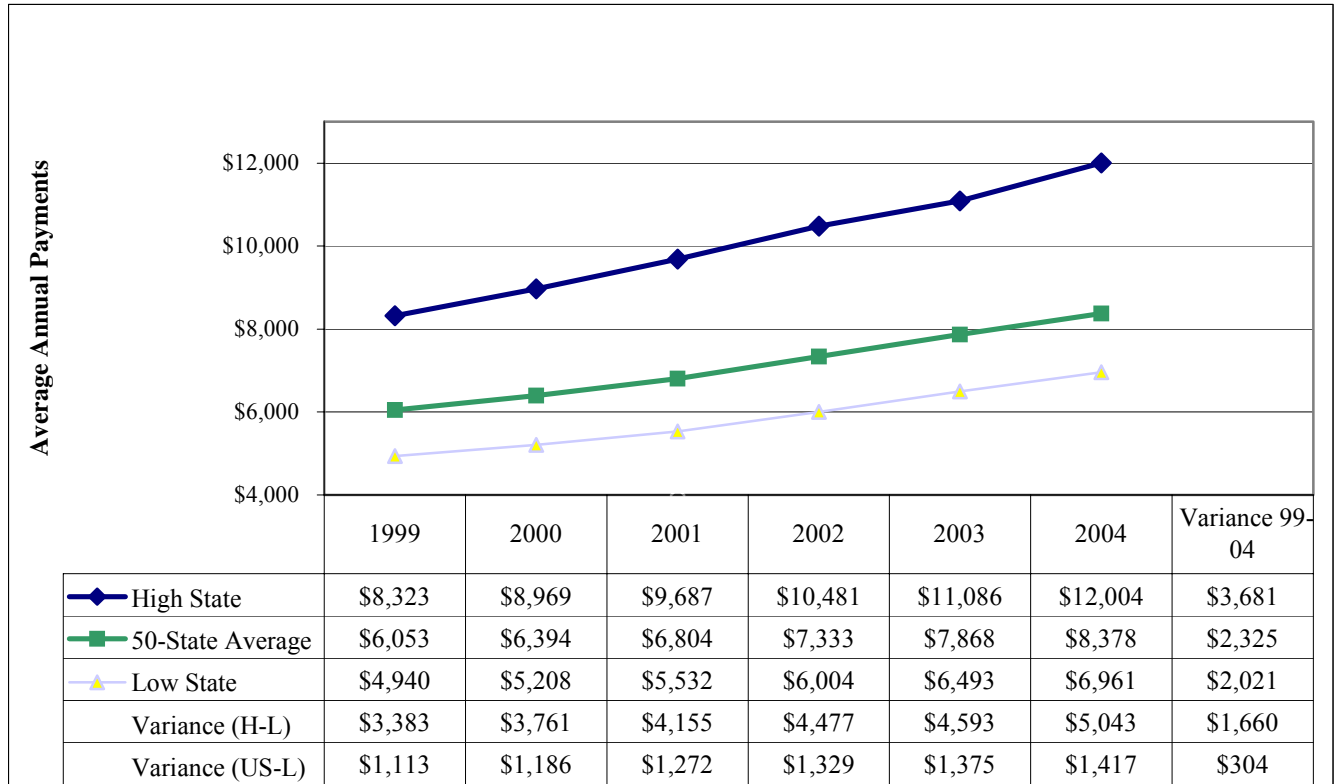
A variance in average annual disability compensation payments by state is not necessarily a problem. A more definitive question is whether the magnitude of the variance, from the lowest average state payment to the highest average state payment, is within acceptable limits.

Variances in VA Disability Compensation Payments by State. We found that variances from the annual VA disability compensation payment national average are greater in those states where veterans were receiving the highest annual payments as opposed to those states receiving lower annual payments. As of September 30, 2004, VAROs serving the 50 states administered benefits to 2,493,576 veterans receiving average annual recurring payments of \$8,378.

From FY 1999 to 2004, the number of veterans receiving compensation increased from 2.2 million to 2.5 million, an increase of 12.3 percent (see Appendix D Table 1). The average annual VA disability compensation payments (average annual payments) discussed in this section consist of the historical averages of all veterans receiving compensation payments.

During the past 6 years, average annual payments increased from \$6,053 to \$8,378, a 38.4 percent increase. Also during this period, the gap between the high payment and the low payment states widened. The high payment state average annual payment increased \$3,681 (44.2 percent) while the low payment state increased \$2,021 (40.9 percent). There was less of an increase when comparing the lowest state average to the national average in that the variance only increased \$304 from \$1,113 to \$1,417 (27.3 percent).

Figure 2. Comparison of High, Low, and Average Annual Payments for FYs 1999–2004



Ranking of High and Low Payment States for FYs 1999 and 2004. We analyzed the data for high payment and low payment states and confirmed that the variance was greater for high payment states. As shown on the next page, the high payment states average annual payments increased more than low payment states. High payment states increased \$3,275, an average of 42.6 percent, ranging from 31.8 percent to 64.9 percent. At the same time, the national average increased only \$2,325, an average of 38.4 percent. In 2004, high payment states exceeded the national average by \$1,899 to \$3,626. For FYs 1999 to 2004, five of the six high payment states exceeded the national percentage increase, including New Mexico, which exceeded the national percentage increase by 69 percent.

Table 2. Variance in High Payment States—FYs 1999 and 2004

State	1999		2004		1999–2004	
	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Increase	Percent Increase
50-State Totals	2,220,262	\$6,053	2,493,576	\$8,378	\$2,325	38.4
High Payment States	157,645	\$7,682	182,825	\$10,957	\$3,275	42.6
New Mexico	20,744	\$7,281	25,258	\$12,004	\$4,723	64.9
Maine	15,951	\$8,281	18,751	\$11,626	\$3,345	40.4
Arkansas	29,134	\$8,323	31,473	\$10,968	\$2,645	31.8
West Virginia	18,084	\$7,456	20,681	\$10,866	\$3,410	45.7
Oklahoma	43,609	\$7,707	51,213	\$10,697	\$2,990	38.8
Oregon	30,123	\$7,122	35,449	\$10,277	\$3,155	44.3

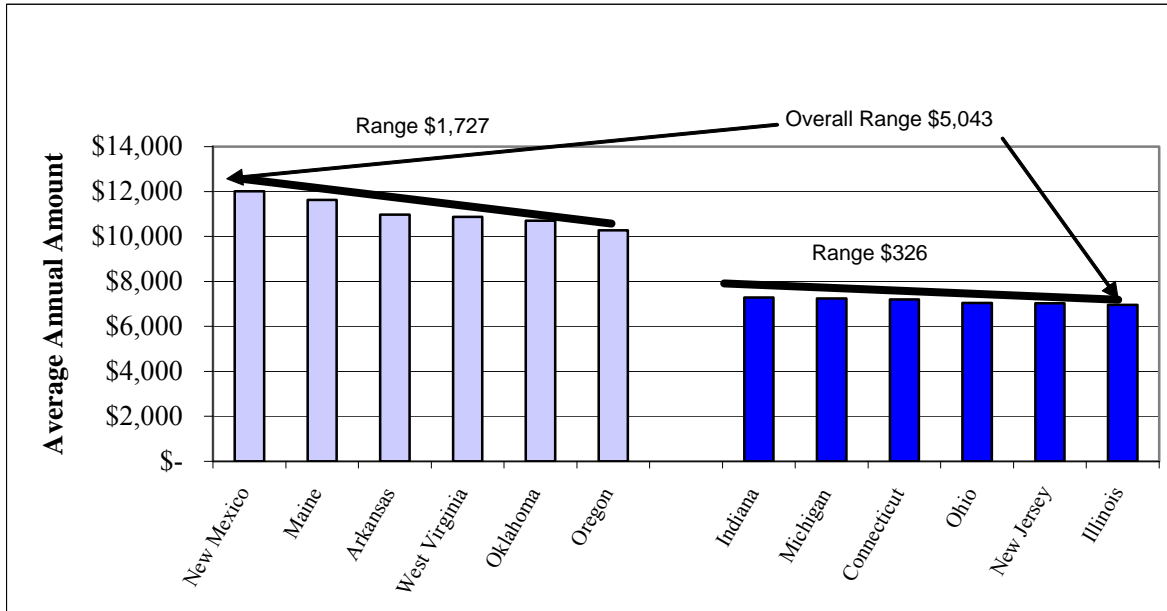
Table 3. Variance in Low Payment States—FYs 1999 and 2004

State	1999		2004		1999–2004	
	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Increase	Percent Increase
50-State Totals	2,220,262	\$6,053	2,493,576	\$8,378	\$2,325	38.4
Low Payment States	324,432	\$5,227	322,663	\$7,106	\$1,879	36.0
Indiana	38,051	\$5,603	42,855	\$7,287	\$1,684	30.1
Michigan	64,599	\$5,218	64,204	\$7,241	\$2,023	38.8
Connecticut	22,038	\$5,249	21,005	\$7,204	\$1,955	37.2
Ohio	86,141	\$5,329	85,527	\$7,039	\$1,710	32.1
New Jersey	53,306	\$5,119	46,903	\$7,028	\$1,909	37.3
Illinois	60,297	\$4,940	62,169	\$6,961	\$2,021	40.9

During FYs 1999–2004, five of six low payment states were ranked in the bottom six each year. Indiana replaced New York in the bottom six in 2004. The low payment states average annual payments increased \$1,879, an average of 36 percent, ranging from 30.1 percent to 40.9 percent. At the same time, the national average increased only \$2,325, an average of 38.4 percent. In 2004, the national average exceeded low payment states’ average by \$1,091 to \$1,417. For FYs 1999 to 2004, two of the six states, Illinois (40.9 percent) and Michigan (38.8 percent) exceeded the national percentage increase.

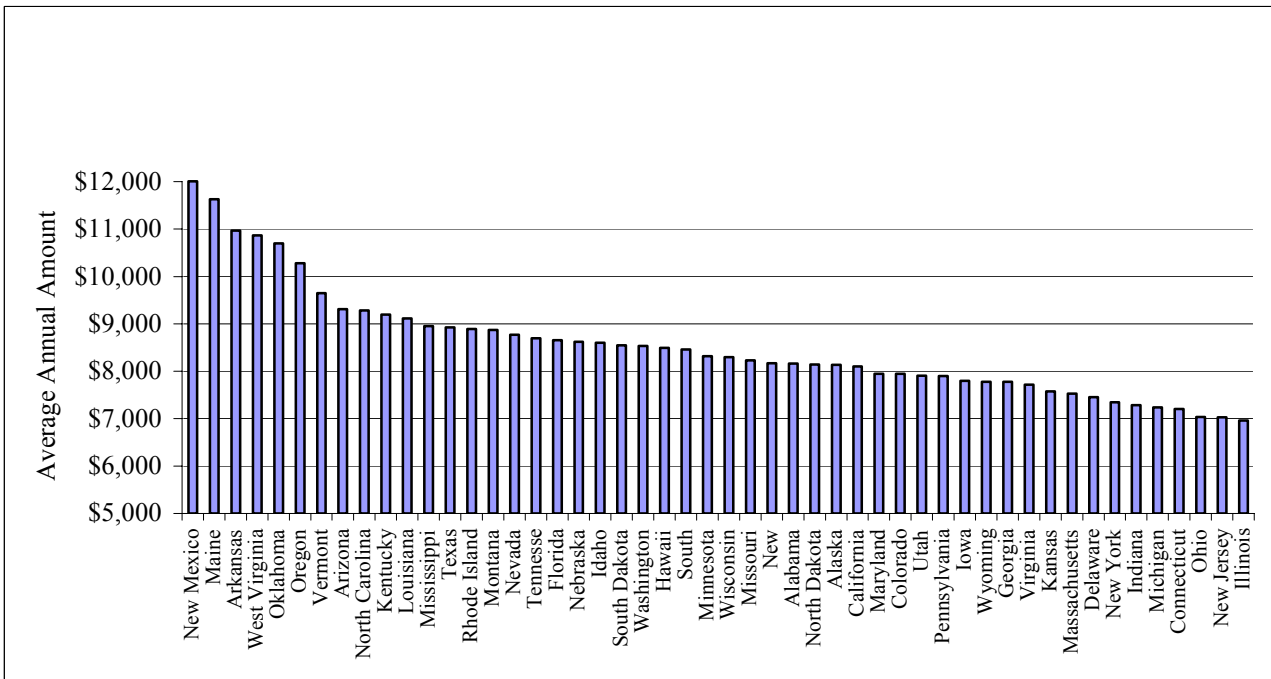
The following figure illustrates the variance between high payment and low payment states for FY 2004.

Figure 3. Variance in High Payment and Low Payment States—FY 2004



It is clear that the high payment states are increasing average annual payments at a significantly higher rate than the national average. The FY 2004 average annual payments by state are graphically shown in Figure 4, which represent claims authorizations over several decades and indicate that the variance is driven by the high payment states:

Figure 4. 50-Year Cumulative Average Annual Amount by State



Shift in State Rankings for Claims Authorized During FYs 1999–2005. To determine whether historical payment averages were consistent with more recently authorized claims, we extracted only new disability compensation claims authorized during FYs 1999–2005. In doing so, we were able to isolate claims rated over the last 6 years as opposed to reviewing average annual payments derived from decades of claims authorizations.

During FYs 1999–2005, 778,457 (31 percent of total) veterans began receiving compensation based on new claims. The average annual payment for these claims was \$4,971 in FY 1999 and \$6,988 in FY 2004 (see Appendix D Table 2). The table below shows the average annual payments for new claims in each FY.

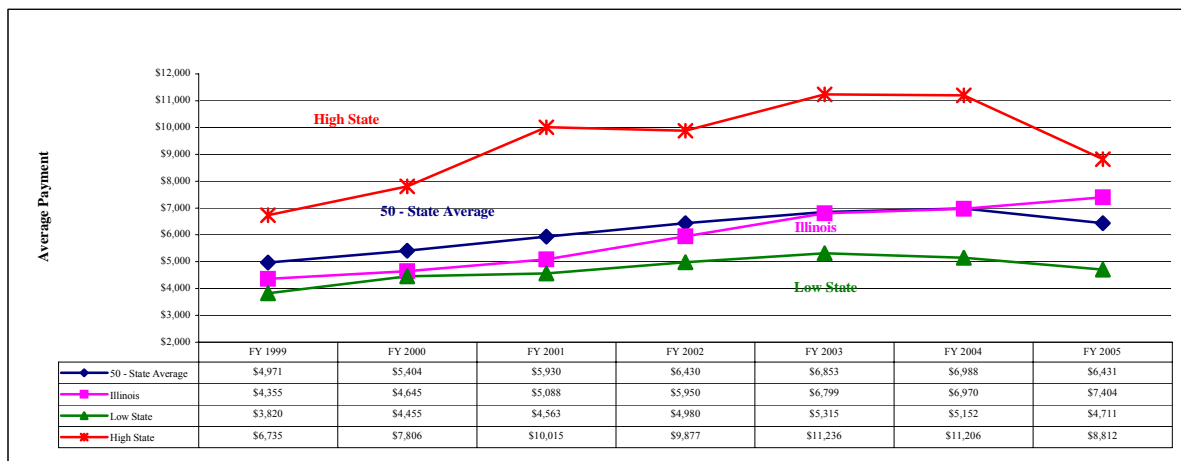
Table 4. Average Annual Payments to Veterans with New Claims

Fiscal Year	Veterans	Average Annual Payment
1999	89,623	\$4,971
2000	84,576	\$5,404
2001	83,018	\$5,930
2002	149,610	\$6,430
2003	159,441	\$6,853
2004	146,547	\$6,988
2005	65,642	\$6,431

Note: 2005 data through February 2005.

A comparison of Illinois to the 50-state average and the high and low states in FYs 1999–2005 for the new claims showed that Illinois went from \$616 below the national average in FY 1999 to \$973 above the national average in FY 2005, as shown in Figure 5.

Figure 5. Comparison of 50-State and Illinois Average Annual Compensation Payments for New Claims FYs 1999–2005



Note: 2005 data through February 2005.

We compared the average payments to all veterans for FY 2004 for the high and low payment states to the average payments made to new claims in FYs 1999–2005, to identify trends and changes. Notable trends in both the top and bottom six states were identified.

Among the high payment states, three (New Mexico, Arkansas, and Oregon) were ranked 1st, 2nd, and 3rd, for average payments made for new claims, maintaining their highly ranked status for the last 20 years. However, the other three states (Maine, West Virginia, and Oklahoma) significantly dropped in the ranking, with most of the change occurring after FY 2003. Maine moved from 3rd in FY 2003 to 37th in 2005. Oklahoma moved from 5th in FY 2004 to 24th in 2005 (see Appendix D Table 3).

Among the low payment states, four (Illinois, New Jersey, Ohio, and Michigan) moved up significantly in their rankings for new claims. Illinois moved from 44th in FY 1999 to 5th in 2005, a jump of 39 states. Michigan moved from 32nd in FY 1999 to 11th in 2005, a jump of 21 states. However, the other two states (Connecticut and Indiana) dropped in the ranking by nine and one state, respectively. Three of the low payment states (Illinois, Michigan, and Connecticut) also exceeded the average annual compensation amount for new claims (\$6,431) by \$973, \$622, and \$439, respectively.

The higher ranking of Illinois is consistent with actions expressed by the Director of the VARO in Chicago to a representative of Congressman Lane Evans, Ranking Member, House Veterans' Affairs Committee during a visit on December 10–11, 2004. At the exit briefing, the Director informed the representative that he was committed to awarding all benefits consistent with law and regulation. He informed the Committee representative that training in the past year doubled, that emphasis was on across the board quality decisions, and that trainees were being paired with mentors that embody a philosophy of granting every benefit possible. The VARO utilizes STAR review results for individual and division training. The VARO also has in place two authorization and two rating quality reviewers to conduct individual performance quality reviews. We confirmed these controls were in place.

Comparison of Historical Average Payments and Veterans Who Began Receiving Compensation in FYs 1999–2004. We found that the rankings for the high payment states generally remained constant when comparing the historical average and the new claim average, except for Maine and West Virginia. These states were ranked 14 and 6 states lower for new claims in 2004 than their historical average, respectively.

Table 5. Comparison of Historical (All Veterans) State Average Annual Payment Rankings and Ranking for New Claims for High Payment States

State	Historical Average (All Veterans)						New Claims					
	1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004
New Mexico	5	5	3	2	2	1	2	2	1	1	1	1
Maine	2	1	1	1	1	2	4	1	2	2	3	16
Arkansas	1	2	2	3	3	3	5	6	8	3	5	2
West Virginia	4	3	4	4	4	4	1	3	12	9	8	10
Oklahoma	3	4	5	5	5	5	13	8	13	5	4	5
Oregon	6	6	6	6	6	6	6	11	4	4	2	3

For low payment states, we found more significant changes in the average rankings between the two groups. Indiana was the only state we evaluated in detail with average payments for new claims less than the historical average. This occurred in each year reviewed and is contrary to the trend for the other five low payment states. The other states significantly improved their ranking when comparing the 2004 historical and new veteran averages. Each of the states made double digit jumps, with Michigan and Illinois making 31 and 27 position moves, respectively.

Table 6. Comparison of Historical (All Veterans) State Average Annual Payment Rankings and Ranking for New Claims for Low Payment States

State	Historical Average (All Veterans)						New Claims					
	1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004
Indiana	42	43	43	44	44	45	49	46	44	50	50	50
Michigan	48	48	48	47	47	46	32	23	29	20	19	15
Connecticut	47	47	46	46	46	47	7	20	7	38	22	30
Ohio	46	46	47	49	48	48	42	38	47	47	45	33
New Jersey	49	49	49	48	49	49	35	19	34	21	41	37
Illinois	50	50	50	50	50	50	44	47	45	37	24	23

As shown above, dramatic changes have occurred in average annual payments and state rankings for both the high and low states. Absent a national case review, we cannot determine the specific causes for these significant shifts, but we did note that Illinois veterans currently applying for and receiving benefits are near or above the 50-state average.

Percentages of State Veterans Receiving Compensation. As of September 2004, VA was paying compensation benefits to 2.5 million (10.2 percent) of the 24.5 million veterans living in the 50 states included in our analyses. By state, the percentage of the veteran populations receiving compensation ranged from a high of 19.2 percent for North Dakota to a low of 6.9 percent for Illinois. For North Dakota, the state with the second-smallest veteran population, the 19.2 percent rate was 88.2 percent higher than the 50-

state average of 10.2 percent. For Illinois, the 6.9 percent rate was 32.4 percent below the 50-state average (see Appendix D Table 4).

For the clusters of high and low average annual payment states, the percentages of veterans receiving compensation paralleled the patterns of high and low average payments. As shown in Table 7, the high payment states had generally higher rates of veterans receiving compensation and low payment states had lower rates.

Table 7. Percent of Veterans Receiving Compensation as of September 2004

State	Average Annual Payment		Veterans Receiving Compensation	
	Amount	Rank	Percent	Rank
50-State Averages	\$8,378		10.2	
High Payment States				
New Mexico	\$12,004	1	14.0	7
Maine	\$11,626	2	13.0	10
Arkansas	\$10,968	3	11.7	16
West Virginia	\$10,866	4	11.0	18
Oklahoma	\$10,697	5	14.4	6
Oregon	\$10,277	6	<u>9.7</u>	35
Average			12.3	
Low Payment States				
Indiana	\$7,287	45	7.8	46
Michigan	\$7,241	46	7.7	48
Connecticut	\$7,204	47	7.8	45
Ohio	\$7,039	48	8.1	43
New Jersey	\$7,028	49	8.0	44
Illinois	\$6,961	50	<u>6.9</u>	50
Average			7.7	

- Five of the six high payment states had percentages of veterans receiving compensation that were from 7.8 percent to 41.2 percent above the 50-state average. The exception was Oregon with its 9.7 percent of veterans receiving compensation, which was 4.9 percent below the 50-state average.
- Low payment states had among the lowest percentages of veterans receiving compensation, ranging from 20.6 percent to 32.4 percent below the 50-state average.

Veterans Claims Submissions. Before VA can determine eligibility for compensation benefits or entitlement to increased benefits, a veteran must first submit a claims application. To determine if the rate at which veterans are submitting compensation claims has a relationship to the percentage of veterans receiving compensation, we compiled the number of new claims received by VAROs for FYs 2002–2004. The pattern for the rate of veterans’ claims submissions by state generally paralleled the pattern for the percentage of veterans receiving compensation. For the 50 states, the rate of claims received for the 3-year period was 72.4 claims per 1,000 veterans. For individual states, the rate of claims received ranged from a high of 172.6 claims per 1,000

veterans in the state population for North Dakota to a low of 32.6 claims per 1,000 veterans in New Jersey. As Table 8 shows, the rate of veterans' claims was higher for the states with higher average payments and lower for states with lower average payments (see Appendix D Table 5).

Table 8. Claims Submitted in FYs 2002–2004

State	Average Annual Payment		Claims per 1,000 Veterans	
	\$ Amount	Rank	Number	Rank
50-State Averages	\$8,378		72.4	
High Payment States				
New Mexico	\$12,004	1	114.2	5
Maine	\$11,626	2	101.3	11
Arkansas	\$10,968	3	91.0	18
West Virginia	\$10,866	4	104.0	9
Oklahoma	\$10,697	5	129.1	2
Oregon	\$10,277	6	<u>79.5</u>	23
Average			103.2	
Low Payment States				
Indiana	\$7,287	45	54.8	38
Michigan	\$7,241	46	44.4	46
Connecticut	\$7,204	47	39.6	48
Ohio	\$7,039	48	44.9	45
New Jersey	\$7,028	49	32.6	49
Illinois	\$6,961	50	<u>44.4</u>	47
Average			43.5	

Note: Rankings for claims per 1,000 veterans range from 1 to 49 because claims data is consolidated for Colorado and Wyoming.

- High payment states had high claims rates that ranged from 9.8 percent (Oregon) to 78.3 percent (Oklahoma) above the 50-state average.
- Low payment states had among the lowest claims rates, ranging from 24.3 percent (Indiana) to 55 percent (New Jersey) below the 50-state average.

Although these analyses show similar patterns for the states, the patterns were better defined for low payment states. The pattern for the percentage of veterans receiving compensation is the cumulative result of claims submissions and processing activity over many decades. In recent years, VA made a number of changes to disability compensation program requirements, such as the expansion of presumptive conditions that many veterans, especially those of past eras, may not be aware of. For the most recent Gulf War conflicts, VA has developed a number of programs to ensure service personnel leaving the military are provided with information and the opportunity to apply for disability compensation and other VA readjustment benefits.

VA should undertake more detailed analysis to specifically identify differences in claims submission patterns to determine if certain veteran sub-populations, such as World War II and Korean Conflict veterans, or those living in specific locales, have been underserved.

As indicated by such analysis, focused outreach efforts to specific sub-populations could be initiated to ensure VBA staffs provide veterans adequate information and effective assistance in obtaining compensation and other benefits when entitled.

Conclusion

During FYs 1999 to 2004, the number of veterans receiving compensation increased from 2.2 million to 2.5 million, a net increase of 12.3 percent. Average annual payments increased from \$6,053 to \$8,378, a 38.4 percent increase during the past 6 years. The variances between the states receiving the highest and lowest average annual payments increased from \$3,383 to \$5,043, a 49.1 percent increase. We noted that the average payments in states receiving the highest average annual payments increased by over three times more than the states receiving the lowest average annual payments.

A review of new claims during FYs 1999 to 2004 showed that average annual payments by state are shifting. The variance has decreased and some low payment states, including Illinois, are reporting average annual payments above the national average. Regardless of the repositioning of states, ensuring that the variance is caused by factors relevant only to demographic, disability, and pay scale variables, and rating inconsistencies among VAROs must be addressed.

Veteran participation in VA's compensation program also needs management attention. In recent years, VA and the Congress made a number of changes to the program, including expanding the numbers of presumptive conditions that many veterans in past periods of service may not be aware exist. For Gulf War conflicts, VA has developed a number of programs to ensure all service personnel being discharged are aware of their opportunity to apply for VA compensation benefits. VBA needs to undertake a more detailed analysis to identify differences in claims submission patterns and determine whether certain veteran sub-populations, such as World War II and Korean Conflict veterans, or those living in specific locales, have been underserved. VBA should assess the need for additional outreach initiatives and should work closely with veterans service organizations, state organizations, and the Department of Defense.

Issue 2: Influences of Demographic and Processing Factors on Average Annual Compensation Payments

Findings

Demographic Factors and Limitations of Analysis. To further evaluate the variances in the average payments to veterans residing in different states, we performed comparative analyses for the following veteran demographic factors:

Military-Retired Status	Power of Attorney Representation
Enlisted or Officer Status	Branch of Service
Average Age	Period of Service
Number of Disabilities by Period of Service	Dependency and Special Monthly Compensation

These demographic analyses were limited to data elements that could be extracted from the automated BDN payment system. We recognize that other analytical approaches, such as applying statistical models or including other demographic information from sources external to the BDN system, could be useful in finding all explanations for payment variances. For example, information on a veteran's education and occupation, locality-specific economic conditions, population and migration patterns, and the number and timing of disability claims applications following military service would all provide useful information.

Military-Retired Status. Average annual compensation payments to veterans who retired from military service were generally higher than payments to other veterans who did not retire from the military. Most military-retired veterans served on active duty for 20 or more years while non-military retirees may have had active duty of only 2 years or less. As of September 2004, 751,791 (30.1 percent) of the 2.5 million veterans receiving compensation were military retirees. By state, the percentage of military-retired veterans ranged from a low of 11.3 percent for New York to a high of 50.8 percent in Virginia. The average annual payment for all military-retired veterans was \$9,383, compared to the average payment for non-military retired veterans of \$7,945, for a difference of \$1,438.

By state, the average annual payments for military-retired veterans ranged from a low of \$7,903 for Delaware to a high of \$12,318 for West Virginia. Non-retired veterans' average payments ranged from a low of \$6,420 for Illinois to a high of \$12,820 for New Mexico (see Appendix D Table 6). Table 9 below shows the pattern of average payments for retired-military and non-military retired veterans in the high and low payment states.

Table 9. Military Retired and Non-Military Retired Veteran Compensation Payments as of September 2004

State	Average Annual Payment	Military-Retired	Percent Retired	Non-Military Retired
50-State Averages	\$8,378	\$9,383	30.1	\$7,945
High Payment States				
New Mexico	\$12,004	\$10,493	35.1	\$12,820
Maine	\$11,626	\$11,312	25.9	\$11,736
Arkansas	\$10,968	\$11,819	30.6	\$10,592
West Virginia	\$10,866	\$12,318	19.5	\$10,513
Oklahoma	\$10,697	\$10,677	32.6	\$10,706
Oregon	\$10,277	\$12,163	<u>21.9</u>	\$9,748
Average			27.6	
Low Payment States				
Indiana	\$7,287	\$9,750	19.5	\$6,689
Michigan	\$7,241	\$10,928	15.0	\$6,591
Connecticut	\$7,204	\$10,404	14.6	\$6,658
Ohio	\$7,039	\$9,713	18.3	\$6,438
New Jersey	\$7,028	\$10,431	13.1	\$6,515
Illinois	\$6,961	\$9,291	<u>18.8</u>	\$6,420
Average			16.6	

- For all six high payment states, the average payments for both military-retired and non-military retired veterans were higher than the 50-state average payment of \$8,378. Three states had higher percentages of military-retirees than the 50-state average of 30.1 percent and three had lower percentages. In addition, three states—New Mexico, Maine, and Oklahoma—had higher average payments for non-military retired veterans than for military-retirees, which deviated from the pattern of higher average payments for military retirees.
- All six low payment states had lower percentages of military-retired veterans than the 50-state average of 30.1 percent. For all six states, the non-military retired average payments were below the 50-state average payment of \$7,945 for non-military retired veterans.

Enlisted or Officer Status. At the end of FY 2004, there were 1,448,014 veterans receiving compensation payments who had enlisted status (58.1 percent) and 163,916 with officer status (6.6 percent).³ The average annual compensation payment was \$8,850 for veterans with enlisted status, and \$7,075 for veterans with officer status, or \$1,775 more for veterans with enlisted status (see Appendix D Table 7).

Veterans with known enlisted and officer status for the six states with the highest and lowest average annual compensation payments were:

³ VBA records for the other 35.4 percent did not specify whether the veterans were enlisted or officers.

Table 10. Enlisted and Officer Status as of September 2004

State	Percent		State	Percent	
	Enlisted	Officer		Enlisted	Officer
50-State Averages	58.1	6.6			
High Payment States			Low Payment States		
New Mexico	66.3	9.1	Indiana	52.5	3.7
Maine	67.2	4.4	Michigan	46.8	2.4
Arkansas	63.7	4.9	Connecticut	38.4	3.9
West Virginia	56.7	2.9	Ohio	48.2	4.5
Oklahoma	62.8	5.4	New Jersey	31.1	3.1
Oregon	<u>63.6</u>	<u>4.9</u>	Illinois	<u>49.6</u>	<u>4.0</u>
Averages	63.4	5.3	Averages	44.4	3.6

Average Age. As of September 2004, the average age of the 2.5 million veterans receiving compensation payments was 58. By state, the average age ranged from a low of 52 for Alaska to a high of 66 for Massachusetts (see Appendix D Table 8). Table 11 below shows the average veteran ages for the high and low payment states.

Table 11. Veteran Average Age as of September 2004

State	Average Annual Payment	Age	State	Average Annual Payment	Age
50-State Averages	\$8,378	58			
High Payment States			Low Payment States		
New Mexico	\$12,004	59	Indiana	\$7,287	58
Maine	\$11,626	58	Michigan	\$7,241	61
Arkansas	\$10,968	58	Connecticut	\$7,204	63
West Virginia	\$10,866	59	Ohio	\$7,039	60
Oklahoma	\$10,697	57	New Jersey	\$7,028	65
Oregon	\$10,277	<u>57</u>	Illinois	\$6,961	<u>59</u>
Average		58	Average		61

- For the six high payment states, the average ages were equal to or slightly above the 50-state average age of 58, ranging from 57 to 59.
- Similarly, two of the low payment states had average veteran ages equal to or slightly above the 50-state average age, ranging from 58 to 59. The four other states had higher average ages, ranging from 60 for Ohio to 65 for New Jersey.

Number of Disability Conditions by Period of Service. Veterans with more service-connected disabilities will typically result in a higher overall disability rating and higher compensation payments. BDN can record a maximum of six individual disability codes in each veteran’s payment record. As of September 2004, the average number of service-connected disabilities for all veterans in the 50 states was 2.6 per veteran. By period of service, the 50-state averages ranged from a low of 2.1 disabilities per World War II veteran to a high of 4.0 disabilities per Gulf War veteran. As shown in Table 12, veterans in the high average payment states generally had more disabilities and the veterans in the low average payment states had fewer disabilities (see Appendix D Table 9). For all

periods, high payment states had 25 percent more disabilities than the low payment states—3 disabilities states versus 2.4 disabilities.

Table 12. Average Number of Veteran Disabilities by Period of Service as of September 2004

State	Average Number of Service-Connected Disabilities					
	All Periods	Gulf War	Vietnam Era	Peacetime	Korean Conflict	World War II
50-State Averages	2.6	4.0	3.2	2.8	2.3	2.1
High Payment States						
New Mexico	2.9	4.0	3.3	3.1	2.7	2.6
Maine	2.9	4.1	3.1	2.8	2.3	2.2
Arkansas	2.9	3.9	3.3	2.8	2.4	2.2
West Virginia	2.8	3.6	3.1	2.6	2.5	2.2
Oklahoma	3.2	4.1	3.5	3.1	2.6	2.5
Oregon	<u>3.0</u>	<u>3.9</u>	<u>3.2</u>	<u>2.8</u>	<u>2.6</u>	<u>2.5</u>
Averages	3.0	3.9	3.3	2.9	2.5	2.4
Low Payment States						
Indiana	2.6	3.3	2.9	2.3	2.3	2.2
Michigan	2.3	3.1	2.6	2.2	1.9	1.9
Connecticut	2.3	3.4	2.6	2.3	1.9	1.8
Ohio	2.5	3.5	2.7	2.4	2.0	2.0
New Jersey	2.4	3.2	2.5	2.1	2.0	1.9
Illinois	<u>2.5</u>	<u>3.4</u>	<u>2.9</u>	<u>2.4</u>	<u>2.0</u>	<u>1.9</u>
Averages	2.4	3.3	2.7	2.3	2.0	2.0

- For the six high payment states, the average number of disabilities was greater than or equal to the 50-state averages overall and for most individual periods of service. Arkansas, West Virginia, and Oregon had average numbers of disabilities lower than the 50-state average for the Gulf War; Maine and West Virginia had lower than average numbers of disabilities for the Vietnam era; and West Virginia had lower than average numbers of disabilities for Peacetime.
- For five of the six low payment states, the average number of disabilities was less than the 50-state averages overall and for all periods of service.

Power of Attorney Representation. Veterans and dependents may appoint a power of attorney (POA) representative, such as a VA-recognized national veterans service organization or a state veterans office, to assist them in applying for VA benefits. Qualified POA representatives provide a valuable service to applicants by explaining VA benefits, assisting in completion of forms and collection of evidence, monitoring the progress of the claim, and representing them in hearings and appeals. The majority of veterans receiving compensation have appointed POA representatives. The BDN payment record identifies the veteran's designated representative, but does not contain information about the extent of assistance provided by the representative for any particular benefits claim action.

As of September 2004, about 1.6 million (63.8 percent) of the 2.5 million veterans receiving compensation in the 50 states had designated a POA representative. By state, the percentage of veterans with POA representatives ranged from a low of 42.3 percent for Hawaii to a high of 80.7 percent for North Dakota. For all 50 states, the average annual disability payments for veterans with POA representation were \$6,225 higher than the payments for those without representation. The 50-state average payment was \$10,631 for veterans with representation and \$4,406 for veterans without representation (see Appendix D Table 10). Table 13 below shows the average annual payments for veterans with and without POA representation in the high average payment and low average payment states:

Table 13. Power of Attorney Representation as of September 2004

State	Average Annual Payment	Veterans with Representation	Percent with Representation	Veterans without Representation
50-State Totals	\$8,378	\$10,631	63.8	\$4,406
High Payment States				
New Mexico	\$12,004	\$15,275	65.9	\$5,677
Maine	\$11,626	\$14,419	69.9	\$5,148
Arkansas	\$10,968	\$13,052	67.7	\$6,597
West Virginia	\$10,866	\$12,791	73.4	\$5,561
Oklahoma	\$10,697	\$13,501	64.3	\$5,650
Oregon	\$10,277	\$11,890	<u>75.9</u>	\$5,187
Average			69.5	
Low Payment States				
Indiana	\$7,287	\$9,312	57.9	\$4,503
Michigan	\$7,241	\$9,391	63.8	\$3,450
Connecticut	\$7,204	\$10,922	47.0	\$3,900
Ohio	\$7,039	\$9,381	57.3	\$3,902
New Jersey	\$7,028	\$10,775	48.3	\$3,528
Illinois	\$6,961	\$9,564	<u>54.1</u>	\$3,890
Average			54.7	

- All six high payment states had higher percentages of veterans with POA designations, ranging from 64.3 percent to 75.9 percent, and average payments, ranging from \$11,890 to \$15,275, that were above the 50-state averages of 63.8 percent and \$10,631, respectively. Within each state, the average payments for veterans with POA representation were substantially higher than for veterans without representation, ranging from 97.8 percent higher for Arkansas to 180.1 percent higher for Maine.
- The six low payment states had percentages of veterans with POA representation ranging from 47.0 percent to 63.8 percent, which were equal to or below the 50-state average. For veterans with representation, the average annual payments, ranging from \$9,312 to \$10,922 were clustered around the 50-state average of \$10,631. As with the high payment states, within each state, the average payments for veterans with POA representation were much higher than for veterans without representation, ranging from 140.4 percent higher for Ohio to 205.4 percent higher for New Jersey.

Branch of Service. Of the 2.5 million veterans receiving compensation benefits as of September 2004, about 98.9 percent served in one of the four major military service branches—Army, Air Force, Marine Corps, and Navy. As shown in Table 14, 52.8 percent of veterans receiving compensation had served in the Army, 17.8 percent in the Air Force, 17.6 percent in the Navy, and 10.7 percent in the Marine Corps. Average annual payments ranged from a low of \$7,361 for Air Force veterans to a high of \$9,315 for Marine Corps veterans. By state, the percent of veterans of any particular branch of service did not appear to have a significant influence on average payments (see Appendix D Table 11).

Table 14. Average Annual Payments by Branch of Service as of September 2004

State	Army		Air Force		Marine Corps		Navy	
	Percent of Veterans	Average Annual Payment	Percent of Veterans	Average Annual Payment	Percent of Veterans	Average Annual Payment	Percent of Veterans	Average Annual Payment
50-State Averages	52.8	\$8,787	17.8	\$7,361	10.7	\$9,315	17.6	\$7,665
High Payment States								
New Mexico	46.5	\$13,764	28.8	\$8,521	9.6	\$14,846	13.9	\$11,510
Maine	45.7	\$12,778	16.6	\$9,804	10.7	\$14,001	23.5	\$9,898
Arkansas	52.6	\$11,597	23.2	\$9,369	9.0	\$12,028	14.7	\$10,672
West Virginia	59.9	\$11,271	13.7	\$9,168	12.3	\$11,973	13.4	\$9,955
Oklahoma	56.3	\$11,489	22.0	\$8,184	8.6	\$12,228	12.4	\$10,497
Oregon	47.0	\$10,696	14.5	\$9,322	13.1	\$11,757	23.0	\$9,389
Low Payment States								
Indiana	58.5	\$7,531	13.6	\$6,401	12.5	\$7,857	14.8	\$6,697
Michigan	60.9	\$7,358	11.6	\$6,639	11.6	\$7,832	14.6	\$6,829
Connecticut	53.2	\$7,145	11.0	\$7,186	12.1	\$8,869	21.8	\$6,489
Ohio	55.6	\$7,241	17.3	\$6,249	11.6	\$7,744	14.5	\$6,706
New Jersey	61.8	\$7,036	10.2	\$6,411	10.9	\$8,621	15.9	\$6,400
Illinois	56.4	\$7,216	13.6	\$6,244	12.3	\$7,711	17.1	\$6,185

- For the high payment states, the average payments were significantly higher than the 50-state average annual payments for the four service branches. For example, average payments for Marine Corps veterans ranged from \$11,757 in Oregon to \$14,846 in New Mexico, compared to the 50-state average payment of \$9,315.
- For the low payment states, the average payments were consistently lower than the 50-state average payments for each service branch. For example, average payments for Army veterans ranged from \$7,036 in New Jersey to \$7,531 in Indiana compared to the 50-state average payment of \$8,787.

Period of Service. By period of service, or era, 34.6 percent of the 2.5 million veterans receiving compensation benefits as of September 2004 served in the Vietnam era, 15.0 percent served in World War II, 6.4 percent in the Korean Conflict, 21.1 percent in the Gulf War, and 22.9 percent during Peacetime. As shown in Table 15, the average annual payments for the 50 states ranged from a high of \$10,930 for Vietnam veterans to a low of \$6,058 for Gulf War veterans. This analysis shows that Vietnam veterans received an

average annual payment of \$10,930, \$2,328 more than the next highest group—the Korean Conflict payment of \$8,602 (see Appendix D Table 12).

Table 15. Average Annual Payments by Period of Service as of September 2004

State	Average Annual Payment					Percent of Veterans				
	World War II	Korean Conflict	Vietnam	Gulf War	Peace-time	World War II	Korean Conflict	Vietnam	Gulf War	Peace-time
50-State Averages	\$7,798	\$8,602	\$10,930	\$6,058	\$6,979	15.0	6.4	34.6	21.1	22.9
High Payment States										
New Mexico	\$13,558	\$13,155	\$15,033	\$7,637	\$8,901	12.0	6.1	41.0	18.3	22.6
Maine	\$11,275	\$11,176	\$14,983	\$8,058	\$9,546	13.4	7.1	37.1	19.1	23.3
Arkansas	\$10,782	\$11,853	\$13,533	\$7,756	\$9,414	12.8	5.8	38.1	20.1	23.1
West Virginia	\$9,570	\$11,008	\$13,874	\$7,160	\$8,421	14.6	7.3	42.3	17.0	18.9
Oklahoma	\$12,349	\$12,501	\$13,789	\$6,784	\$8,419	11.4	5.7	37.0	23.9	22.0
Oregon	\$9,646	\$10,282	\$12,861	\$7,126	\$8,469	<u>13.6</u>	<u>5.9</u>	<u>40.6</u>	<u>18.0</u>	<u>21.9</u>
Averages						13.0	6.3	39.4	19.4	22.0
Low Payment States										
Indiana	\$6,938	\$7,083	\$8,982	\$5,333	\$6,358	16.7	7.1	36.7	17.8	21.6
Michigan	\$6,070	\$7,017	\$9,231	\$5,279	\$6,383	22.4	7.6	36.3	14.0	19.6
Connecticut	\$5,342	\$6,146	\$9,896	\$6,060	\$6,749	27.8	8.6	30.9	11.1	21.6
Ohio	\$6,162	\$7,063	\$8,890	\$5,193	\$6,229	20.4	7.4	34.7	15.6	22.0
New Jersey	\$5,859	\$6,632	\$9,311	\$5,489	\$6,096	30.3	10.7	31.0	8.1	20.0
Illinois	\$5,722	\$6,419	\$9,459	\$5,147	\$6,061	<u>21.0</u>	<u>7.4</u>	<u>33.0</u>	<u>19.2</u>	<u>19.4</u>
Averages						23.1	8.1	33.8	14.3	20.7

- The six high payment states had higher average annual payments for all of the periods of service. Of significance, for the Vietnam period these states had average payments, ranging from \$12,861 for Oregon to \$15,033 for New Mexico, and percentages of veterans, ranging from 37.0 percent for Oklahoma to 42.3 percent for West Virginia, that were significantly higher than the 50-state averages of \$10,930 or 34.6 percent, respectively.
- Five of the six low payment states had lower average payments than the 50-state averages for all of the periods of service. The states also had higher proportions of lower payment World War II veterans.
- The number and extent of service-connected disabilities for presumptive conditions are greater for Vietnam veterans, which partially explains why their average compensation payments are higher than those of veterans of other periods of service.

Dependency and SMC. We analyzed data for the dependency and SMC variables to determine if these factors helped explain some of the differences found in average annual compensation payments among states. Through a comparative analysis we determined that differences in veteran population characteristics provide a partial explanation of variances. For dependency, we found that the mix of veterans receiving compensation

for themselves and dependents, versus those not being paid for dependents, varied significantly when comparing the average annual payments for states at the high and low ends of the scale. When we coupled this observation with the fact that veterans with dependents receive higher compensation payments compared to veterans disabled to the same degree without dependents, then it logically follows that the dependency variable contributes to the payment differences. We found a similar pattern for SMC benefit recipients, who also receive higher payments compared to veterans at the same degree of disability without SMC ratings. Because of the limitations of data available to study these variables and compounded by the complexity of rating factors and the large number of possible dependency combinations, we could not precisely measure the contribution to the variance. However, to illustrate this relationship we calculated an estimate of the value that dependency and SMC variables, when combined at the 100 percent degree of disability level, contributed to the average annual payment amount for all veterans.

Table 16 shows the percent of veterans with SMC ratings, the percent of veterans with dependents, the percent of veterans with 100 percent service-connected disabilities, the additional disability compensation from these payment variables, and the estimated additional payment amount that dependency and SMC adds to the state averages for all veterans, not just those receiving dependency or SMC (see Appendix D Table 13). The estimated additional compensation from dependency and SMC to the average payment was \$210 for the cluster of six states with the lowest average annual compensation and \$344 for the cluster of six states with the highest average annual compensation, a difference of \$134, or about 63.8 percent higher, which explains some of the variance in average annual compensation payments.

Table 16. Illustration of Effect of Additional Compensation Payments for SMC and Dependents

State	Average Annual Payment	Veterans Receiving Compensation	Percent of Veterans Receiving SMC	Percent of Veterans with Dependents	Percent of 100 Percent Disabled Veterans	Additional Compensation for SMC and Dependency for 100 Percent Disabled Veterans*	Value Added to State Average Annual Payment
50-State Averages	\$8,378	2,493,576	8.1	36.3	8.4	\$668,793,252	\$268
New Mexico	\$12,004	25,258	8.9	43.3	10.2	\$8,331,456	\$330
Maine	\$11,626	18,751	8.1	43.6	12.0	\$5,649,144	\$301
Arkansas	\$10,968	31,473	9.1	46.1	12.3	\$11,908,056	\$378
West Virginia	\$10,866	20,681	9.4	44.5	11.9	\$6,274,344	\$303
Oklahoma	\$10,697	51,213	9.4	44.8	11.1	\$19,611,372	\$383
Oregon	\$10,277	35,449	<u>9.0</u>	<u>40.5</u>	<u>11.9</u>	\$13,157,604	<u>\$371</u>
Averages			9.0	43.8	11.6		\$344
Indiana	\$7,287	42,855	7.1	33.6	6.6	\$8,999,388	\$210
Michigan	\$7,241	64,204	8.2	30.7	7.0	\$12,921,600	\$201
Connecticut	\$7,204	21,005	7.0	28.6	8.1	\$4,639,584	\$221
Ohio	\$7,039	85,527	7.2	30.9	6.9	\$17,879,640	\$209
New Jersey	\$7,028	46,903	6.0	28.2	7.5	\$9,383,148	\$200
Illinois	\$6,961	62,169	<u>7.9</u>	<u>29.5</u>	<u>6.7</u>	\$13,463,400	<u>\$217</u>
Averages			7.2	30.3	7.1		\$210

*Note: We determined this value by calculating the total dollars paid to 100 percent service-connected veterans and deducted the basic rate payable for the veterans in this group without dependents, which enabled us to isolate the compensation attributable solely to dependency and SMC.

Claims Processing Factors. Whereas we concluded VA has little or no influence over demographic factors, VA has influence over claims processing factors. Our comparative analysis of claims processing factors included the following:

- | | |
|-------------------|--------------------|
| Pending Claims | Appeal Rates |
| Brokered Claims | Transferred Claims |
| Rating Timeliness | Grant Rates |
| Rater Experience | |

We found these claims processing factors have no significant influence on the average annual payments.

Pending Claims. The percent of claims pending does not appear to influence the average annual payment made by the individual states. A claim for disability benefits is considered pending until an award or disallowance is processed. During the period FYs 1999–2004, the number of pending claims increased from 236,032 to 316,145, an increase of 80,113 or 33.9 percent (see Appendix D Table 14).

Four of the six high payment states (Arkansas, West Virginia, Oklahoma, and Oregon) equaled or exceeded the 50-state average, while New Mexico (30 percent) was just below

the 50-state average and Maine (9.7 percent) was significantly below the 50-state average.

Table 17. Disability Claims Pending for High Payment States—FYs 1999 and 2004

State	Claims Pending		Percent Change
	1999	2004	
50-State Totals	236,032	316,145	33.9
New Mexico	2,457	3,195	30.0
Maine	2,188	2,401	9.7
Arkansas	2,903	4,559	57.0
West Virginia	1,987	3,207	61.4
Oklahoma	4,073	5,452	33.9
Oregon	<u>4,336</u>	<u>7,124</u>	64.3
Averages	2,991	4,323	

Five of the six low payment states were above the 50-state averages while New Jersey, where pending workload declined by 34.1 percent, was significantly below the 50-state average.

Table 18. Disability Claims Pending for Low Payment States—FYs 1999 and 2004

State	Claims Pending		Percent Change
	1999	2004	
50-State Totals	236,032	316,145	33.9
Indiana	3,471	5,248	51.2
Michigan	4,319	6,984	61.7
Connecticut	1,349	1,808	34.0
Ohio	6,354	9,946	56.5
New Jersey	4,898	3,230	-34.1
Illinois	<u>5,869</u>	<u>8,842</u>	50.7
Averages	4,377	6,010	

There is no apparent correlation between pending claims and the average annual payment variance. There was a small correlation between the percent of pending claims and the timeliness of claims processing, with the low cluster having a slightly higher rate of claims processed in more than 120 days. There is also no consistent pattern between percent change and the number of claims pending.

Brokered Claims. The practice of sending, or brokering, claims from the VARO of jurisdiction to another office for rating and processing could influence the average annual payments by individual states if there is any inconsistency in rating practices. The brokering of pending claims is an important VBA workload management tool for meeting overall claims processing goals and maximizing resource utilization. In FY 2004, VAROs brokered 91,361 (13.3 percent) of the 685,591 rating cases completed. In other words, 1 of 8 completed claims was rated by a VARO other than the office of jurisdiction (see Appendix D Table 15). Although VBA tracks the statistical totals for brokered claims, it does not identify or track the individual brokered claims in its automated systems. Because the brokered cases could not be identified electronically, we could not determine if brokering had an effect on payment variances between states.

Our analysis of the available statistical data for FY 2004 showed that overall the six high payment states brokered a lower percentage of cases and the six low payment states brokered a higher percentage of cases than the national average of 13.3 percent.

Four of the high payment states, New Mexico (4.0 percent), Maine (10.6 percent), West Virginia (7.2 percent), and Oklahoma (1.4 percent), brokered less than the 50-state average percentage of cases; and Arkansas (14.8 percent) and Oregon (26.3 percent) brokered a higher percentage of cases than the 50-state average.

Table 19. High Payment States Brokered Claims–FY 2004

State	Rating Cases Completed	Brokered Cases	Percent Brokered Cases
50-State Totals	685,591	91,361	13.3
New Mexico	7,457	300	4.0
Maine	5,540	585	10.6
Arkansas	9,966	1,470	14.8
West Virginia	7,546	541	7.2
Oklahoma	18,297	249	1.4
Oregon	<u>12,369</u>	<u>3,259</u>	<u>26.3</u>
Averages	10,196	1,067	10.7

Three low payment states, Ohio (19.3), New Jersey (28.9), and Illinois (21.1) brokered a higher percentage of their workload than the 50-state average; while Indiana (1 percent), Michigan (13.1 percent), and Connecticut (nil) were below the 50-state average.

Table 20. Low Payment States Brokered Claims–FY 2004

State	Rating Cases Completed	Brokered Cases	Percent Brokered Cases
50-State Totals	685,591	91,361	13.3
Indiana	11,439	117	1.0
Michigan	15,933	2,087	13.1
Connecticut	3,706	1	0.0
Ohio	19,855	3,825	19.3
New Jersey	6,616	1,911	28.9
Illinois	<u>13,687</u>	<u>2,887</u>	<u>21.1</u>
Averages	11,873	1,805	13.9

Of note, New Mexico, the highest average payment state, brokered only 4 percent of their FY 2004 cases, while Illinois and New Jersey, the two lowest payment states, had more than 20 percent of their claims decisions made at other offices. However, as stated above, there are states in both the high payment and low payment groups with brokering percentages above and below the national average. If VBA tracked brokered cases electronically, it would be possible to determine and measure the effects that brokering has on the individual state average payments.

Rating Timeliness. The percent of ratings completed in 120 days does not influence the average annual payment made by the individual states. The timeliness of a rating decision is determined by the average days to complete a claim. This is an indicator

VBA uses to monitor the general effectiveness of claims processing and to identify situations necessitating management attention. The intent is to provide efficient, quality service to VA claimants. The 50-state percent of rating cases completed in more than 120 days for the last 3 FYs varied as follows: 2002 (66.7 percent), 2003 (55.7 percent), and 2004 (60.2 percent) (see Appendix D Table 16).

The following table shows the percent of rating actions taking longer than 120 days to complete for FYs 2002 to 2004.

Table 21. Rating Action Timeliness—FYs 2002–2004

State	Percent Completed in More than 120 Days			State	Percent Completed in More than 120 Days		
	2002	2003	2004		2002	2003	2004
50-State Totals	66.7	55.7	60.2				
High Payment States				Low Payment States			
New Mexico	73.1	79.6	70.0	Indiana	65.8	52.9	54.7
Maine	66.2	61.9	66.9	Michigan	67.7	55.6	69.0
Arkansas	60.7	67.1	64.8	Connecticut	63.2	67.5	68.2
West Virginia	71.7	79.6	73.0	Ohio	73.5	69.3	67.8
Oklahoma	57.0	76.3	69.2	New Jersey	80.8	64.7	64.5
Oregon	77.4	69.8	66.9	Illinois	65.5	66.6	68.3

As the above data indicated, most high and low payment states took longer to complete a rating than the 50-state average. In both FYs 2003 and 2004, high payment states completed a higher average percent of claims within 120 days than low payment states. As stated earlier, the number of rating actions completed affects the timeliness of claims processing, rather than the average annual payment.

Rater Experience. The percent of RVSRs with more than 2 years rating experience does not help to explain the variance in average annual payments by state, but it appears to influence the average annual payments. RVSRs should make consistent, conscientious, sound, and equitable judgment in applying policies to ensure accurate and timely decisions on disability benefit claims. VBA considers an RVSR to be journeyman after 2 years of rating experience. We reviewed RVSR experience to determine if the average experience of RVSRs contributed to the difference in average annual payments. The 50-state percentage of RVSRs with more than 2 years rating experience was 50.1 percent in FY 2002, 57 percent in FY 2003, and 78.9 percent in FY 2004 (see Appendix D Table 17). For FYs 2002, 2003, and 2004, high payment states exceeded or came within 2 percentage points of the 50-state average of RVSRs with 2 years experience in 4, 6, and 5 states, respectively. Likewise, four low payment states exceeded or came within 2 percentage points of the 50-state average of RVSRs with 2 years experience in all 3 years.

Table 22 shows the percent of RVSRs with more than 2 years experience for FYs 2002 to 2004.

Table 22. Percent of RVSRs With More Than 2 Years Experience for FYs 2002–2004

State	2002	2003	2004	Difference 2002–2004
50-State Totals	50.1%	57.0%	78.9%	28.8
High Payment States				
New Mexico	58.8%	63.9%	88.2%	29.4
Maine	66.7%	62.8%	69.2%	2.5
Arkansas	48.0%	59.3%	100%	52.0
West Virginia	35.3%	63.4%	100%	64.7
Oklahoma	41.5%	72.4%	80.0%	38.5
Oregon	<u>66.7%</u>	<u>71.3%</u>	<u>81.0%</u>	14.3
Averages	52.8%	65.5%	86.4%	
Low Payment States				
Indiana	64.6%	55.1%	58.0%	-6.6
Michigan	57.4%	54.1%	81.5%	24.1
Connecticut	50.0%	62.2%	77.8%	27.8
Ohio	13.1%	29.4%	81.7%	68.6
New Jersey	60.0%	61.3%	93.3%	33.3
Illinois	<u>69.4%</u>	<u>77.8%</u>	<u>100%</u>	30.6
Averages	52.4%	56.7%	82.1%	

In FY 2004, RVSRs in 10 of the 12 high and low payment states had over 2 years of experience or were within 2 percentage points of the national average. The average percent of RVSRs with over 2 years of experience was 86.4 for high payment states and 82.1 for low payment states. Although there was not a significant difference in experience between high payment and low payment states, low payment states showing increases in rater experience also moved up in the state rankings based on new claims. Therefore, rater experience does not explain the variance in average annual payments between the states, but it does have some influence on the payment.

Appeal Rates. The appeal rates do not appear to influence the average annual payments made by the individual states. When a veteran is not satisfied with the rating decision made on a disability claim, the veteran or his representative may appeal the decision in an attempt to receive a more favorable rating. For FYs 2002–2004, there were 85,340 appeals filed, or 34 appeals per 1,000 veterans (see Appendix D Table 18). Four of the six high payment states, Arkansas (80), West Virginia (69), Oklahoma (38), and Oregon (39) had a greater number of appeals per 1,000 veterans than the 50-state average.

Table 23. High Payment States Veterans Appeals Filed for FYs 2002–2004

State	Average Annual Payment	Veterans Receiving Compensation	Appeals Filed 2002–2004	Appeals per 1,000 Veterans
50-State Totals	\$8,378	2,493,576	85,340	34
High Payment				
New Mexico	\$12,004	25,258	846	33
Maine	\$11,626	18,751	508	27
Arkansas	\$10,968	31,473	2,506	80
West Virginia	\$10,866	20,681	1,425	69
Oklahoma	\$10,697	51,213	1,930	38
Oregon	<u>\$10,277</u>	35,449	1,391	<u>39</u>
Averages	\$11,073			47.7

For low payment states with the lowest average payments, only Michigan (39) had a greater number of appeals than the 50-state average.

Table 24. Low Payment States Veterans Appeals Filed for FYs 2002–2004

State	Average Annual Payment	Veterans Receiving Compensation	Appeals Filed 2002–2004	Appeals per 1,000 Veterans
50-State Totals	\$8,378	2,493,576	85,340	34
Low Payment				
Indiana	\$7,287	42,855	1,424	33
Michigan	\$7,241	64,204	2,474	39
Connecticut	\$7,204	21,005	663	32
Ohio	\$7,039	85,527	2,751	32
New Jersey	\$7,028	46,903	1,376	29
Illinois	<u>\$6,961</u>	62,169	1,943	<u>31</u>
Averages	\$7,127			32.7

The data does not suggest that a higher rate of appeals results in higher average annual payments. Our review of high and low payment states found that 10 of 12 were not significantly different in the rate of appeals filed. Only Arkansas and West Virginia experienced significantly higher appeal rates than the 50-state average.

Transferred Cases. Another factor that would potentially impact the variance would be cases originally adjudicated in one state and later transferred to another state because the veteran relocated. Since VBA does not track transferred cases, we were unable to determine the impact transferred cases had on the variance.

Grant Rates. Another factor that might impact the variance would be grant and denial rates for compensation claims. While VBA published grant rates for a number of years through FY 2002, it discontinued publishing this data because the data was determined to be incomplete and misleading. Since VBA does not track grant and denial rates by VARO, we were unable to determine the impact these rates had on the variance.

Conclusion

We identified demographic and claims processing factors which have some influence or help to explain part of the average payment variance. VBA should develop a comprehensive and systematic method for collecting data on factors impacting variance in payments that will enable VA to model the compensation claims process and predict outcomes. Such information would help program managers evaluate issues such as variances in disability ratings or payment patterns. For example, VBA information systems should capture and compile metrics such as grant or denial rates for claims, accurate counts of unique veterans paid, payments by veteran and by disability, additional benefits payable due to dependency or SMC, and other descriptive demographic elements, such as educational level, that would assist in evaluating and explaining disability compensation program outcomes.

Issue 3: Rating Decisions for Certain Disabilities Influence Average Disability Compensation Payments

Findings

Extensive data analysis of ratings assigned veterans in each state disclosed that certain disability ratings appear to influence average annual payment rankings more than others. The review showed that states with higher average annual payments have higher average combined degrees of disability, higher average ratings for each of the 15 body systems, and higher percentages of veterans with ratings of 100 percent or with IU.

Certain disabilities have independently verifiable rating criteria and therefore are uniformly rated in all states (for example, physical measurements of below-the-knee amputations, above-the-knee amputations, and total deafness). Other disabilities with less obvious physical attributes rely more on veterans' self-reported and third party data which may need to be developed and is more subject to interpretation and judgment.

We concluded that 100 percent and IU ratings account for much of the state-by-state variances. We also found that the number of veterans with 100 percent and IU ratings has increased significantly since FY 1999.

Overall Average Combined Degrees of Disability. Multiple disabilities generally result in a combined degree of disability for purposes of compensation payment. The combined degree of disability is expressed as a percentage and represents the total disabling effect of the veteran's service-connected disabilities.

In FY 2004, the 50-state average combined disability rating was 37.0 percent (see Appendix D Table 19). In FY 2004, the six high payment states had higher average combined degrees of disability than the six low payment states. Table 25 shows high payment states had average combined degrees of disability of 44.2 percent, while low payment states averaged 33.4 percent.

Table 25. Combined Average Degree of Disability—FY 2004

State	Average Annual Payment	Veterans Receiving Compensation	Average Degree of Disability	Rank by Degree of Disability
50-State Totals	\$8,378	2,493,576	37.0%	
High Payment States				
New Mexico	\$12,004	25,258	45.0%	2
Maine	\$11,626	18,751	45.1%	1
Arkansas	\$10,968	31,473	44.2%	3
West Virginia	\$10,866	20,681	44.0%	4
Oklahoma	\$10,697	51,213	43.5%	5
Oregon	\$10,277	35,449	43.3%	6
Average			44.2%	
Low Payment States				
Indiana	\$7,287	42,855	34.2%	43
Michigan	\$7,241	64,204	33.5%	46
Connecticut	\$7,204	21,005	33.6%	45
Ohio	\$7,039	85,527	33.1%	47
New Jersey	\$7,028	46,903	33.0%	48
Illinois	\$6,961	62,169	32.9%	49
Average			33.4%	

During FYs 1999–2004, the 50-state average annual payment increased by 38.4 percent from \$6,053 to \$8,378. The number of veterans receiving compensation by combined degree of disability increased from 2.2 million in FY 1999 to 2.5 million in FY 2004, an increase of 12.3 percent, as shown below:

Table 26. Veterans by Combined Degree of Disability—FYs 1999–2004

Combined Degree of Disability	1999	2000	2001	2002	2003	2004
0%	17,133	16,664	16,135	15,650	15,237	14,671
10%	828,345	814,440	799,051	782,841	769,986	763,100
20%	358,472	359,155	360,669	376,566	385,758	392,452
30%	299,155	298,920	298,497	304,102	309,609	313,915
40%	187,654	190,643	194,547	208,382	221,808	231,452
50%	112,211	114,819	117,543	124,927	133,052	140,245
60%	114,122	118,277	122,328	133,970	147,108	157,145
70%	75,619	83,937	91,230	104,430	121,198	135,995
80%	46,746	50,941	55,371	65,899	78,740	89,787
90%	21,648	23,803	26,168	32,120	39,517	46,035
100%	<u>159,157</u>	<u>162,868</u>	<u>166,880</u>	<u>179,475</u>	<u>195,136</u>	<u>208,779</u>
Totals	2,220,262	2,234,467	2,248,419	2,328,362	2,417,149	2,493,576

During the 6-year period, significant shifts occurred in the distribution of assigned combined degrees of disability. The number of veterans in the 0 to 30 percent categories decreased from 67.7 to 59.5 percent and the number in the 70 to 100 percent categories increased from 13.7 to 19.3 percent.

In FY 2004, VA paid \$20.9 billion in disability compensation to 2.5 million veterans. As shown below, the 70 percent and above veterans (19.3 percent) account for nearly 61.0 percent of all disability payments. The 100 percent veterans (8.4 percent) account for nearly 31.0 percent of all payments. The 30 percent and below veterans (59.5 percent) account for about 15.9 percent of all payments.

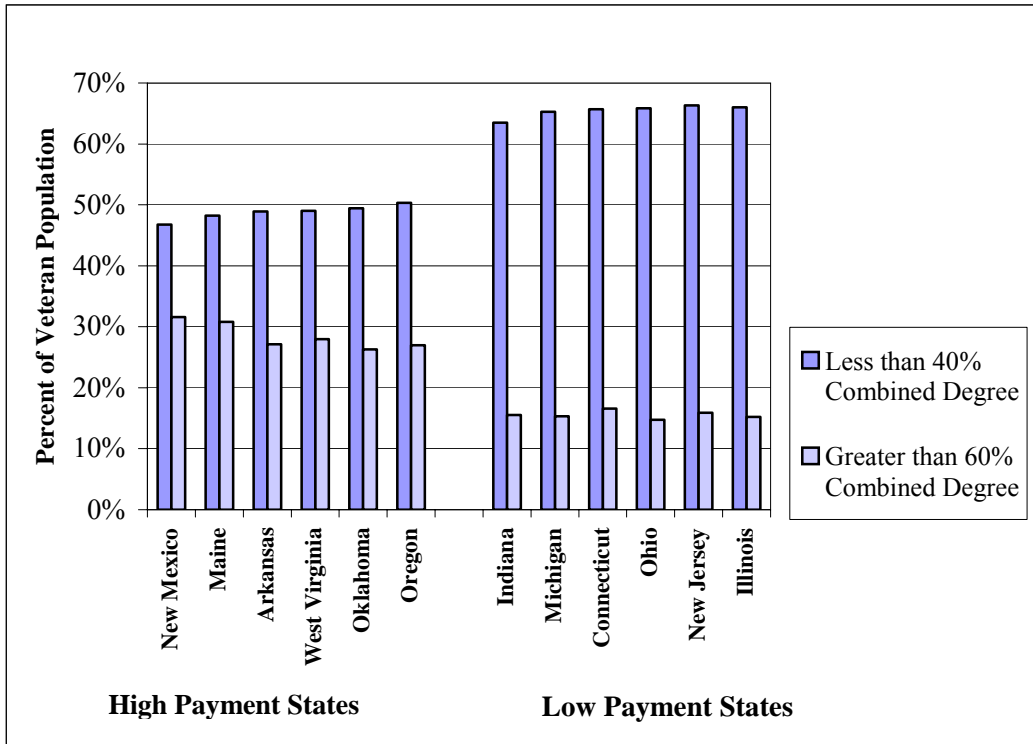
Table 27. Percentage of Veterans Receiving Compensation Payments by Degree—FY 2004

Combined Degree	Percent of Veterans	Total Payments	Percent of Total Payments
0%	0.6%	\$12,778,441	0.1%
10%	30.6%	\$976,768,000	4.7%
20%	15.7%	\$972,888,508	4.7%
30%	12.6%	\$1,328,802,195	6.4%
40%	9.3%	\$1,413,940,268	6.8%
50%	5.6%	\$1,204,003,325	5.8%
60%	6.3%	\$2,313,017,255	11.1%
70%	5.5%	\$2,898,869,420	13.9%
80%	3.6%	\$2,127,772,326	10.2%
90%	1.8%	\$1,182,915,360	5.7%
100%	<u>8.4%</u>	<u>\$6,459,622,260</u>	<u>30.9%</u>
	100.0%	\$20,891,377,358	100.0%

Totals may not add due to rounding.

As shown below, compared with low payment states, high payment states had lower percentages of veterans with combined degrees of disability below 40 percent and higher percentages of veterans rated above 60 percent. Only 46.8 percent of New Mexico’s veteran population was rated below 40 percent, while Illinois had 66 percent. Conversely, New Mexico had 31.6 percent rated above 60 percent, while Illinois had 15.2 percent.

Figure 6. Percent of Veterans with Combined Degrees of Disability Less than 40 Percent and Greater than 60 Percent



Veterans with 10 Percent and 100 Percent Ratings. The average compensation by state is based on the ratings assigned. In FY 2004, the difference in the average annual compensation payment for a veteran with a 10 percent rating and a veteran with a 100 percent rating was \$30,069. Nationally, the average percentage of veterans with 10 percent ratings was 30.6 percent, and the average percentage of veterans with 100 percent ratings was 8.4 percent (see Appendix D Table 20).

Our analysis shows that states vary in terms of the percentages of 10 percent versus 100 percent ratings, and that there is a correlation to the variance. For example, the high payment states average fewer 10 percent ratings and more 100 percent ratings than the low cluster. The high payment states average 23.5 percent 10 percent ratings and 11.6 percent 100 percent ratings. The low payment states average 35.7 percent 10 percent ratings and 7.1 percent 100 percent ratings.

Table 28. Veterans with 10 Percent and 100 Percent Disabilities—FY 2004

State	Average Annual Payment	Percent of Total Veterans	
		10 Percent Disabled	100 Percent Disabled
50-State Averages	\$8,378	30.6	8.4
High Payment States			
New Mexico	\$12,004	23.7	10.2
Maine	\$11,626	23.6	12.0
Arkansas	\$10,968	22.6	12.3
West Virginia	\$10,866	23.7	11.9
Oklahoma	\$10,697	22.9	11.1
Oregon	\$10,277	24.7	11.9
Averages		23.5	11.6
Low Payment States			
Indiana	\$7,287	32.9	6.6
Michigan	\$7,241	34.7	7.0
Connecticut	\$7,204	37.2	8.1
Ohio	\$7,039	34.5	6.9
New Jersey	\$7,028	39.0	7.5
Illinois	\$6,961	35.7	6.7
Averages		35.7	7.1

Consideration of Lump-Sum Disability Payment Option. As part of compensation program improvement efforts, VBA should consider proposing a one-time lump-sum payment option for less severe disabilities. As of September 2004, about 1.2 million (46.9 percent) of all veterans receiving compensation had less severe disabilities rated from 0 percent to 20 percent, but accounted for only about 9.4 percent of total compensation payments. Further, about 46.8 percent of the veterans who began receiving compensation in FY 2004 had 0 to 20 percent disability ratings.

Past studies, including the 1996 Veterans’ Claims Adjudication Commission, a 1997 OIG audit of claims processing timeliness, and a 2000 Government Accountability Office (GAO) survey of veterans, have suggested that VA and Congress consider paying less severely disabled veterans in a lump sum rather than recurring monthly payments. Although VBA did not implement a lump-sum option, we believe that it continues to be a viable option for veterans with minor disabilities. Several veteran disability programs of other countries, such as Canada, and other Federal disability programs require lump-sum payments or offer lump-sum payment options to some disability beneficiaries.

Consideration of this matter for all veterans with disabilities rated 20 percent or less would result in reducing 46.9 percent or 1.17 million active case files. It would also result in reducing recurring compensation payments of \$1.96 billion a year and free up staff to improve the quality and timeliness of future workload. Acceptance of a lump-sum payment would not change a veteran’s eligibility status for health care benefits.

Veterans Receiving Compensation Payments for IU. Veterans whose disabilities are rated at less than 100 percent can receive compensation at the 100 percent rate if their disabilities prevent them from working. Nationally, the average percentage of veterans

receiving IU was 7.9 percent. High payment states all had higher percentages of veterans receiving IU, while low payment states all had lower percentages.

Table 29. Percentage of Veterans Receiving Individual Unemployability—FY 2004

State	Percent	State	Percent
50-State Average	7.9		
High Payment States		Low Payment States	
New Mexico	20.1	Indiana	5.7
Maine	17.1	Michigan	6.0
Arkansas	12.8	Connecticut	5.0
West Virginia	13.3	Ohio	5.4
Oklahoma	12.9	New Jersey	5.3
Oregon	<u>9.7</u>	Illinois	<u>5.0</u>
Average	14.3	Average	5.4

Veterans Receiving Compensation Payments at the 100 Percent Rate. Veterans whose ratings are either 100 percent or IU are paid at the 100 percent rate and receive comparable average payments in all 50 states. The percentage of veterans paid at the 100 percent rate is a significant factor in the variance in average compensation payments among the states (see Appendix D Table 21). All high payment states exceeded the 50-state averages for both IU and 100 percent ratings. All low payment states were below the 50-state averages for both IU and 100 percent ratings. A veteran in New Mexico was 3 times more likely to be rated IU or 100 percent than a veteran in Illinois. The percentages of IU and 100 percent ratings are shown in Table 30.

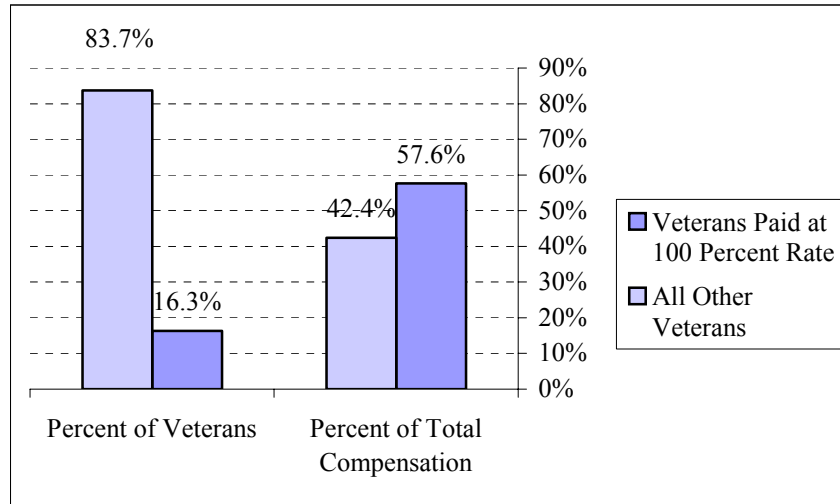
Table 30. Veterans with Individual Unemployability and 100 Percent Disabilities—FY 2004

State	Percent of Total Veterans Receiving		
	IU	Schedular 100 Percent Rating	IU and Schedular 100 Percent Rating
50-State Averages	7.9	8.4	16.3
High Payment States			
New Mexico	20.1	10.2	30.3
Maine	17.1	12.0	29.1
Arkansas	12.8	12.3	25.1
West Virginia	13.3	11.9	25.2
Oklahoma	12.9	11.1	24.0
Oregon	<u>9.7</u>	<u>11.9</u>	<u>21.6</u>
Averages	14.3	11.6	25.9
Low Payment States			
Indiana	5.7	6.6	12.3
Michigan	6.0	7.0	13.0
Connecticut	5.0	8.1	13.1
Ohio	5.4	6.9	12.3
New Jersey	5.3	7.5	12.8
Illinois	<u>5.0</u>	<u>6.7</u>	<u>11.7</u>
Averages	5.4	7.1	12.5

Veterans paid at the 100 percent rate received an annual average of \$30,940 in FY 2004. Veterans paid at all other rates received an annual average of \$4,239. As shown below,

the 16.3 percent of veterans paid at the 100 percent rate received 57.6 percent of the total compensation paid (\$12 billion out of \$20.9 billion).

Figure 7. Percent of Veterans Paid at 100 Percent Rate and Total Compensation Paid–FY 2004



Average Disability Ratings by Body System. The rating schedule categorizes physical and mental conditions by 15 body systems. We reviewed the average ratings for veterans in each state for each of the 15 body systems to determine the number of systems rated above and below the 50-state average (see Appendix D Table 22).

We analyzed the average rating assigned to each of the 15 body systems for high and low payment states. High payment states had ratings above the 50-state average for 82 of the 90 (6 x 15) body systems (91.1 percent), while low payment states had ratings above the 50-state average for 27 of 90 body systems (30 percent).

Table 31. Body Systems Ratings Above the 50-State Average Degree of Disability–FY 2004

State	Number Above Average	State	Number Above Average
High Payment States		Low Payment States	
New Mexico	14	Indiana	7
Maine	13	Michigan	7
Arkansas	15	Connecticut	3
West Virginia	13	Ohio	6
Oklahoma	13	New Jersey	1
Oregon	14	Illinois	3

Body Systems Rating Data. Some diagnostic groups result in a much wider range of ratings, demonstrating that the ratings for some disabling conditions are impacted more by subjective decision making. For example, variability in ratings by body system ranged from a low of 5 percent in the Skin/Scars body system to a high of 26 percent in the Systemic body system. Data shows that for ratings that can be independently

validated based on physical measurements the degree of disability was consistent (see Appendix D Table 22).

Nationwide, some disabilities were evaluated consistently. For example, veterans receiving compensation for disabilities such as below-the-knee amputation, above-the-knee amputation, and total deafness, with few exceptions, received consistent ratings in each state:

- All 268,434 veterans with tinnitus were rated at 10 percent as designated by the rating schedule.
- Of 5,546 veterans with below-the-knee amputations, 5,373 (96.9 percent) were rated at 40 percent as designated by the rating schedule.
- Of 561 veterans with above-the-knee amputations, 543 (96.8 percent) were rated at 60 percent as designated by the rating schedule.
- Of 1,483 veterans with total deafness, 1,463 (98.7 percent) were rated at 100 percent as designated by the rating schedule.

VBA staff were taking appropriate corrective actions on cases that were not properly rated.

Rating Criteria for Some Disabilities Are More Difficult for RVSRs to Apply. The rating schedule criteria for some disabilities are based on physical measurements and are more definitive and therefore easier for RVSRs to consistently apply to all veterans. An example of these disabilities is below-the-knee amputation cases, which are easy to identify and evaluate because they require little judgment by the RVSRs. The criteria for other disabilities are less definitive and rely more on veterans' self-reported data. Evaluating these disabilities requires RVSRs to use more judgment in applying the rating schedule. Examples are mental conditions and other disabilities such as paralysis of the foot, where the rating schedule provides that the rating percentage assigned is based on whether the condition is completely disabling (80 percent), severe with marked muscular atrophy (60 percent), moderately severe (40 percent), moderate (20 percent), or mild (10 percent). The rating schedule does not provide any additional guidance to the RVSRs for their evaluation of the disability.

One indication of conditions which are more difficult to evaluate is the variance in ratings among the states. Analysis of the average ratings by state for all 15 body systems showed a range of 5 percent for skin conditions (12–17 percent) to 26 percent for systemic (27–53 percent) conditions. The average range in ratings for all 15 body systems was 13 percent. Five other body systems with ranges of average ratings above 13 percent were Cardiovascular with 20 percent (23–43), Genitourinary with 20 percent

(29–49), Mental with 17 percent (50–67), Hemic/lymphatic with 17 percent (40–57), and Respiratory with 16 percent (22–38).

As shown below, among the six body systems with the highest variances in the ranges of average ratings, the Mental body system had the highest average rating (58 percent) and the highest percentage of veterans with a primary diagnosis for a mental condition (14.9 percent).

Table 32. Comparison of Average Ratings by Body Systems–FY 2004

Body System	Percent of Veterans	Average Rating	Average Rating		Difference
			High	Low	
Systemic	.5	42	53	27	26
Cardiovascular	6.7	30	43	23	20
Genitourinary	2.3	40	49	29	20
Mental	14.9	58	67	50	17
Hemic/lymphatic	.5	49	57	40	17
Respiratory	4.8	29	38	22	16

The mental body system ratings have the greatest impact on average annual compensation (see Appendix D Tables 24 through 29).

The rating schedule criteria for PTSD relies to a great extent on the veteran’s account of the effects of the disability on his or her ability to work or carry out other social activities. The lack of specific independently verifiable criteria creates difficulties for both clinical staff who conduct compensation examinations and RVSRs who interpret the examination findings to assign a consistent rating.

Prior VBA studies have reported that it is likely for different RVSRs to assign different ratings to a veteran with the same medical evidence. This condition is still occurring as 52.4 percent of the 1,349 RVSRs responding to our questionnaire indicated that it is somewhat or very likely that two or more different ratings for the same medical condition could be supported.

Based on the increase in PTSD disability ratings nationwide and the reliance on veterans’ self-reported data to evaluate the condition, we conducted onsite reviews at seven VAROs to determine if PTSD claims were appropriately and adequately developed. The results of our onsite reviews are discussed in Issue 5.

Effects of 100 Percent Disabled Veterans with PTSD and Individual Unemployability on Payment Variances. The combination of high average payments and the spread in the distribution of veterans with 100 percent disabilities that included PTSD or the combination of PTSD and IU conditions in the different states significantly contributed to overall payment variances. As shown in Table 33, 4.1 percent of the 2.5 million veterans receiving compensation in all 50 states were receiving payments at the 100 percent disability rate for conditions that included PTSD or PTSD/IU. For the six

high average payment states, the percentages of veterans with these disabilities were higher than the 4.1 percent 50-state average, ranging from 12.6 percent (New Mexico) to 5.4 percent (Arkansas). For the six low average payment states, the percent of veterans with these conditions were lower, ranging from 3.6 percent (Connecticut) to 2.2 percent (Ohio). By state, the average payments for these veterans were all very high, ranging from \$28,059 to \$28,711. For all other veterans, the average annual payment was only \$7,523. For all states, the average payments for the all other veterans ranged from \$6,251 to \$9,966. See Appendix D Table 23 for details on all states.

Table 33. Veterans with 100 Percent Disability and PTSD or PTSD and IU Rating—FY 2004

State	Total Veterans Average Annual Payment	Veterans with 100 Percent Disability and PTSD or PTSD and IU Rating		All Other Veterans Average Annual Payment
		Percent PTSD and PTSD/IU	Average Annual Payment	
50-State Totals	\$8,378	4.1%	\$28,387	\$7,523
High Payment States				
New Mexico	\$12,004	12.6%	\$28,310	\$9,663
Maine	\$11,626	11.0%	\$28,191	\$9,571
Arkansas	\$10,968	5.4%	\$28,535	\$9,966
West Virginia	\$10,866	9.6%	\$28,517	\$8,996
Oklahoma	\$10,697	7.1%	\$28,537	\$9,338
Oregon	\$10,277	<u>7.4%</u>	\$28,363	\$8,825
Average		8.9%		
Low Payment States				
Indiana	\$7,287	2.3%	\$28,202	\$6,795
Michigan	\$7,241	2.3%	\$28,225	\$6,744
Connecticut	\$7,204	3.6%	\$28,174	\$6,430
Ohio	\$7,039	2.2%	\$28,315	\$6,568
New Jersey	\$7,028	3.5%	\$28,300	\$6,251
Illinois	\$6,961	<u>2.8%</u>	\$28,240	\$6,340
Average		2.8%		

To illustrate the contribution that the veterans with these conditions had on overall payment variances, we estimated the differences between the average payments for veterans with 100 percent disability ratings that included PTSD or PTSD and IU conditions and the veterans without these conditions.

As previously discussed, the difference between the highest (New Mexico) and the lowest (Illinois) state annual average payments for all veterans in the 50 states was \$5,043. The difference between the high and low state payments for veterans in these states without the PTSD or PTSD/IU conditions was \$3,323 or 65.9 percent of the \$5,043 high-low payment difference for all veterans. Therefore, the remaining difference of \$1,720 (\$5,043–\$3,323), or 34.1 percent of the 50-state veteran average payment

difference can be attributed to the distribution of veterans paid at the 100 percent rate with PTSD or PTSD/IU disabilities.

Effects of Veterans with 10 Percent, Individual Unemployability, and 100 Percent Disabilities on Payment Variances. To further illustrate the effects of some categories of veterans on payment variances, when veterans with 10 percent, IU, or schedular 100 percent disability ratings are excluded from the state average annual payment comparisons, the variance that can be attributed to the other veterans receiving compensation is dramatically reduced. For example, for FY 2004 the other veterans, those who have disability ratings ranging from 20 to 90 percent, account for 53.1 percent of all veterans receiving compensation and have an annual payment of \$5,943. The annual average payment was \$6,190 for all other veterans in New Mexico and \$5,682 for all other veterans in Illinois, a variance of \$508.

The \$508 variance was significantly smaller than the overall variance of \$5,043 for all veterans in these two states. When the \$508 variance for all other veterans is subtracted from the \$5,043 variance for all veterans, the remaining \$4,535, accounts for 89.9 percent of the \$5,043 total payment variance between the two states and represents the variance attributable to veterans with 10 percent, IU, and schedular 100 percent disability ratings (see Appendix D Table 21).

Conclusion

The increasing variance in state average annual payments is caused in part by the disproportionate increase in the number of veterans receiving ratings at 100 percent disability compensation and/or 100 percent disability compensation because of IU. Reviewing these claims folders to determine the appropriateness of the awards in the 12 states with the highest and lowest average annual payments should provide more information to VBA leadership on whether this condition is problematic or whether the awards are appropriate. As many reports have suggested in the past, VBA leadership needs to revamp the rating schedule to provide better criteria for ensuring rating consistency, and determine whether alternative compensation strategies are needed to replace a 60-year-old disability program model, which may not adequately reflect modern concepts of disability, and may not adequately provide for consistent disability determinations.

Issue 4: Claims Development Consistency Is Needed

Findings

We reviewed 2,100 PTSD claims awards at 7 VAROs to determine whether the claims had been properly developed and to identify cases involving potential claims fraud. We randomly selected the sample from the population of male veterans born on or after January 1, 1939, who were rated at least 50 percent for PTSD as of September 2003. These parameters covered 51.8 percent of all PTSD cases at the seven VAROs.

PTSD Regulations and Policies. Veterans are entitled to service connection for PTSD when: (1) there is medical evidence the veteran was diagnosed with the condition, (2) current symptoms can be linked with established medical evidence to an in-service stressor, and (3) there is credible supporting evidence that the claimed stressor occurred (38 C.F.R. 3.304(f)). The detailed PTSD claim development procedures are found in VBA manual instructions (VA Manual M21-1, Part III, Chapter 5).

To be diagnosed with PTSD, the veteran must have been exposed to a traumatic event of an extreme nature. While PTSD stressors are usually combat-related, they can also be noncombat-related (for example, duty on a burn ward or in a graves registration unit).

Primary sources of credible supporting evidence for a combat-related stressor causing PTSD include information obtained from the veteran's service medical records (SMRs) and military personnel records (201 file). If a review of the SMRs and 201 file does not provide adequate evidence and the veteran has provided specific verifiable information about the claimed stressor, the rater should contact the appropriate military service research agencies to attempt to obtain evidence supporting the claimed stressor. Raters may also accept certain combat awards, such as the Purple Heart or the Combat Infantryman Badge, as evidence that a veteran engaged in combat.

If a veteran did not receive a combat award, VBA policy allows raters to accept a combat veteran's testimony as credible supporting evidence of a combat-related stressor causing PTSD. However, the rater must confirm combat participation before accepting the veteran's testimony about the combat stressor. If the evidence shows that the veteran engaged in combat, the rater may accept the veteran's testimony as a basis for establishing the claimed stressor.

If the evidence does not establish that the veteran engaged in combat, the rater may not use the veteran's testimony alone to establish the combat-related stressor. Instead, the rater must develop credible evidence that the claimed stressor occurred. In addition, the rater may accept other credible evidence, such as VA medical records or "buddy statements."

In cases where the stressors are not combat-related, credible supporting evidence is also required. This evidence may include, but is not limited to, private physician statements, military job performance appraisals, and police reports.

In cases where the claimed stressor cannot be conclusively verified, all evidence must be gathered and evaluated together to determine whether the stressor can be conceded because the weight of the evidence clearly supports it or because the evidence is in equipoise,⁴ which would allow concession under the reasonable doubt rule, sometimes referred to as the benefit of the doubt rule.⁵

PTSD Stressors Not Properly Developed. In reviewing claims, we applied relevant claims development criteria, including procedures detailed in VA Manual M21-1 and opinions issued by the CAVC and by the VA Office of General Counsel. These criteria were not consistently and appropriately interpreted or applied by raters at the seven VAROs.

Claimed stressors were not adequately verified and supported by credible evidence before awards were granted in 527 (25.1 percent) of the 2,100 cases reviewed. The 1,573 properly developed cases included 1,117 with evidence that the veterans had received recognized combat awards, and 456 with properly developed evidence supporting the claimed stressors even though the veterans did not have combat awards. Table 34 shows the number and percentage of cases that were not properly developed.

Table 34. Stressor Development Issues at Seven VAROs Reviewed

VARO	Cases Reviewed	Stressor Development Issues	Percentage
Albuquerque	300	105	35.0%
Chicago	300	65	21.7%
Cleveland	300	34	11.3%
Portland	300	33	11.0%
Roanoke	300	58	19.3%
San Diego	300	110	36.7%
Togus	300	122	40.7%
Totals	2,100	527	25.1%

Combat-Related Stressors Were Not Adequately Verified. Of the 527 cases for which stressors were not adequately developed, 463 (87.9 percent) involved alleged combat-related stressors. For 435 (94.0 percent) of these cases, raters did not obtain all primary sources of information, such as SMRs, 201 files, or military unit records. Instead, raters

⁴ Equality in distribution, as of weight, relationship, or emotional forces; equilibrium. (The American Heritage Dictionary of the English Language, Fourth Edition.)

⁵ Under the reasonable doubt rule, VA is required to evaluate the credibility and probative value of all procurable and assembled data and determine the approximate balance of positive and negative evidence for or against a finding that a veteran had engaged in combat, and in those cases where there is an approximate balance of positive and negative evidence, the issue is to be resolved in the veteran’s favor (38 CFR 3.102).

relied on incomplete information, the veteran's unsubstantiated testimony, or secondary source information such as buddy statements or information taken from Internet web sites to determine the veteran's combat status and/or the occurrence of claimed stressors. In the remaining 28 cases (6.0 percent), raters obtained primary source information, but it was not sufficient to substantiate the claimed stressors. For these 28 cases, the raters should have either denied the claims or asked the veterans to provide additional information in support of their claims. The following examples illustrate inadequate development of claimed combat-related stressors.

- The Army veteran served in Vietnam with the military occupational specialty (MOS) of draftsman. There was no evidence of any combat awards. The veteran first applied for PTSD benefits in 1998, 31 years after his discharge from the military. He claimed that during the Tet Offensive he witnessed an elderly man being shot by a Vietcong soldier and that he then shot the soldier. He also described rocket and mortar attacks which occurred during the Tet Offensive. The rater obtained the veteran's SMRs and 201 file, but these did not confirm the claimed stressors. Nevertheless, the rater decided that because the veteran's unit was in Vietnam during the Tet Offensive, the claimed stressor could be conceded because the Tet hostilities were countrywide. In this case, the rater should have attempted to obtain evidence from the U.S. Armed Services Center for Unit Records Research (CURR) showing that the veteran's unit was in combat. Although VARO officials did not agree with our conclusion about this case, VBA policy clearly requires that the rater establish the fact that the veteran's unit was involved in combat and not merely that his unit was in Vietnam.
- The veteran served in Vietnam as a clerk. His PTSD claim cited several stressors including driving on sweep patrols, walking on patrols, and participating in firefights. The VARO obtained his SMRs and 201 file, but these records showed no combat awards or other evidence of combat exposure. The rater did not request any additional information to support the claimed stressors from the veteran or from CURR, but granted the rating because the veteran's 201 file indicated that he had participated in counteroffensive operations. Mere participation in a military campaign is not necessarily indicative of participation in combat. The rating instructions state that if the evidence does not establish that the veteran was engaged in combat then credible supporting evidence is required to establish that a stressor occurred (VA Manual M21-1, Part III, 5.14). The instructions provide specific and detailed guidance on how raters should attempt to verify claimed stressors. When we discussed this case with VARO officials, they agreed that the rating was granted without sufficient evidence.

Claims such as these were granted because raters were not consistent when applying VBA evidentiary standards for determining veterans' combat status and for confirming their claimed stressors. A major cause of the inconsistency was differing interpretations

of VBA policy for determining combat status and when stressors should be verified. For example, raters at one VARO told us that they often granted PTSD without verifying the combat stressors. Instead they based PTSD ratings on various types of evidence that might be indicative of combat, such as the veteran's MOS or receipt of noncombat awards such as the Vietnam Campaign Medal. Raters at another VARO told us that they did not always verify combat stressors but instead conceded the stressors if evidence showed that the veteran had an MOS indicative of combat and served in an active combat zone for any extended period of time.

At another VARO, raters sometimes based their determinations of combat status partly on a "V" code in the 201 file.⁶ The raters believed that the "V" code meant that the veteran served in a combat unit, and they used this as evidence even if the veteran had no combat awards. However, we contacted the Department of Defense and learned that the "V" code did not represent service in a combat unit but merely that the veteran had served an unaccompanied tour of duty. In any case, mere service in a combat unit is not necessarily indicative of combat status or of a combat stressor. When we discussed this issue with VARO officials, they agreed to stop using the "V" code as an indicator of combat status. Because VAROs were inconsistently interpreting VA policy on determining combat status, PTSD claims were not treated consistently from VARO to VARO. The following example illustrates a case where combat status was inappropriately conceded. In this case, two VAROs denied the veteran's PTSD claim, but a third VARO eventually granted the claim based on a local interpretation of the evidence needed to support combat status.

- The Army veteran served in Vietnam with an MOS of petroleum storage specialist. In a 1982 rating decision, the first VARO denied the veteran's PTSD claim because there was no evidence to support his claimed stressors, which included conducting village sweeps and seeing dead bodies. In 1995, the veteran filed his claim at a second VARO. This VARO requested his 201 file, a stressor statement, and evidence of treatment for PTSD. The VARO received the 201 file, which did not show evidence of combat awards or other exposure to combat, and the veteran did not respond to the request for a stressor statement. In 1996, the VARO denied the veteran's claim because his stressors could not be verified. In November 2002, the veteran filed his claim at a third VARO. This VARO requested a stressor statement, evidence to support the stressor, and records of PTSD treatment. The veteran did not respond to the request for stressor information, but the VARO did obtain medical records indicating the veteran attended intermittent group therapy sessions at a VA medical center during the period October 2001 to March 2003. In April 2003, the VARO granted the veteran a 50 percent rating for PTSD. According to the rating decision, service connection was granted because the "personnel service records"

⁶ This "V" code is shown in the type of "foreign service" section of the 201 file. This code is not the same as the "V" for valor device that is associated with some medals and that is shown in the "awards and decorations" section of the 201 file.

supported the claim of “stressful combat experiences.” This was not correct. The file does not contain any evidence of combat experiences. When we discussed this case with VARO officials, they acknowledged that the PTSD rating was granted because they believed the veteran’s combat status had been confirmed based on the “V” code in the personnel records and documented his receipt of a Vietnam Campaign Medal.

Noncombat-Related Stressors Were Not Adequately Verified. Sixty-four (12.1 percent) of the 527 cases that were not properly developed involved noncombat-related stressors. The evidentiary standards for noncombat-related stressors are higher than for combat-related stressors. Noncombat-related stressors must be confirmed with evidence. The following example illustrates the problem of granting a PTSD award based on a noncombat-related stressor that was not verified.

- The Navy veteran served from August 1998 to December 1999, when he was discharged under honorable conditions for fraudulent entry into military service. He spent all his active duty time in San Diego. In November 2000, he applied for PTSD compensation claiming an automobile accident as a noncombat stressor. He claimed he was a passenger in an automobile that was moving 3 miles per hour and was rear-ended by another automobile moving 80 miles per hour. The rater did not attempt to confirm that the accident occurred. Instead, the rater relied on a physician’s note made when the veteran visited a Navy infirmary 3 days after the alleged accident. The note states that the veteran claimed that he had stayed in a hospital overnight after the accident and was released the following day with no medications. The Navy physician who examined the veteran found no significant injuries. VARO officials maintained that the rating decision was correct and that the physician’s note adequately documented the occurrence of the accident. However, the note only documents the veteran’s testimony about the accident, not the actual occurrence of the accident. Since this is a noncombat-related stressor, the veteran’s testimony is not sufficient to verify it. The VARO should have attempted to obtain a police report of the accident and/or evidence that the veteran was seen overnight in a hospital. In addition, a police report and a hospital report could have removed any doubt about the circumstances surrounding the alleged accident. VA compensation is not payable if the accident occurred because of misconduct, such as driving while intoxicated. (We have referred this case to the OIG Office of Investigations).

VARO Agreement on Problem Cases Varied Greatly. At each of the seven VAROs, we reviewed PTSD cases using a consistent methodology based on VBA claims processing criteria. We also discussed selected problem cases with VARO officials to determine whether they agreed or disagreed with our assessment of these cases. There was a wide range of agreement and disagreement. At one VARO, officials agreed with our conclusions on 94 percent of the cases. At another VARO, officials agreed with our conclusions on only 5 percent of the cases. In our opinion, this range of agreement and disagreement is evidence of inconsistency in VARO processing of PTSD claims.

Inconsistent PTSD Claim Development Increases the Risk of Improper Payments.

If VAROs do not process PTSD claims properly and consistently, there is little assurance that all benefit payments are appropriate. Some veterans may receive benefits they are not entitled to and others may not receive benefit payments they are entitled to. We concluded that there was inadequate assurance that benefits were paid properly in 25.1 percent of cases we reviewed. VARO officials agreed with our conclusions on 54.3 percent of cases discussed. However, we believe that development actions are still needed and therefore did not adjust the error rate. The fact that some regional offices agreed with development requirements and others did not agree with the same requirements lends support to our conclusion that PTSD cases are not developed consistently. If the 25.1 percent rate were applied to all PTSD cases and the associated benefit payments, annual payments made without adequate assurance would total about \$860.2 million. Since the average age of veterans whose cases we reviewed was 56 and the average life expectancy of a 56-year-old male is 79 years, the potential PTSD benefits paid without adequate assurance would be an estimated \$19.78 billion (23 years x \$860.2 million).

Ratings for PTSD. During FYs 1999–2004, the number and percentage of PTSD cases grew significantly. While the total number of all veterans receiving disability compensation grew by only 12.3 percent, the number of PTSD cases grew by 79.5 percent, increasing from 120,265 cases in FY 1999 to 215,871 cases in FY 2004. During the same period, PTSD benefits payments increased 148.8 percent from \$1.72 billion to \$4.28 billion. Compensation for all other disability categories only increased by 41.7 percent. While veterans being compensated for PTSD represented only 8.7 percent of all claims, they received 20.5 percent of all compensation benefits.

Some Reasons for Development Inconsistencies. The accuracy and amount of compensation benefits paid for service-connected disabilities is dependent on two primary factors: rating specialists' adherence to VBA policies and procedures to ensure proper development of veterans' claims and medical examiners' evaluations of the severity of claimed injuries or disabilities. Medical examiners must make a medical diagnosis that the claimed injury or disability exists, and the diagnosis must link symptoms or medical conditions to the veteran's time of service. For some medical conditions, such as PTSD, the criteria are more ambiguous and rating specialists and medical examiners must use professional judgment to determine the presence and severity of conditions that may not necessarily be measured with conclusive diagnostic tests. Instead of x-rays or blood tests, these conditions require the veteran to self-report in-service stressors that have affected his normal functioning. Conditions such as PTSD leave room for interpretation by the medical examiner and the rating specialist, thus influences outside of the rating schedule may affect a veteran's disability rating. Independent validation and reconstruction of the claimed stressors that prompted the claimed PTSD becomes more difficult when considering that the average age of veterans

in our sample was 56 years old, and the average elapsed time between their discharge and the effective dates of their initial PTSD ratings was 24 years.

As a further indicator of the ambiguous nature of rating subjective medical conditions, a 2003 study of 320 adult male combat veterans who were evaluated at VA PTSD outpatient clinics from 1995 to 1999 concluded that compensation-seeking veterans were much more likely to over-report or exaggerate their symptoms than were non-compensation-seeking veterans.⁷ This study suggested that VA disability compensation incentives influence the way some veterans report their symptoms when being evaluated for PTSD. The study further concluded that current VA disability policies have problematic implications for the delivery of clinical care, evaluation of treatment outcome, and rehabilitation efforts within VA.

This study highlights the highly subjective nature of PTSD claims and provides a possible explanation for part of the significant differences between percentages of PTSD claims in different states. To illustrate this difference, PTSD claims in New Mexico account for 18.2 percent of all claims and 36.6 percent of all compensation payments. In Illinois, PTSD claims account for 7.0 percent of all claims and 18.4 percent of all compensation payments.

PTSD Initial Ratings Increase Over Time. Based on our review of PTSD claim files, we observed that the rating evaluation level typically increased over time, indicating that the veteran's PTSD condition had worsened. Generally, once a PTSD rating was assigned, it was increased over time until the veteran was paid at the 100 percent rate, either due to a 100 percent schedular rating or to being rated IU.

As of September 30, 2004, 4.1 percent of all veterans were receiving disability compensation payments for PTSD and were receiving compensation at the 100 percent rate. In the six states with the highest average payment for all veterans, 5.4 to 12.6 percent of all veterans had PTSD and were receiving compensation benefits at the 100 percent rate. By comparison, in the six states with the lowest average annual payments, 2.2 to 3.6 percent of all veterans had PTSD and were receiving benefits at the 100 percent rate (see Issue 3 Table 33).

Veterans Receiving Increases to 100 Percent Appear to Seek Less Treatment. When PTSD ratings were increased to 100 percent, veterans sought less treatment for the condition. In a judgment sample of 92 PTSD cases, we found that 39 percent of the veterans had a 50 percent or greater decline in mental health visits over the 2 years after the rating decision. The average decline in visits was 82 percent, and some veterans received no mental health treatment at all. While their mental health visits declined, non-mental health visits did not.

⁷ "Disability Compensation Seeking Among Veterans Evaluated for Posttraumatic Stress Disorder," B. Christopher Frueh, Ph.D, Jon D. Elhai, Ph.D, Paul B. Gold, Ph.D, Jennine Monnier, Ph.D, Kathryn M. Magruder, Ph.D, Terence M. Keane, Ph.D, George W. Arana, M.D., Psychiatric Services, January 2003, Vol. 54, No.1.

Although 39 percent had a 50 percent or greater decline in mental health visits, they had a slightly higher rate of non-mental health care visits for the 2 years after they received their 100 percent rating. VA needs to review care provided at Vet Centers and through other sources to determine if there is a significant population of veterans who no longer pursue or receive mental health care after their 100 percent rating.

Some Web Sites Provide Questionable Claims Assistance Services. While conducting Internet research as part of our review, we noted an abundance of web sites providing advice to veterans filing PTSD claims or offering ways to compile less than truthful evidence to obtain approval. Information available on the Internet could be used by a veteran to create or embellish a stressor letter or exaggerate symptoms. For example, a veteran could utilize the U.S. National Park Service’s web site, which links to a private web site, the Virtual Wall, to locate the name of a “buddy” who was killed in combat during the Vietnam War and use this information as their stressor. The web site includes details, such as the MOS, branch of service, assigned unit, dates of birth and death, and residence of each veteran listed on the Vietnam Veterans Memorial. Because the site includes such detailed information, it could be used to make a false claim seem credible.

Other web sites offer free assistance, including tips on what to say during a VA C&P exam, sample stressor letters to submit with a PTSD claim, and sample letters that friends or family could send in support of a claim. While the motives of the operators of these web sites are not clear, the information provided is readily available to those filing PTSD claims, including those who may not actually have PTSD.

There are also web sites that offer evidence assistance for a fee. One site offers U.S. Army Training and Award Certificates. For \$17.95, an individual could purchase a personalized Combat Infantryman Badge Certificate, and for \$19.95 a Purple Heart Certificate. The web site clearly notes that no DD 214 is required to purchase these certificates. An individual, with no legitimate combat experience, could purchase one of these certificates and submit it as evidence of their combat stressors when filing a claim for PTSD. While a certificate submitted by a veteran should not be adequate credible evidence supporting a veteran’s combat status, it could be used by RVSRs when weighing evidence for or against a claim.

Increased Risk of Not Identifying Fraudulent Claims. The 527 cases that we identified as incompletely developed included 13 (2.5 percent) that we considered potentially fraudulent and that we referred to the OIG Office of Investigations. If RVSRs had properly developed these cases, they might have confirmed the veteran’s claimed stressors or determined that the claim was potentially fraudulent. The following examples illustrate how more careful development might have detected potential fraud cases.

- The Navy veteran served from January 1966 to August 1969 as a cook. He received no combat awards during his tour in Vietnam. He first filed a PTSD claim in 1983

and filed again in 1989 and 1991. For these three claims he alleged various stressors including combat as a Navy SEAL, being held as a prisoner-of-war, murdering a Vietnamese civilian, and being involved in a combat action during which now Senator John Kerry rescued him from a river. The veteran's military records did not support any of these alleged stressors, so the VARO denied all three claims. In 1991, the veteran filed a fourth claim, this time supporting his claim with copies of letters he allegedly wrote his mother while he was in Vietnam. These letters mentioned combat experiences that were not consistent with the duties of a cook. Nevertheless, based on these letters the RVSR granted the veteran a 50 percent rating in September 1991. In our opinion, these letters were of questionable validity because of the veteran's history of benefits seeking, his fabrication of stressors for his earlier claims, and the fact that the letters contained statements that a soldier would not normally make to his mother. We have referred this case to the OIG Office of Investigations.

- In December 1999, more than 31 years after his release from active duty, the veteran filed a PTSD claim. He served in the Marine Corps from September 1965 until September 1968 and spent 12 months in Vietnam as an aircraft maintenance crewman and crew chief. His claimed stressors included experiencing mortar and rocket fire and seeing wounded and dead soldiers. To support his claim, he submitted an 11-page statement describing several alleged stressful experiences and including dates, locations, and names of fellow soldiers. The RVSR granted a 70 percent rating based on the veteran's statement. However, if the RVSR had carefully compared evidence in the claim folder with the veteran's statement, he would have discovered that it contained inconsistencies and probable exaggerations. For example, the veteran reported experiencing a rocket attack in April 1966 but his 201 file showed that he did not arrive in Vietnam until September 1966. Because of the date discrepancy and the improbability of the experiences recounted, we searched the Internet and found that the web site for the veteran's Vietnam unit contained a number of "war stories" submitted by other veterans. Most of the events described in the veteran's statement appear to have been taken from the web site. We discussed this case with VARO officials, and they agreed that it was a potentially fraudulent case. We have referred it to the OIG Office of Investigations for further review.

Conclusion

VBA needs to ensure that all rating personnel are consistently developing and documenting PTSD claims. Action is needed to develop and implement management oversight reviews designed to identify and evaluate PTSD rating inconsistencies, and provide training as needed. Action is also needed to develop and utilize monitors that will identify out-of-line rating situations and unusual increases in rates of growth so that managers can respond as needed.

Issue 5: VBA Needs to Reduce Error Rates and Strengthen Quality Improvement

Findings

A component of VBA's national quality assurance program, STAR measures the accuracy of compensation claims processing at all regional offices. Under the STAR program, samples of compensation claims involving a disability rating are reviewed by independent reviewers of the C&P Program Review Staff.

According to the C&P Program Review Staff managers, the STAR program reviews a statistical sample of cases worked by each regional office. The STAR reviewers determine the processing accuracy of each case using the following criteria:

- Were all claimed issues addressed?
- Were all inferred/ancillary issues addressed?
- Was Veterans Claims Assistance Act (VCAA) pre-decision "notice" provided and adequate?
- Does the record show VCAA development requirements?
- Was grant/denial of all issues correct?
- Was percent evaluation correct?
- Were all effective dates affecting payment correct?
- Were all payment rates correct?

VBA has established quality goals for disability ratings. The FY 2003 goal was 88 percent accuracy and the FY 2004 goal was 90 percent. VBA did not meet its accuracy goals in either FY. STAR program results for FYs 2003–2004 show that the national error rates were 14.6 percent in FY 2003 and 13.0 percent in 2004. As shown in Table 35, the error rates among the high payment and low payment states do not show a consistent pattern (see Appendix D Table 31).

Table 35. STAR Rating Quality Error Rates for FYs 2003–2004

State	2003	2004	State	2003	2004
50-State Totals	14.6	13.0			
High Payment States	15.4	12.7	Low Payment States	16.0	15.2
New Mexico	16.0	14.8	Indiana	16.5	17.0
Maine	10.7	10.2	Michigan	12.7	12.5
Arkansas	18.8	11.9	Connecticut	16.5	11.7
West Virginia	18.3	9.3	Ohio	10.8	17.3
Oklahoma	12.2	14.3	New Jersey	12.3	20.9
Oregon	16.5	15.8	Illinois	27.3	11.7

VBA needs to improve its accuracy rate for processing and awarding claims. Inaccurately processed cases can result in payment errors that could impact the average annual compensation payments by state.

STAR program managers said that for many disabilities the rating schedule is subjective and variations in the ratings assigned by different raters could vary and still be considered correct by the STAR staff reviewers. STAR managers also said that their reviews do not identify or analyze rating inconsistencies among raters or states.

PTSD Claims Development Weaknesses Not Identified by STAR Reviews. Our review at three VAROs revealed that the STAR program did not effectively detect claims development weaknesses in PTSD claims. The STAR staff reviews the entire claim folder with respect to the issue that is being reviewed for quality assurance and notes any mistakes that need to be addressed by the regional office. In FYs 2003 and 2004, the STAR staff reviewed 14,206 cases, including 234 from VARO Albuquerque, 315 from VARO Chicago, and 206 from VARO Cleveland. Of the 755 cases reviewed at these sites, 162 cases involved, at least in part, PTSD claims.

We reviewed 136 of the 162 PTSD cases reviewed by the STAR staff to determine if there were any claims development errors and compared our results with the results of the STAR staff review. We found 24 of the 136 cases reviewed had claims development errors that were not identified by the STAR review staff. This included 17 of 66 reviewed at VARO Albuquerque, 5 of 48 at VARO Chicago, and 2 of 22 at VARO Cleveland.

One example of a claims development error not detected by the STAR staff pertains to a Korean Conflict veteran whose primary assignment, per his DD214, was in the artillery. The veteran claimed to have been on Pork Chop Hill and Heartbreak Ridge with the 25th Infantry Division and on one occasion was hit in the jaw with the butt of a gun. The original rating decision of February 3, 1998, stated that the veteran's service records verified the existence of a stressor. The only service records available other than the DD214 were the veteran's SMRs. His SMRs show that the veteran's jaw injury resulted from playing football. The STAR staff reviewed the file March 3, 2003, after the veteran

had applied for an increase in compensation. They noted one error regarding the VCAA and one comment indicating that the SMRs were not secured in the files. The STAR staff did not note that the SMRs contradicted the veteran's claims. Subsequent to our review, VARO staff concurred that there was no evidence sufficient to verify the veteran's claimed stressors.

In another case, the STAR staff found that the VARO had used an incorrect effective date when establishing the claim, but they did not note any case development or stressor verification errors. The veteran, who served in the field artillery in Vietnam, claimed that enemy forces overran his position and killed 16 U.S. soldiers. He also claimed seeing a comrade die after an accidental weapon discharge. On February 20, 2002, the VARO denied the veteran's PTSD claim citing the lack of a verified stressor. On October 8, 2002, the VARO granted a PTSD rating because of new evidence provided by the veteran from a private web site. The only information provided by the web site was that the veteran's unit had been stationed in Vietnam, information that was clearly noted in the veteran's military records. No other stressor verification was performed. The VARO concurred with our determination that the PTSD rating was granted prematurely and that further stressor verification should have been performed.

Although STAR reviewers evaluated most claims processing issues, they did not always examine the adequacy of the evidence used to reach rating decisions. In our opinion, an effective STAR reviews would have detected the types of development deficiencies we identified.

In 2004, VBA officials stated that the new RBA 2000 system might provide the data necessary to track regional office-specific average disability ratings for specific impairments, although VBA may need to collect system data for several years in order to analyze consistency. Furthermore, we were told by VBA managers that RBA 2000 data collected prior to October 2004 was unreliable.

Conclusion

Actions need to be taken to develop and implement a system for monitoring and analyzing the consistency of ratings so that out-of-line conditions can be timely identified and corrected.

Issue 6: Survey of Raters to Assess Factors That Affect the Consistency of Ratings from State to State

Findings

In March and April 2005, we surveyed RVSRs and DROs to obtain their input on issues that affect the rating of disability compensation claims. The survey had 38 questions about the backgrounds and training of the RVSRs and DROs, claims development, application of the rating schedule, production standards, and staffing. We also offered respondents the opportunity to provide comments on these or other issues. We received responses from 1,349 (67.7 percent) of the 1,992 potential respondents.

Demographics of Respondents. Survey respondents reported working an average of 6 years as RVSRs or DROs and an average of 14 years as VBA employees. The average age of the respondents is 47. Forty-five percent are veterans, and 59.2 percent of the veterans have service-connected disabilities.

Training. RVSRs and DROs expressed generally positive opinions of the quality of their training, but their responses indicate training has not received high priority.

- Fifty-seven percent evaluated the overall quality of training as good or very good; 16 percent evaluated it as poor or very poor.
- Forty-five percent reported that in the last 12 months they had received 10 hours or less of formal classroom instruction on rating policies and procedures. An additional 24.1 percent reported that they had received 11–20 hours of formal classroom instruction in the last 12 months.
- When asked how often their offices provide formal classroom instruction on rating policies and procedures, 18.0 percent replied once a week, 45.6 percent said once a month, and 36.4 percent said once a quarter or less often.

Claims Development. RVSRs and DROs expressed dissatisfaction with the adequacy of claims development. Forty-one percent of respondents estimated that 30 percent or more of the claims sent to the rating teams in the past 12 months as ready to rate were not actually ready. An additional 45.0 percent of respondents estimated that 10–29 percent of the claims were not ready.

Respondents believe that some claims are rated without all the needed information. Twenty percent estimated that, of the claims that were not ready to rate, more than 10 percent were actually rated without all the needed information. An additional 19.3 percent of respondents estimated that 5–10 percent of the claims that were not ready were actually rated without all the needed information.

Survey responses indicate that the quality of C&P medical exams performed by VA examiners and contract examiners is comparable. Forty-eight percent evaluated the quality of exams by VA examiners as good or very good; 18.5 percent evaluated them as poor or very poor. Forty-nine percent evaluated the quality of exams by contract examiners as good or very good; 16.3 percent evaluated them as poor or very poor.

Respondents believe that more C&P exams should be returned to the examiners as insufficient for rating purposes. Responses to two survey questions showed a significant disparity between estimates of the percentage of C&P exams that should have been returned and the percentage that were actually returned.

- Thirty-two percent of respondents estimated that 20 percent or more of exams should have been returned as insufficient. An additional 14.7 percent estimated that 11–19 percent of exams should have been returned as insufficient.
- Only 6.5 percent of respondents estimated that 20 percent or more of C&P exams were returned to the examiners as insufficient. An additional 8.5 percent estimated that 11–19 percent of exams were returned.

Application of Rating Schedule. Questions pertaining to the rating schedule resulted in mixed responses. Respondents indicated that they generally do not have difficulty using the schedule to assign diagnostic codes and degrees of disability, but that they could often support two or more different ratings for the same medical condition.

- Fifty-two percent of respondents stated it is generally easy or very easy to translate complete medical evidence to a diagnostic code with degrees of disability; 16.5 percent stated it is generally difficult or very difficult.
- In response to another question, 52.4 percent of respondents replied it is somewhat likely or very likely that two or more different ratings for the same medical condition could be supported; 25.0 percent replied it is somewhat unlikely or very unlikely.

When questioned about the ease of rating disabilities in each body system, RVSRs and DROs indicated that they have the least difficulty rating claims involving cardiovascular, respiratory, auditory, and eye conditions. They consider claims involving neurological and convulsive disorders, dental and oral conditions, and mental disorders the most difficult to rate. Survey responses indicated it is most likely that two or more different ratings could be supported for claims involving musculoskeletal conditions, mental disorders, and neurological and convulsive disorders. It is least likely that two or more different ratings could be supported for claims involving auditory and eye conditions, dental and oral conditions, and respiratory disorders.

Most respondents stated that when rating a claim they assume the veteran is applying for the highest possible rating and apply a broad and liberal interpretation of the rating schedule.

- Eighty-one percent strongly agreed or agreed somewhat with the statement that when rating a claim they start with the assumption that the veteran is applying for the highest possible rating for the claimed disability. Only 5.2 percent disagreed somewhat or strongly disagreed with that statement.
- Eighty percent strongly agreed or agreed somewhat with the statement that when rating a claim they apply a broad and liberal interpretation of the rating schedule. Only 7.3 percent disagreed somewhat or strongly disagreed with that statement.

RVSRs and DROs believe their objectives are different from those of their managers. We asked them to rank the importance of 16 potential objectives. Their responses indicated that when rating claims their most important objectives are complying with applicable criteria, granting the highest ratings allowed, and ensuring they have sufficient information before making decisions. We also asked them to rank the importance to their managers of 15 comparable objectives. Their responses indicated that they believe the most important objectives for their managers are maximizing the number of ratings done each day, reducing the backlog of pending work, and improving the timeliness of ratings.

Production Standards. Each VARO establishes production standards for its RVSRs and DROs, and those standards must equal or exceed national standards established by VBA. For journeyman RVSRs, the production standards range from 3 to 5 weighted⁸ cases per day for those working in the VAROs and from 3 to 7 weighted cases per day for those working at home. DROs have production standards ranging from 3 to 4 weighted cases per day.

Survey responses showed that RVSRs and DROs are concerned about their production standards, and many respondents indicated that the need to meet production standards adversely affects the quality of their work.

- Forty-seven percent said it is generally difficult or very difficult to meet their daily production standards; 22.5 percent said it is generally easy or very easy.
- Forty-nine percent strongly disagreed or disagreed somewhat with the statement that they have no difficulty meeting their production standards without sacrificing quality; 30.5 percent strongly agreed or agreed somewhat with that statement.
- Fifty-seven percent strongly agreed or agreed somewhat with the statement that they have difficulty meeting their production standards if they make sure they have

⁸ Cases are assigned different weights based on the type of claim and the number of claimed disabilities or issues rated.

sufficient evidence for rating each case and thoroughly review the evidence; 24.1 percent strongly disagreed or disagreed somewhat with that statement.

Staffing. Most RVSRs and DROs do not believe VAROs have sufficient rating staff. Sixty-five percent indicated that the rating activities in their offices have somewhat smaller or much smaller staffs than needed to provide timely and high quality service. Thirty-one percent indicated that the rating activities have about the right number of staff, and 4 percent indicated that the rating activities have somewhat larger or much larger staffs than needed.

Respondent Comments. At the end of the survey, we invited respondents to provide comments, and 593 provided additional input on a wide range of issues. Twenty-one respondents provided comments that were entirely positive, 424 identified problems or suggested improvements, and 148 provided statements with no apparent positive or negative connotations. The most frequently discussed issue, mentioned by 193 respondents, was management's perceived emphasis on production at the expense of quality. The second most frequently discussed issue, mentioned by 44 respondents, was the need for more and better training. Other issues mentioned by multiple respondents included managers' reluctance to return insufficient C&P exams, inadequacy of claims development, inconsistency of the production standards at different VAROs, inconsistent handling of PTSD claims, and the need to update the rating schedule. A selection of comments is provided below:

“Although management wants to meet quality goals, they are much more concerned with quantity. An RVSR is much more likely to be disciplined for failure to meet production standards than for failing to meet quality standards.”

“I have been encouraged to grant the highest benefit allowed by law since the date I began working for the VA. Management in our office stresses the importance of giving the veteran the highest benefit to which he or she is entitled by law. However, there is a lot of pressure to make your production standard. In fact, your performance standard centers around production and a lot of awards are based on it. Those who don't produce could miss out on individual bonuses, etc.”

“I believe our office should participate more in the broadcasts, many times they are taped and we are told we can see them at a later date, but never do. I beli[e]ve there should be more centralized training for RVSRs and DROs in order to provide more consistent ratings. I have worked brokered cases from several stations and have seen great differences in the way benefits are granted. One example is the grant of PTSD. Some offices grant service connection using only the Vietnam Service Medal as a stressor. This is not correct. Another observation is that there is never

any recognition or awards for quality work, awards only go to those who produce the most ratings. Management has indicated on several occasions that quality is as important as quantity, but this is not supported when it comes to handing out awards.”

“I find that there are too many changes in how cases are expected to be rated without enough training and instruction....”

“Exams often lack basic information needed for rating a disability, and generally speaking, we do not send back VA exams as insufficient.”

“The Rating Schedule allows for too much subjectivity in rating many conditions. For example when rating a digestive condition we rate on pronounced, severe, moderate or mild symptoms however we have no specific definition on what is considered pronounced, severe, moderate or mild.”

“Our local management does not make any requirements to rate cases that are not ready, or to inaccurately rate cases. Cases are rated based on the evidence of record....”

“If consistency nationwide is the goal, then the current rating schedule and other regulations are inadequate. Generally, there is too much room for subjective interpretation of evidence as applied to rating schedule criteria, even if the medical evidence is 'complete' (which it often is not; the generally poor or inconsistent quality of VA examinations plays a role in this issue, as well). That is why there is even a question of whether or not an individual or a station encourages a 'liberal' or a 'narrow' interpretation. Purely, or at least more, objective criteria for all body systems and diagnostic codes might help.”

“For the past 10 years no examination has been allowed to be returned as inadequate because the regional office concocted a deal with the hospital to cook the books on examination quality....Rating specialists and DRO's have been pressured to make rating decisions unwarranted by the evidence to make 'problem cases' go away....”

“The real truth will show that we are doing a fair job with each case we handle. Each veteran counts and the disabilities are rated as they should be, fairly.”

“The rules and regulations have changed so fast and ballooned in scope and complexity until I feel very strongly that: 1) no two RVSRs in our office would look at the same claim with the same evidence and come to

the same conclusion unless it was a very simple issue and 2) any reviewer could find something wrong with any rating that they picked up....One comment on the VA exam situation: some VA medical centers are very good and some are awful. We get everything we need from some and next to nothing from others. I have learned to live with what I have and rate accordingly....”

For a summary of responses to each question in the survey, see Appendix E.

Differences in Responses from States with Highest Compensation Payments and States with Lowest Payments. We compared the responses of RVSRs and DROs from the six states with the highest average compensation payments and the six states with the lowest average compensation payments to determine whether there were differences that might help explain the disparity in average payments to residents of those states. The comparison showed that the two groups have more similarities than differences. For example:

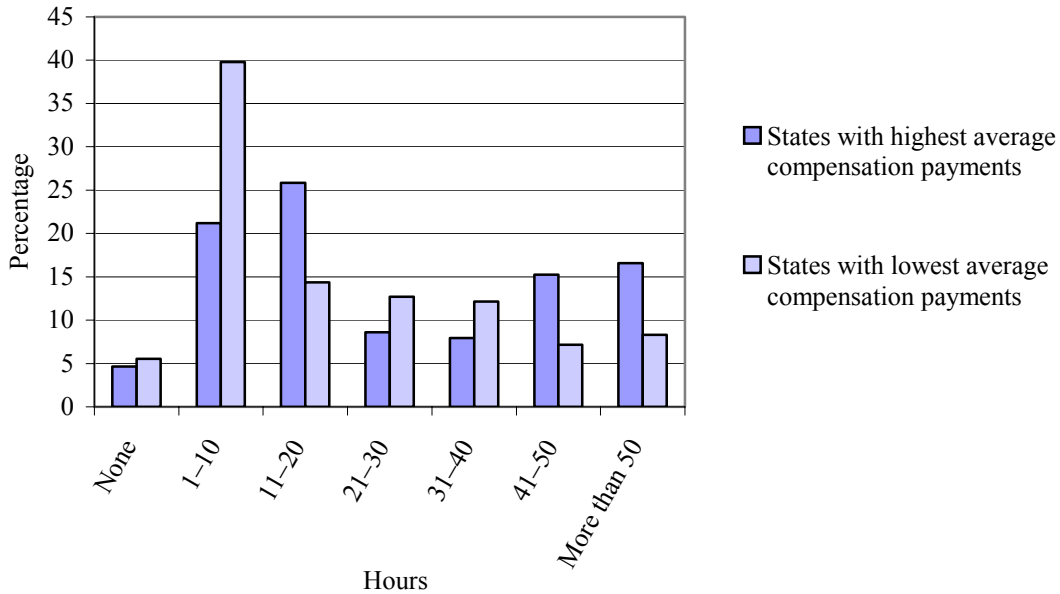
- The two groups of respondents are similar in length of experience, age, and percentage with veteran status.
- They expressed similar levels of dissatisfaction with claims development and indicated that more C&P exams should be returned to the examiners as insufficient for rating purposes.
- Similar percentages of respondents from both groups said that when rating a claim they assume the veteran is applying for the highest possible rating and they apply a broad and liberal interpretation of the rating schedule.
- The two groups have similar objectives when rating disability claims.
- They share concerns about production standards and staffing.

The following paragraphs summarize differences between the responses of RVSRs and DROs from the states with the highest average compensation payments and the responses of those from states with the lowest average compensation payments.

Demographics of Respondents. Responses of RVSRs and DROs with veteran status revealed differences in the percentages with service-connected disabilities and the periods of active duty. In states with the highest average payments, 75.4 percent of the RVSRs or DROs who are veterans have service-connected disabilities, while in states with the lowest payments this figure is 46.3 percent. In states with the highest average payments, RVSRs and DROs are more likely to have served on active duty during Peacetime or Gulf War than RVSRs and DROs in states with the lowest average payments, who are more likely to have served during the Vietnam Era.

Training. Survey responses indicated that training has received higher priority in the six states with the highest average compensation payments than in the six states with the lowest payments. The following graph compares estimates of the amount of formal classroom instruction on rating policies and procedures received by RVSRs and DROs in the past 12 months.

Figure 8. Hours of Formal Classroom Instruction



Responses to other survey questions also indicated that training of RVSRs and DROs has received higher priority in states with the highest average compensation payments. For example, when asked how often their offices provide formal classroom instruction on rating policies and procedures, 35.1 percent of respondents from states with the highest payments said once a week, 41.7 percent said once a month, and 23.2 percent said once a quarter or less often. In contrast, only 15.4 percent of respondents from states with the lowest payments said their offices provide formal classroom instruction on rating policies and procedures once a week, 45.6 percent said once a month, and 39 percent said once a quarter or less often.

Claims Development. Respondents from states with the highest average compensation payments have a more favorable opinion of C&P exams, whether performed by VA examiners or contract examiners, than respondents from states with the lowest average compensation payments.

- Fifty-two percent of respondents from states with the highest average compensation payments evaluated the quality of exams performed by VA examiners as good or very

good. Forty-two percent of respondents from states with the lowest payments evaluated the quality of exams performed by VA examiners as good or very good.

- Fifty-three percent of respondents from states with the highest average compensation payments evaluated the quality of exams performed by contract examiners as good or very good. Thirty-seven percent of respondents from states with the lowest payments evaluated the quality of exams performed by contract examiners as good or very good.

Application of Rating Schedule. RVSRs and DROs from states with the highest average compensation payments indicated they have less difficulty using the rating schedule to assign diagnostic codes and degrees of disability than RVSRs and DROs from states with the lowest payments, as shown in the following table:

Table 36. Ease of Translating Complete Medical Evidence to a Rating

Response	Six High Payment States	Six Low Payment States
Very Easy	13.2	6.6
Generally Easy	43.7	41.4
Neither Easy Nor Difficult	31.8	35.4
Generally Difficult	10.6	15.5
Very Difficult	0.7	1.1

Impact of Recent Publicity. More than 90 percent of respondents from states with the highest average compensation payments and from states with the lowest payments denied that their rating decisions have been affected by published comparisons of compensation payments to veterans in different states. However, respondents from states with the highest payments were less likely than respondents from states with the lowest payments to indicate that their rating decisions have been affected by published comparisons of compensation payments and less likely to indicate that managers have encouraged them to change their attitudes when rating disability claims. (It should be noted that for new claims in FY 2005, Illinois had moved to fifth place among the 50 states for average annual compensation payments.)

- Only 3.3 percent of respondents from states with the highest average compensation payments and 9.4 percent of respondents from states with the lowest payments said their rating decisions in the last 2 to 3 months have been affected by published comparisons of compensation payments to veterans in different states.
- Fifteen percent of respondents from states with the highest average compensation payments and 49 percent of respondents from states with the lowest payments said that in the last 2 to 3 months management in their offices has encouraged them to change their attitudes when rating disability claims.

For more detailed results of the comparison of responses from states with the highest average compensation payments and responses from states with the lowest average compensation payments, see Appendix F.

Conclusion

Survey respondents expressed generally positive opinions of the quality of their training, but their responses indicate training has not received high priority. Managers need to ensure that there is a balance of formal classroom instruction provided to all raters and routine updates on claims development and application of the rating schedule to ensure consistency in the adjudication process. Managers also need to determine whether raters at their regional offices are being required to rate claims without all the needed information, and take steps to resolve this issue if needed. While survey responses indicated that the quality of the C&P examinations performed by VA and contract examiners is comparable, respondents believed that more C&P examinations should be returned to examiners as insufficient for rating purposes. Managers need to work with their Veterans Health Administration (VHA) colleagues to ensure that C&P examinations are comprehensive and complete for rating purposes, and need to ensure that their raters are familiar with examination templates developed by the Compensation and Pension Examination Program (CPEP) office.

VBA leadership also needs to respond to the raters' perception that their objectives are different from those of their managers. Their responses indicated that when rating claims their most important objectives are complying with applicable criteria, granting the highest ratings allowed, and ensuring they have sufficient information before making decisions. They believed the most important objectives for their managers are maximizing the number of ratings done each day, reducing the backlog of pending work, and improving the timeliness of ratings. About 57 percent of the raters said it is generally difficult to meet their production standards if they make sure they have sufficient evidence for rating each case and thoroughly review the evidence. Most raters did not believe regional offices have sufficient rating staff. VBA leadership needs to address this issue with their rating staffs in conjunction with strengthening development and rating consistency concerns expressed in the survey.

Issue 7: Source and Consistency of Disability Examinations

Findings

Our case review found that regardless of whether a contractor or VA physician completed the C&P disability medical examination, the rating outcome was essentially the same. Also, raters we surveyed reported that contractor and VA physician medical examinations were generally of the same quality. However, we noted that consistency in the way medical examinations are completed still needs management attention, and the C&P exam templates recently developed by the CPEP are not being used by many VHA medical facilities. Additionally, the CPEP management needs to improve communication with rating staff at the VAROs regarding the new template and seek their comments on any improvements needed.

The assignment of a disability rating to a veteran requires the collection and assessment of data from various sources. The veteran's current medical status is determined through the performance of a physical examination. When a veteran is ill and presents to a hospital, the goal of the physical examination is to determine the cause and extent of the illness. If a veteran is examined for the purpose of determining the extent of his medical disability for compensation purposes, a focused physical examination is performed. Although similar, these two examinations have different goals and require different data to reach their conclusions.

VA physicians perform most disability medical examinations. VBA has a contract with QTC Medical Group, Inc.⁹ as an additional source for these examinations. After a veteran requests a disability determination, a VARO rater arranges for the veteran to have the required examination. The veteran may be scheduled for an examination with a provider at a VA hospital or a QTC physician.

Physicians contracted to QTC are not uniformly distributed throughout the county.¹⁰ The documentation and quality assurance procedures for QTC examinations are different than the procedures used by VA. The RVSR is therefore presented medical examination data in a similar format. VA pays QTC about \$61 million for these services. The QTC average cost per examination is approximately \$590.

Little Difference Between QTC and VA Physician Medical Examinations. To determine whether disability examination reports prepared by VA and QTC physicians affected the variance in ratings, we reviewed examination reports for initial PTSD examinations and joint examinations involving at least one knee.

⁹ As a result of Public Law 104-275, VBA initiated a contract with QTC Medical Group, Inc. to conduct a pilot to examine the impact of disability examinations performed by non-VA physicians.

¹⁰ Under the QTC pilot, regional offices in Atlanta, Boston, Los Angeles, Roanoke, Salt Lake City, San Diego, Wichita, and Winston Salem utilized QTC resources. In addition to the test sites, the regional offices in Seattle, Muskogee, and Houston have access to QTC resources.

For those veterans whose initial PTSD examination was performed by a VA physician, the average rating was 31.3 with a confidence interval of 5.52. The average rating for those veterans whose initial PTSD examination was performed by a QTC physician was 37.7 with a confidence interval of plus or minus 4.93. At the .05 level of statistical significance, these results are similar. The joint examination review yielded a similar result. The VA physician examinations resulted in an average rating of 22.2 with a confidence interval of 4.63, which was not significantly different from the QTC physician group average rating of 23.4 with a confidence interval of 5.02. The physical examination samples we selected suggest that the rating result does not depend upon the source of the physical examination when comparing VA physicians and QTC physicians. This result is consistent with the finding in the Evaluation of Contract Examination Pilot Test of December 1999 where data suggested that the quality of QTC and VHA examinations is relatively constant across the examination categories.¹¹

Our survey of raters yielded similar findings. Forty-eight percent of the 1,349 survey respondents evaluated the quality of examinations by VA physicians as good or very good; 19 percent evaluated them as poor or very poor. Forty-nine percent evaluated the quality of examinations by QTC physicians as good or very good; 16 percent evaluated them as poor or very poor.

The C&P Service maintains 57 types of disability examination request worksheets that guide clinicians to collect and report information needed to decide veterans' disability claims. Each type of worksheet addresses a particular body system or category of disability. In the past, the worksheets have been provided to clinicians for reference during the conduct of examinations and dictation of findings.

Examination Report Templates Need To Be Mandated and Communicated to Medical Facilities and Regional Offices. CPEP, a joint VBA/VHA entity, is collaborating with the VHA Health Systems Design and Development office to develop an automated examination report template for each of the 57 disability examination request worksheets. The primary objective of automating the report templates is to eliminate errors of omission by means of "structured data entry." This means that the automated template prompts the examiner to address each information element that is relevant for rating the specific condition being examined, and bypasses elements that does not pertain to that specific condition.

According to CPEP management, as of March 2005, 55 of the 57 automated examination report templates had been installed at all VHA examination facilities, but their use has not been mandated. These 55 templates are currently available for production purposes system-wide (that is they can be used in preparing any C&P examination report involving one or more of those 55 worksheets). CPEP management informed us that two templates

¹¹ SRA International submission to Congress as required in Section 504 of Public Law 104-275, "Evaluation of Contract Examination Pilot Test" pg 61.

not yet in production system-wide are currently in beta testing and scheduled for system-wide release in April 2005.¹² A software update, also scheduled for release in April, will allow a clinician to add templates during an examination when findings indicate a need for information from another worksheet.

While VA, through the development and implementation of CPEP report templates, is making an effort to standardize C&P medical examinations, use of the templates is not yet required of VHA facilities. VBA rating personnel have seen only a limited number of examination reports submitted in the template format. We spoke with personnel at seven VAROs and were informed that use of the templates at VHA facilities is not yet common. VSC personnel at five of the seven VAROs indicated that they either have not seen any examination reports completed in the template format or they have only seen a limited number completed by one medical center in their area. Use of the templates was more frequent at medical centers serving the other two VAROs. Rating personnel at two VAROs who have seen the results of C&P examinations presented in the template format stated that they believed the examination reports need to be improved and that it was difficult to locate the information needed for rating purposes. According to VBA management, they are engaged in an effort to review and approve the report templates.

Conclusion

We concluded that there is little difference between the quality of contractor produced C&P examinations and VA examinations and their impact on the degrees of disability that are eventually awarded to the veterans. Actions need to be taken to ensure examination report templates provide complete and accurate evidence needed to evaluate disability claims.

¹² “Beta testing” means that the software for those worksheets has been installed and is being used for C&P examinations at a limited number of exam facilities. These beta test facilities volunteered to use the software and provide feedback about their experience with it so that any necessary adjustments can be made before deploying it system-wide for production purposes.

Issue 8: Fraudulent and Invalid VA Disability Compensation Claims

Findings

Fraudulent and invalid claims are two factors that could unnecessarily increase the amount of average VA disability compensation payments from state to state if left unchecked.

During FYs 1999–2004, the OIG successfully prosecuted 455 individuals who committed VA compensation and pension fraud. Prosecution-related recoveries for these cases totaled about \$13.0 million, and administrative-related recoveries totaled about \$12.6 million. Fines, penalties, and restitution totaled \$36.2 million.

OIG reports issued during the same period have identified fraud and invalid payments such as payments made to deceased veterans and incorrect rating percentages that, if not abated, will cost the Government millions in unnecessary expenditures. To illustrate, recent audit and investigative work conducted at VARO San Juan and VARO Manila identified instances of potential fraudulent cases and invalid claims.

At VARO San Juan, we identified 1,353 erroneous claims that needed to be terminated. Overpayments totaled approximately \$29 million and represented projected cost avoidances of more than \$45 million over the next 5 years. Nine criminal cases were initiated and one search warrant was obtained and executed. At VARO Manila, 594 invalid cases were identified for suspension or termination because the claimants were deceased or not entitled to the payments. Overpayments totaled approximately \$2.5 million, with projected cost avoidances totaling more than \$21 million over the next 5 years. Criminal investigations initiated during the review were turned over to the Philippines National Police.

As of March 31, 2005, OIGs Death Match project has identified in excess of 9,650 possible investigative leads. Over 8,149 leads have been reviewed, resulting in the development of 860 criminal and administrative cases. Investigations have resulted in the actual recovery of \$14.6 million, with an additional \$7.3 million in anticipated recoveries. In addition to recoveries, the 5-year projected cost avoidance to VA is estimated at \$32.6 million. To date, there have been 131 arrests in these cases with several additional cases awaiting judicial actions.

In another case, we identified 12 individuals that defrauded the VA of approximately \$11.2 million. The review disclosed that a VA employee accessed and falsified numerous compensation cases to generate hundreds of benefit payments under the accounts of veterans who had died and had no beneficiaries. The individuals were prosecuted accordingly.

As the following examples illustrate, individual cases also have shown the need for VBA employees to adequately develop each claim and scrutinize evidence before authorizing compensation benefits. To illustrate,

- A Korean Conflict veteran seeking compensation falsified documents claiming that he had been a prisoner of war, received shrapnel injuries, and was awarded the Purple Heart Medal. In 1986, the veteran was granted a service-connected disability rating and through the VA appeal process was able to receive IU and payment at the 100 percent rate. The veteran's story was aired by the media and it was reported that he was a surviving member of an Army group that allegedly was ordered to fire on Korean civilians at No Gun Ri. As a result of the media coverage, the OIG and VARO followed up on the veteran's claim. A closer review of the evidence submitted by the veteran found it to be altered and fabricated. The veteran was indicted, convicted, and sentenced to 21 months' incarceration and 3 years' supervised release and was ordered to repay \$412,839 to the Government.
- A veteran who received 70 percent disability compensation for PTSD was found to have fabricated his stressors in order to receive benefits. The VARO terminated the veteran's benefits and created an overpayment of \$122,041. The veteran pleaded guilty to fraud and was prosecuted and sentenced in December 2003.
- A veteran claimed to have been wounded in combat in Vietnam and to have witnessed several shocking incidents which caused him to suffer from PTSD, and to have been awarded three Purple Heart Medals. The veteran eventually persuaded the VA that his PTSD rendered him 100 percent disabled, and he received more than \$250,000 in compensation payments. The veteran pleaded guilty to one count of theft of public money and five counts of wire fraud as the review found that he was not wounded in combat nor was he awarded any Purple Heart Medals. The veteran is serving a 13-year sentence for making threats against the former President, using an explosive to commit a federal felony, making false bomb threats, and making false statements.

Some Veterans Receiving 100 Percent VA Disability Compensation for Unemployability May Not Be Entitled. In recent years, the number of veterans receiving IU has increased significantly. During the 6-year period FY 1999–2004, the number of veterans receiving increased benefits for IU increased from 95,052 to 196,916, a 107 percent increase. The increase in the number of veterans receiving 100 percent compensation has a correlation to the widening of the payment variance (see Issue 3). We found, however, that some veterans may not be entitled to these IU benefits.

VBA should be more aggressive in utilizing Internal Revenue Service (IRS) and Social Security Administration (SSA) records to ensure veterans claiming to be unemployable are not earning income. The Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) permitted VA to utilize IRS and SSA records for the Income Verification

Match (IVM) program. Under the program, VBA matches VA benefit records with IRS/SSA records to determine if veterans have earned income.

In FY 2004, the IVM program identified 8,486 veterans in receipt of VA disability compensation benefits whose reported income from employment exceeded \$6,000.¹³ The 8,486 veterans included 289 whose income exceeded \$50,000 (see Appendix G). VBA management analyzed these cases and referred them to the appropriate VARO for proper action, including termination of IU benefits if warranted. VBA referred the remaining cases to the pension maintenance centers, and controls were lax in tracking the results of these cases.

The following table shows 4.3 percent of all veterans receiving IU benefits had reported income exceeding \$6,000. States with the highest average VA disability compensation payments ranged from 3.7 percent to 6.4 percent. States with the lowest average annual compensation payments ranged from 3.5 percent to 4.8 percent. If VBA does not establish better controls, the impact of inappropriate benefit payments cannot be adequately measured and evaluated and invalid claims will never be adjusted and resolved.

Table 37. Income Verification Match Results—FY2004

State	Veterans with IU Rating		
	Number	IVM Comp Referrals	Percent Referrals
50-State Totals	196,916	8,486	4.3%
High Payment States	25,111	1,152	
New Mexico	5,076	325	6.4%
Maine	3,199	131	4.1%
Arkansas	4,024	147	3.7%
West Virginia	2,741	108	3.9%
Oklahoma	6,632	282	4.3%
Oregon	<u>3,439</u>	<u>159</u>	<u>4.6%</u>
Averages	4,185	192	4.6%
Low Payment States	17,538	744	
Indiana	2,448	106	4.3%
Michigan	3,882	186	4.8%
Connecticut	1,046	47	4.5%
Ohio	4,585	160	3.5%
New Jersey	2,471	111	4.5%
Illinois	<u>3,106</u>	<u>134</u>	<u>4.3%</u>
Averages	2,923	124	4.2%

Not only had VBA not established centralized controls for monitoring the outcomes of all IU veterans reporting income to IRS, but VBA had also discontinued the requirement several years ago to require IU recipients to annually certify whether or not they were gainfully employed and earned income. VBA has recently reversed its earlier decision to discontinue annual certifications, and will again require veterans receiving IU to certify

¹³ IRS data used was from tax year 2002.

their employment and earned income. The certification requirements will remind veterans of their obligation to report changes in their employment status to VA, permit timely adjustments to payments, and caution veterans that signing a false statement could have serious consequences.

We were not able to obtain the IVM/IU data from VBA because the current Memorandum of Understanding (MOU) with IRS limited use to VBA, even though the law gave legal authority to VA as a whole. The current computer matching agreement between the IRS and VBA pertains to tax years 2002–2003.

In view of the increasing number of IU claims in recent years and the fact that VBA is identifying cases from the matches that need to be adjusted, actions need to be taken to strengthen monitoring controls over the development and authorization of IU ratings. Actions also need to be taken to share the IVM matching results with the OIG so that further work can be done to determine the extent of fraud in this area. Nationwide, the average annual payment for each veteran rated IU is \$27,588; in FY 2004 there were 200,318 veterans who received IU. The average annual payment for IU over and above the average payment for other scheduler disabilities is \$14,416 per veteran. If all 8,486 matched veterans represent fraudulent and improper payment cases, the potential estimated cost savings over 5 years is \$611.7 million.

Conclusion

The identification of instances of fraud and invalid payments underscores the need for VBA employees to demonstrate due diligence in developing and reviewing evidence supporting applicants' claims for benefits. Actions need to be taken to renegotiate an MOU to include making the matches available to all VA components having a need to know. In cases where fraud has occurred, VBA needs to refer the cases to OIG.

Recommendations

To address issues pertaining to compensation payment variances, we recommend that the Under Secretary for Benefits take the following improvement actions:

1. Conduct a scientifically sound study using statistical models, such as a multi-variant regression analysis, of the major influences on compensation payments to develop baseline data and metrics for monitoring and managing variances, and use this information to develop and implement procedures for detecting, correcting, and preventing unacceptable payment patterns.
2. Coordinate with the Veterans' Disability Benefits Commission to ensure all potential issues concerning the need to clarify and revise the Schedule for Rating Disabilities are reviewed, analyzed, and addressed.
3. Conduct reviews of rating practices for certain disabilities, such as PTSD, IU, and other 100 percent ratings, to ensure consistency and accuracy nationwide. At a minimum, these reviews should consist of data analysis, claims file reviews, and onsite evaluation of rating and management practices.
4. Expand the national quality assurance program by including evaluations of PTSD rating decisions for consistency by regional office, and to ensure sufficient evidence to support the rating is fully developed and documented, such as verifying the stressor event.
5. Coordinate with the Veterans Health Administration to improve the quality of medical examinations provided by VA and contract clinicians, and to ensure medical and rating staff are familiar with approved medical examination report templates and that the templates are consistently used.
6. In view of growing demand, the need for quality and timely claims decisions, and the ongoing training requirements, reevaluate human resources and ensure the VBA field organization is adequately staffed and equipped to meet mission requirements.
7. Consider establishing a lump-sum payment option in lieu of recurring monthly payments for veterans with disability ratings of 20 percent or less.
8. Undertake a more detailed analysis to identify differences in claims submission patterns to determine if certain veteran sub-populations, such as World War II, Korean Conflict, or veterans living in specific locales, have been underserved, and perform outreach based on the results of the analysis to ensure all veterans have equal access to VA benefits.

Selected Studies of the VA Disability Compensation Program and Rating Schedule

Since the implementation of the 1945 rating schedule, various studies, including the major 1956 Bradley Commission and the 1971 Economic Validation of the Rating Schedule (ECVARS) studies, and more recent VA-sponsored and GAO reviews have evaluated the adequacy and appropriateness of the rating schedule as the basis for compensating veterans with service-connected disabilities. Although done at different times over the past 50 years, these studies have repeatedly raised questions about whether or not the rating schedule reflected the economic, medical, and social changes that have had on the earning capacity of disabled veterans since 1945.

The studies raised various concerns about the basis for the disability compensation program and use of the rating schedule, such as: the use of the average impairment rather than the individual veteran's specific impairment and earning capacity as the basis for rating disabilities; advances in medicine, technology, and rehabilitation, and changes in types of work, workplace requirements, or societal attitudes towards disability have not been taken into account in the rating schedule; and, the subjective nature of medical evaluations and ratings for some disabilities and potentially inconsistent application of disability criteria by different raters or offices.

Bradley Commission (1956). As part of a 1950s study of VA compensation, pension, and other benefits, the President's Commission on Veterans' Pensions, known as the Bradley Commission, evaluated the rating schedule to determine if it was an adequate and equitable basis for compensating disabled veterans. Based on a nationwide survey of medical specialists, the Commission concluded in its 1956 report that the schedule's medical rating criteria did not reflect the medical advances made since 1945. A comparison of the earnings and income of disabled veterans with those of nondisabled veterans and others found that, with the exception of totally disabled and elderly disabled veterans, there was little difference in income among the groups. Noting that the job market had shifted from the predominantly manual labor jobs of the 1945 era to more service-oriented and clerical jobs, the Commission concluded that the rating schedule was less representative of the average impairment of veterans performing non-manual labor jobs. In addition, the study found wide disparities between VA disability ratings and military disability retirement ratings for the same cases, with VA ratings being more conservative. The Commission indicated that more study was needed to determine true rating accuracy.

The Commission recommended that the rating schedule be revised based on factual data to ensure it reflected the average reduction in earning capacity. Stating that the purpose of the disability compensation program is economic maintenance, the Commission concluded that it was appropriate to periodically compare the earnings of disabled veterans with the earnings of the working population and to update the rating schedule to

ensure that disabled veterans are adequately compensated for the reduction in earnings resulting from their service-connected disabilities.

Economic Validation of the Rating Schedule (1971). In response to the Bradley Commission recommendations and other criticisms about inaccuracies in the rating schedule, VA conducted the ECVARS in the late 1960s and issued a report to Congress in 1971. ECVARS is considered the most comprehensive assessment of the rating schedule ever done. The study surveyed two groups—485,000 veterans receiving service-connected disability compensation and 14,000 veterans not receiving compensation. Controlling for age, education, and geographic region, ECVARS measured economic loss as the differences in median income between the two groups. According to a 1997 GAO analysis of ECVARS, disability compensation exceeded economic loss for 330 (47 percent) of 700 disability diagnostic codes represented in the study, and economic loss exceeded disability compensation for 75 (11 percent) of 700 diagnostic codes.

Based on the ECVARS results, VA proposed a revised schedule with adjustments to disability ratings that it believed would more accurately represent reductions in veterans' earning capacity resulting from service-connected disabilities. However, the proposed schedule was not adopted, because VA believed Congress did not support the change. According to 1973 Congressional records, if the change had been made, 200,000 disabled Vietnam veterans would have lost significant benefits. Since ECVARS, VA has not conducted another comprehensive study to evaluate the effects of service-connected disabilities on veterans' earnings.

VA Program Evaluation of Uniformity of Ratings (1983). As part of a 1983 evaluation of C&P programs, the VA Office of Program Planning and Evaluation assessed the uniformity of rating decisions. Based on a sample test of 26 disabilities in 16 claims administered to staff at 56 VAROs, the evaluators concluded that for some disabilities different raters would assign different ratings based on the same evidence. About 3 percent of the 1,315 ratings done for the sample claims were either higher or lower than the acceptable ranges of ratings established for the uniformity tests. However, the allowable acceptable ranges provided for wide variation in what could be considered to be a correct rating. For example, the acceptable range for a test case with a diabetes condition was 20–100 percent disabling, and the acceptable range for a case with PTSD was 0–70 percent.

The evaluators concluded that the lack of uniformity in ratings was random with no pattern of stricter or less strict VAROs. Contributing to the lack of uniformity were the vagueness and generality of some rating schedule medical criteria, imprecise and incomplete medical examination reports requiring subjective interpretation by raters, and the reluctance of raters to request additional information because of the additional time required and concerns about meeting work timeliness standards. The evaluators made no recommendations concerning uniformity of ratings.

GAO–Need to Update Medical Criteria Used in VA’s Disability Rating Schedule (1988). GAO concluded that VA could not ensure that veterans were assigned accurate and uniform disability ratings because the rating schedule had not been adjusted to incorporate the results of many recent medical advances. As a result, veterans may have been assigned inconsistent ratings and may have been undercompensated or overcompensated, depending on the rating specialist who processed a disability claim. Although some sections of the schedule had been recently revised, the schedule had not been comprehensively updated since 1945.

At GAO’s request, physicians from VA, the military services, and a medical school evaluated the medical criteria in the rating schedule and identified outdated terminology, ambiguous classifications, and medical conditions missing from the schedule. In responses to a GAO-administered questionnaire, VA rating specialists cited concerns about many diagnostic codes with inadequate criteria for distinguishing among degrees of severity and medical examinations identifying medical conditions not listed in the rating schedule. GAO recommended that VA update the schedule’s medical criteria and keep them current. In 1989, VA began a process of systematically updating the schedule to ensure the medical criteria for each diagnosis.

GAO–Law Allows Compensation for Disabilities Unrelated to Military Service (1989). According to GAO, the laws governing disability compensation do not require VA to determine if military service was a contributing factor in the cause of a disease but only require that the disease became manifest at the time of service. Based on a review of 400 sample cases for veterans receiving disability compensation as of August 1986, GAO estimated that about 19 percent of veterans receiving compensation had disabilities resulting from diseases that were probably neither caused nor aggravated by military service, and 13 percent had disabilities resulting from diseases for which the relationship to service could not be determined.

GAO suggested that Congress might want to reconsider whether diseases that arose during military service, but that were neither caused nor aggravated by the service, should be compensable conditions. Such a change would require revising the definition of “service-connected” and would likely require legislative action. GAO further suggested that such changes be prospective in order not to affect veterans already receiving compensation. VA did not comment on the matter. In 2003 Congressional testimony, GAO estimated that in 2002 about 290,000 veterans received \$970 million for diseases identified as not caused by or related to military service.

Veterans’ Claims Adjudication Commission (1996). Authorized by Public Law 103-446, the Veterans’ Claims Adjudication Commission, also known as the Melidosian Commission, conducted a major evaluation of C&P programs, including the claims and appellate processes. Although most of its work focused on other C&P program and management issues, the Commission’s 1996 report did comment on the rating schedule. The Commission concluded that the laws and regulations governing compensation were

silent on the purpose of the program and only vaguely defined the concept of disability for purposes of monetary benefits. Further, a clear statement of purpose codified in Title 38 United States Code would help program managers ensure the intent of Congress was met. The Commission also concluded that VA would benefit from better communication with others involved in similar disability determinations and recommended that VBA develop and implement a business plan to increase its involvement with other Federal and state disability programs, private insurers, and medical associations. This involvement could benefit VA by providing useful information about current administrative and medical evaluation theories and practices that could be applied to VA's own programs.

In a March 1997 review of the Commission report, VA's Strategic Management Group disagreed with the Commission's conclusions on the need to clarify program intent, finding that the intent of the program—to compensate for disabled veterans' average loss of earnings capacity—was clear. The Group did agree that it would be useful to be an active participant in associations involved in disability determinations. However, the Group indicated that the Commission's intent in calling for a business plan to accomplish this recommendation was not clear and seemed unnecessarily prescriptive.

GAO–Disability Ratings May Not Reflect Veterans' Economic Loss (1997). In 1997, GAO concluded that the rating schedule had not changed substantially since 1945. VA disability ratings were still primarily based on the judgments that the physicians and lawyers who developed the 1945 schedule made about disabilities and the average effect on the ability to perform jobs requiring manual and physical labor. Because the composition of industry and the workforce had changed over the years, the schedule did not correspond to disabled veterans' actual average loss of earnings capacity. GAO further stated VA had made few substantive changes in the schedule in response to the 1956 Bradley Commission and the 1971 ECVARS studies. GAO suggested that there are generally accepted and widely-used research designs and statistical methods that VA could apply to develop actual earnings-based estimates of economic impairment associated with specific service-connected disabilities.

GAO suggested that Congress consider directing VA to develop such information and adjust disability ratings accordingly. GAO did not provide an estimate of the effects on beneficiary payments or program costs that might result from such a change in the basis for rating disabilities. In response, VA commented that the current rating schedule represented a consensus among Congress, VA, and the veteran community and that changing the basis for the rating schedule would serve no useful purpose.

VA OIG–Consideration of Lifetime Impairment in Disability Ratings (1997). In 1997, as part of an overall strategy to improve C&P claims processing timeliness, the OIG suggested that VBA revise rating criteria to reflect expected lifetime impairment so that VA could offer lump sum payments to veterans and reduce the number of reopened claims. VBA responded that changing to a lump sum payment option in lieu of small

monthly payments seemed to be counter to the purpose of the compensation program because it did not address the effects of worsening disabilities associated with aging.

National Academy of Public Administration Study (1997). A 1997 National Academy of Public Administration study of VBA's overall management of the C&P program concluded that VBA had not developed the management capabilities needed to achieve permanent service performance improvements. One of the areas VBA needed to improve was the consistency of adjudication decisions. The Academy recognized the increasing complexity of claims processing requirements resulting from the advent of judicial review in the late 1980s and the increased number of disability claims and the number of disabilities being claimed by veterans.

The Academy identified several factors that could lead to inconsistency in claims decisions: (1) achieving consistency across 58 decentralized offices (Wyoming was a stand alone VARO in 1997) and 800 rating specialists was inherently difficult; (2) certain medical conditions, such as psychiatric cases, required subjective judgment in disability determinations; (3) regulations were sometimes unclear and subject to different interpretations; (4) the quality assurance system did not assess consistency of decisions; and (5) VBA lacked a comprehensive training strategy that identified training needs and used standardized training to meet those needs.

VA Claims Processing Task Force (2001). The Task Force was established by the Secretary of Veterans Affairs to assess VBA organization, management, and processes and to make recommendations to improve VA's ability to process veterans' C&P claims. While acknowledging the work of previous studies and commissions and VA initiatives to improve its capability to adjudicate claims, the task force noted the need for major improvement in areas such as accountability, leadership, organization, communication, change management, claims development, medical examinations, and training. One of the Task Force's concerns was the lack of reliable assurances that claims decisions would be made as uniformly and fairly as possible to the benefit of the veteran. The Task Force made a number of short-term and middle-term recommendations to address the immediate claims backlog crisis and other quality issues.

In an April 2005 briefing paper, VBA indicated that actions in the last 3 years to implement the Task Force recommendations have improved the quality of its claims decisions and laid the groundwork for ensuring more consistency of decisions in the future. The implementation actions included changes to make all VARO organizations consistent in organization, work processes, and information technology applications; specialization and consolidation for certain types of claims; centralized training for claims processing staff, including computerized training modules, satellite broadcasts, and training letters on specific disability issues; revisions to the rating schedule to eliminate ambiguous criteria; site reviews to monitor policy compliance; and improvements in the STAR quality reviews to monitor and measure claims accuracy.

GAO–Reexamination of Disability Criteria (2002). In 2002, GAO evaluated the extent to which SSA and VA have updated disability criteria based on scientific advances and labor market changes. GAO found that SSA and VA had not fully updated their disability criteria and progress in updating medical criteria used to make eligibility decisions had been slow. The agencies had made some changes that recognized medical advances that have reduced the severity and occurrence of some conditions. However, the statutory design of the disability programs has limited the role of medical treatment and assistive technologies in determinations of disability. In addition, VA had made slow progress in updating the rating schedule, completing criteria revisions for 11 of the 16 body systems (now consolidated into 15 systems) since the process began in 1989. VA took on average about 5 years to complete updates of individual body systems. The amount of time was attributed to the extensive external and internal review processes used and the limited number of staff assigned to coordinate the updates.

GAO recommended that VA use its annual performance plan to define and carry out strategies for making progress in updating the rating schedule and that VA study and report to Congress the effects that a comprehensive consideration of medical treatment and assistive technologies would have on the VA disability compensation program. VA did not agree with the recommendations. VA responded that it was inappropriate to develop a timetable for future rating schedule updates while its initial review was still ongoing. VA did not agree to study the effects of medical treatment and assistive technologies on the compensation program, stating that moving in this direction would be a radical departure from the current program that might not be supported by Congress and the veteran community.

GAO–VA Disability Compensation Program Designated as High Risk (2003). In 2003, GAO designated modernization of Federal disabilities programs, including VA and SSA programs, as high risk areas because the programs were not aligned with 21st century realities or positioned to provide meaningful and timely support for persons with disabilities. As in its previous reviews, GAO again asserted that the VA disability compensation program had not been updated to reflect the current state of science, medicine, technology, and labor market conditions. In addition, while VA had made progress in improving the timeliness of its disability claims decisions, it was still far from meeting its goals. Modernizing the programs would likely require fundamental changes, including regulatory and legislative action.

GAO–Plan Needed for Assessing Consistency of Ratings (2004). In a 2004 review, GAO concluded that VBA did not systematically assess decision-making consistency among regional offices and that automated BDN payment system data did not provide a reliable basis for identifying indications of possible inconsistencies. Although GAO presented no empirical evidence showing that inconsistency in rating decisions was a significant problem, it repeated its concerns of earlier reviews. In 2002, GAO had reported that VA did not systematically assess decision-making consistency for specific

Appendix A

impairments, despite concerns about possible inconsistencies and that VBA's STAR program assessed overall accuracy of disability decisions but not consistency of decisions. GAO cited concerns from the 1997 National Academy of Public Administration report and the 2001 VA Claims Processing Task Force about the inherent difficulty of achieving consistency across 57 regional offices because of differing interpretations of VA guidelines. VA had previously agreed in principle with GAO's 2002 recommendation to conduct consistency assessments but did not describe how it would measure consistency.

In 2004, VA officials stated that the new RBA (Rating Board Automation) 2000 system might provide the data necessary to track regional office-specific average disability ratings for specific impairments although VA might need to collect system data for several years in order to analyze consistency. GAO recommended that VA develop a plan to use the data gathered from RBA 2000 to identify indications of possible inconsistencies in the award or denial of disability compensation among regional offices and to systematically study consistency for specific impairments based on the RBA 2000 data. VA agreed with GAO's conclusions and recommendations.

Thesis on State Demographics and Veteran Disability (2004). A 2004 thesis prepared by the director of a state department of veterans' affairs office evaluated state-by-state variances in the percentage of veterans receiving disability benefits and the percentage of veterans rated at different degrees of service-connected disability. For example, in 2001 the nationwide percentage of total veterans receiving disability compensation was 10.2 percent, with a low of 6.3 percent for Illinois and a high of 15.9 percent for Alaska. To evaluate the variances, the author performed statistical analyses of the relationships between various state demographic factors and disability receipt rates for VA's C&P programs.

The author concluded that the distribution of disabled veterans across the nation was not random and that states with more rural, poor, and less educated populations had more disabled veterans. States with higher percentages of younger veterans and military retirees had higher percentages of disabled veterans. The influences of individual VAROs, state and local governments, and veterans' service organizations had little effect on disability receipt rates. Veterans with higher disability ratings, including military retirees, migrated or returned to areas with lower socioeconomic conditions that are attractive for those living on fixed government-provided incomes. Older veterans with mild or moderate disabilities were less likely to apply for disability benefits. The author noted that his statistical tests were relatively simple and recommended that more complex analysis be done to provide more detail and to examine veteran population variations within states.

Selected Reviews of VA's Disability Programs and Schedule for Rating Disabilities

Economic Systems Inc., *Literature Review and Analysis of the Legislative History of the VA Disability Compensation Program*, December 2004.

Clayton A. Clarke, *State Demographics and Veteran Disability*, (MLA thesis, Harvard University, 2004).

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GAO, *Veterans' Benefits: Promising Claims-Processing Practices Need to Be Evaluated*, April 2000.

GAO, *Veterans' Benefits Claims: Further Improvements Needed in Claims-Processing Accuracy*, March 1999.

GAO, *VA Disability Compensation: Disability Ratings May Not Reflect Veterans' Economic Losses*, January 1997.

GAO, *VA Benefits: Law Allows Compensation for Disabilities Unrelated to Military Service*, July 1989.

GAO, *Veterans' Benefits: Need to Update Medical Criteria Used in VA's Disability Rating Schedule*, December 1988.

Diseases Subject to Presumptive Service Connection

This appendix lists the VA-recognized presumptive service-connected conditions as prescribed in Title 38, Code of Federal Regulations, Volume 1, Section 3.309, revised as of July 1, 2004.

Chronic Diseases

Anemia, primary	Myocarditis
Arteriosclerosis	Nephritis
Arthritis	Other organic diseases of the nervous system
Atrophy, Progressive muscular	Osteitis deformans (Paget's disease)
Brain hemorrhage	Osteomalacia
Brain thrombosis	Palsy, bulbar
Bronchiectasis	Paralysis agitans
Calculi of the kidney, bladder, or gallbladder	Psychoses
Cardiovascular-renal disease, including hypertension	Purpura idiopathic, hemorrhagic
Cirrhosis of the liver	Raynaud's disease
Coccidioidomycosis	Sarcoidosis
Diabetes mellitus	Scleroderma
Encephalitis lethargica residuals	Sclerosis, amyotrophic lateral
Endocarditis	Sclerosis, multiple
Endocrinopathies	Syringomyelia
Epilepsies	Thromboangilitis obliterans (Buerger's disease)
Hansen's disease	Tuberculosis, active
Hodgkin's disease	Tumors, malignant, or of the brain or spinal cord or peripheral nerves
Leukemia	Ulcers, peptic (gastric or duodenal)
Lupus erthematosus, systemic	
Myasthenia gravis	
Myelitis	

Tropical Diseases

Amebiasis	Blackwater fever
Cholera	Dracontiasis
Dysentery	Filariasis
Leishmaniasis, including kala-azar	Loiasis
Malaria	Onchocerciasis
Oroya fever	Pinta
Plague	Schistosomiasis
Yaws	Yellow fever

Diseases Specific to Former Prisoners of War

Psychosis	Atherosclerotic heart disease or
Any of the anxiety states	hypertensive vascular disease
Avitaminosis	(including hypertensive heart
Beriberi (including beriberi heart disease)	disease) and their complications
Chronic dysentery	(including myocardial infarction,
Helminthiasis	congestive heart failure, arrhythmia)
Dysthymic disorder (or depressive	Malnutrition (including optic atrophy
neurosis)	associated with malnutrition)
Cirrhosis of the liver	Pellagra
Stroke and its complications	Post-traumatic osteoarthritis
Organic residuals of frostbite, if determined	Any other nutritional deficiency
that the veteran's internment was in	Irritable bowel syndrome
climatic conditions consistent with the	Peptic ulcer disease
occurrence of frostbite	Peripheral neuropathy, except where
	directly related to infectious causes

Diseases Specific to Radiation-Exposed Veterans

Cancer of the bile ducts	Leukemia (other than chronic
Cancer of the thyroid	lymphocytic leukemia)
Cancer of the breast	Primary liver cancer (except if cirrhosis
Cancer of the pharynx	or hepatitis B is indicated)
Cancer of the esophagus	Cancer of the gall bladder
Cancer of the stomach	Cancer of the salivary gland
Cancer of the small intestine	Cancer of the urinary tract
Cancer of the pancreas	Bronchiolo-alveolar carcinoma
Multiple myeloma	Cancer of the bone
Lymphomas (except Hodgkin's disease)	Cancer of the brain
Cancer of the ovary	Cancer of the colon
Cancer of the lung	

Diseases Associated with Exposure to Certain Herbicide Agents

Non-Hodgkin's lymphoma	Type 2 diabetes (also known as Type II diabetes mellitus or adult-onset diabetes)
Multiple myeloma	
Hodgkin's disease	
Respiratory cancers (cancer of the lung, bronchus, larynx, or trachea)	Acute and subacute peripheral neuropathy
*Soft-tissue sarcoma (other than osteosarcoma, chondrosarcoma, Kaposi's sarcoma, or mesothelioma)	Porphyria cutanea tarda Prostate cancer Chronic lymphocytic leukemia
Chloracne or other acneform disease consistent with chloracne	

*Soft-tissue sarcoma includes the following:

Adult fibrosarcoma	Synovial sarcoma (malignant synovioma)
Dermatofibrosarcoma protuberans	Malignant giant cell tumor of tendon sheath
Malignant fibrous histiocytoma	Malignant schwannoma
Liposarcoma	Malignant mesenchymoma
Leiomyosarcoma	Malignant granular cell tumor
Malignant ganglioneuroma	Alveolar soft part sarcoma
Rhabdomyosarcoma	Epithelioid sarcoma
Ectomesenchymoma	Clear cell sarcoma of tendons and aponeuroses
Congenital and infantile fibrosarcoma	Extraskeletal Ewing's sarcoma
Proliferating (systemic) angioendotheliomatosis	Malignant glomus tumor
Malignant hemangiopericytoma	Angiosarcoma (hemangiosarcoma and lymphangiosarcoma)
Epithelioid leiomyosarcoma (malignant leiomyoblastoma)	

VA Compensation Payment and Program Characteristics by State

This appendix contains the following tables showing various analyses of state by state data.

- Table 1 Veterans Receiving Compensation and Average Annual Payments by State for FYs 1999-2004
- Table 2 Average Annual Payments for Veterans Who Began Receiving Compensation in FYs 1999–2005
- Table 3 Historical Ranking of Annual Average Payments for All Veterans in FYs 1985–2004 and for Veterans Who Began Receiving Compensation in FYs 1999–2005 by State
- Table 4 Percentage of Veterans Receiving Compensation by State–FY 2004
- Table 5 Compensation Claims Received for FYs 2002–2004 per State Veteran Population
- Table 6 Veterans with Military-Retired Status by State–FY 2004
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Table 1. Veterans Receiving Compensation and Average Annual Payments by State for FYs 1999–2004

State	1999		2000		2001		2002		2003		2004	
	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Veterans	Average Annual Payment
50-State Totals	2,220,262	\$6,053	2,234,467	\$6,394	2,248,419	\$6,804	2,328,362	\$7,333	2,417,149	\$7,868	2,493,576	\$8,378
New Mexico	20,744	\$7,281	21,199	\$8,030	21,513	\$8,788	22,763	\$9,888	24,177	\$11,025	25,258	\$12,004
Maine	15,951	\$8,281	16,261	\$8,969	16,401	\$9,687	17,350	\$10,481	18,018	\$11,086	18,751	\$11,626
Arkansas	29,134	\$8,323	29,013	\$8,638	29,213	\$9,167	29,974	\$9,837	30,800	\$10,374	31,473	\$10,968
West Virginia	18,084	\$7,456	18,413	\$8,118	18,660	\$8,629	19,325	\$9,354	20,238	\$10,122	20,681	\$10,866
Oklahoma	43,609	\$7,707	44,035	\$8,105	44,499	\$8,576	46,930	\$9,346	49,005	\$10,065	51,213	\$10,697
Oregon	30,123	\$7,122	30,413	\$7,513	30,450	\$8,028	32,110	\$8,692	33,647	\$9,524	35,449	\$10,277
Vermont	6,095	\$6,997	6,123	\$7,329	6,181	\$7,820	6,425	\$8,411	6,645	\$9,049	6,894	\$9,649
Arizona	40,648	\$6,574	41,632	\$7,019	42,882	\$7,532	44,991	\$8,149	47,851	\$8,725	50,224	\$9,308
North Carolina	71,504	\$6,484	73,887	\$6,761	76,028	\$7,201	81,294	\$7,894	86,335	\$8,675	90,745	\$9,281
Kentucky	33,057	\$6,489	33,311	\$6,851	33,425	\$7,338	34,641	\$7,942	36,401	\$8,584	37,657	\$9,194
Louisiana	33,721	\$6,343	33,932	\$6,718	34,212	\$7,171	35,662	\$7,846	36,559	\$8,479	37,475	\$9,114
Mississippi	23,682	\$7,075	23,808	\$7,425	23,874	\$7,888	24,576	\$8,317	25,124	\$8,634	25,620	\$8,949
Texas	172,624	\$6,270	176,808	\$6,642	180,741	\$7,078	190,098	\$7,740	200,473	\$8,383	208,986	\$8,928
Rhode Island	17,648	\$6,263	17,431	\$6,662	17,080	\$7,120	17,183	\$7,713	17,181	\$8,331	17,301	\$8,893
Montana	10,393	\$6,520	10,604	\$6,883	10,827	\$7,295	11,416	\$7,921	11,974	\$8,393	12,444	\$8,871
Nevada	15,127	\$5,674	15,974	\$6,221	16,681	\$6,717	17,969	\$7,396	19,421	\$8,114	20,620	\$8,771
Tennessee	47,083	\$6,570	47,712	\$6,851	48,244	\$7,154	50,201	\$7,634	51,903	\$8,171	54,108	\$8,698
Florida	151,349	\$6,800	154,973	\$7,167	158,773	\$7,527	166,507	\$7,937	173,440	\$8,274	179,850	\$8,658
Nebraska	16,821	\$6,565	17,322	\$6,887	17,803	\$7,319	19,533	\$7,982	21,567	\$8,452	23,143	\$8,623
Idaho	11,089	\$5,903	11,508	\$6,368	11,932	\$6,898	12,871	\$7,626	13,498	\$8,064	14,185	\$8,604
South Dakota	8,387	\$6,216	8,470	\$6,562	8,663	\$7,037	9,110	\$7,532	9,477	\$8,029	9,823	\$8,548
Washington	72,602	\$6,235	74,548	\$6,654	76,130	\$7,113	79,490	\$7,658	82,670	\$8,092	85,094	\$8,531
Hawaii	13,080	\$6,060	13,324	\$6,476	13,613	\$6,947	14,479	\$7,356	15,181	\$7,893	15,895	\$8,491
South Carolina	36,616	\$6,059	37,502	\$6,441	38,710	\$7,015	40,975	\$7,510	43,008	\$7,943	44,708	\$8,459
Minnesota	33,975	\$5,805	33,842	\$6,238	33,872	\$6,755	35,412	\$7,300	37,405	\$7,847	39,990	\$8,321
Wisconsin	40,329	\$6,033	40,270	\$6,346	40,098	\$6,686	41,294	\$7,173	43,128	\$7,744	44,102	\$8,297

Appendix D

State	1999		2000		2001		2002		2003		2004	
	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Veterans	Average Annual Payment
Missouri	42,566	\$6,114	42,527	\$6,394	42,613	\$6,794	44,244	\$7,282	46,819	\$7,757	49,126	\$8,232
New Hampshire	12,722	\$6,703	12,706	\$6,946	12,727	\$7,310	13,149	\$7,594	13,445	\$7,856	13,470	\$8,168
Alabama	48,081	\$6,391	48,433	\$5,980	49,018	\$6,484	50,731	\$6,980	52,929	\$7,627	54,247	\$8,165
North Dakota	9,109	\$5,542	9,114	\$5,972	9,114	\$6,494	9,607	\$7,000	10,104	\$7,661	10,655	\$8,143
Alaska	9,564	\$5,661	9,979	\$6,707	10,362	\$7,176	10,853	\$7,641	11,351	\$7,901	11,648	\$8,138
California	204,800	\$5,621	206,424	\$5,971	207,708	\$6,366	214,397	\$6,928	224,397	\$7,559	229,915	\$8,099
Maryland	26,147	\$5,763	26,757	\$6,046	27,539	\$6,385	31,049	\$6,949	34,230	\$7,472	36,808	\$7,944
Colorado	42,575	\$5,880	43,329	\$6,171	44,245	\$6,485	45,958	\$6,912	48,321	\$7,525	49,580	\$7,944
Utah	12,876	\$5,821	13,018	\$6,131	13,336	\$6,583	13,769	\$7,041	14,262	\$7,447	14,748	\$7,906
Pennsylvania	98,639	\$5,673	96,721	\$6,036	95,008	\$6,410	95,648	\$6,915	96,849	\$7,384	101,755	\$7,898
Iowa	19,708	\$5,852	19,439	\$6,099	19,297	\$6,417	19,520	\$6,824	20,113	\$7,366	20,642	\$7,797
Wyoming	5,120	\$5,987	5,214	\$6,307	5,182	\$6,524	5,388	\$6,992	5,675	\$7,315	5,871	\$7,778
Georgia	70,729	\$5,926	72,370	\$6,166	74,190	\$6,489	77,369	\$6,857	81,058	\$7,326	84,118	\$7,775
Virginia	60,788	\$6,079	62,896	\$6,315	64,430	\$6,558	69,907	\$6,933	75,985	\$7,295	81,297	\$7,716
Kansas	22,765	\$5,748	22,520	\$5,924	22,466	\$6,318	22,765	\$6,753	23,814	\$7,216	24,213	\$7,579
Massachusetts	60,178	\$5,507	58,459	\$5,783	56,936	\$6,194	55,676	\$6,647	54,514	\$7,047	53,584	\$7,529
Delaware	6,751	\$5,796	6,856	\$6,094	6,880	\$6,411	7,084	\$6,737	7,281	\$7,061	7,584	\$7,453
New York	129,237	\$5,442	125,713	\$5,698	122,287	\$6,040	121,258	\$6,417	120,902	\$6,860	119,963	\$7,348
Indiana	38,051	\$5,603	38,168	\$5,897	38,193	\$6,253	39,428	\$6,602	41,135	\$6,961	42,855	\$7,287
Michigan	64,599	\$5,218	63,504	\$5,455	62,385	\$5,797	62,758	\$6,241	63,109	\$6,671	64,204	\$7,241
Connecticut	22,038	\$5,249	21,678	\$5,546	21,219	\$5,936	21,346	\$6,356	21,148	\$6,791	21,005	\$7,204
Ohio	86,141	\$5,329	84,889	\$5,575	83,559	\$5,862	84,012	\$6,215	85,001	\$6,608	85,527	\$7,039
New Jersey	53,306	\$5,119	51,682	\$5,402	50,192	\$5,759	49,604	\$6,222	48,408	\$6,607	46,903	\$7,028
Illinois	60,297	\$4,940	59,756	\$5,208	59,028	\$5,532	60,263	\$6,004	61,173	\$6,493	62,169	\$6,961
High Avg. Payment	AR	\$8,323	ME	\$8,969	ME	\$9,687	ME	\$10,481	ME	\$11,086	NM	\$12,004
Low Avg. Payment	IL	<u>\$4,940</u>	IL	<u>\$5,208</u>	IL	<u>\$5,532</u>	IL	<u>\$6,004</u>	IL	<u>\$6,493</u>	IL	<u>\$6,961</u>
Difference		\$3,383		\$3,761		\$4,155		\$4,477		\$4,593		\$5,043

Table 2. Average Annual Payments for Veterans Who Began Receiving Compensation in FYs 1999–2005

States	1999		2000		2001		2002		2003		2004		2005	
	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Veterans	Average Annual Payment
50-State Totals	89,623	\$4,971	84,576	\$5,404	83,018	\$5,930	149,610	\$6,430	159,441	\$6,853	146,547	\$6,988	65,642	\$6,431
New Mexico	1,012	\$6,575	929	\$7,450	822	\$10,015	1,751	\$9,877	1,979	\$11,236	1,533	\$11,206	591	\$8,812
Maine	556	\$6,407	715	\$7,806	586	\$8,830	1,443	\$8,433	1,141	\$8,455	1,240	\$7,320	504	\$5,721
Arkansas	1,127	\$6,153	861	\$6,217	1,086	\$6,861	1,639	\$7,877	1,699	\$8,131	1,571	\$8,436	718	\$8,284
West Virginia	913	\$6,735	919	\$6,862	838	\$6,710	1,511	\$6,848	1,578	\$7,602	1,175	\$7,615	534	\$6,597
Oklahoma	1,616	\$5,373	1,752	\$6,159	1,820	\$6,633	3,728	\$7,581	3,724	\$8,327	3,980	\$7,835	1,846	\$6,428
Oregon	1,252	\$5,768	1,022	\$6,020	719	\$7,784	2,292	\$7,665	2,317	\$8,512	2,547	\$8,121	814	\$8,141
Vermont	213	\$4,704	181	\$6,249	184	\$7,856	355	\$7,136	354	\$7,518	412	\$7,732	154	\$6,967
Arizona	1,684	\$4,818	1,915	\$5,518	2,096	\$6,420	2,994	\$7,133	3,543	\$7,500	3,217	\$7,530	1,302	\$7,059
North Carolina	3,783	\$5,462	4,291	\$5,384	4,091	\$5,809	7,324	\$6,848	7,401	\$7,653	6,487	\$7,240	3,802	\$5,980
Kentucky	1,369	\$4,760	1,314	\$4,955	1,165	\$6,294	2,351	\$6,720	2,891	\$6,975	2,512	\$7,416	1,835	\$5,780
Louisiana	1,527	\$4,893	1,426	\$5,619	1,429	\$5,859	2,623	\$6,725	2,243	\$7,300	2,010	\$7,937	919	\$7,397
Mississippi	813	\$4,885	822	\$5,457	763	\$5,689	1,455	\$5,607	1,286	\$5,687	1,263	\$6,196	598	\$5,915
Texas	9,813	\$5,027	8,824	\$5,272	8,858	\$5,950	14,544	\$6,818	15,162	\$7,232	13,737	\$7,302	6,374	\$6,707
Rhode Island	339	\$5,148	418	\$5,684	294	\$7,681	768	\$7,389	664	\$8,090	780	\$7,577	262	\$6,458
Montana	480	\$4,646	452	\$4,921	464	\$6,228	804	\$6,186	873	\$6,309	753	\$6,483	418	\$5,617
Nevada	725	\$4,573	934	\$5,315	594	\$6,553	1,237	\$6,374	1,680	\$7,510	1,357	\$7,625	518	\$7,466
Tennessee	2,041	\$4,980	1,911	\$4,789	1,839	\$5,083	3,354	\$5,795	3,271	\$6,754	3,523	\$6,810	1,680	\$6,084
Florida	6,366	\$4,767	7,458	\$5,145	7,048	\$5,144	10,965	\$5,958	10,097	\$5,897	9,760	\$6,292	3,834	\$5,903
Nebraska	1,017	\$5,478	1,055	\$5,155	1,146	\$5,677	2,315	\$6,121	2,675	\$6,181	2,371	\$5,302	850	\$5,287
Idaho	607	\$4,629	591	\$5,169	587	\$6,442	1,159	\$6,629	854	\$6,705	831	\$6,343	417	\$5,341
South Dakota	435	\$6,512	300	\$6,284	417	\$6,826	594	\$6,321	563	\$6,434	541	\$7,678	281	\$7,357
Washington	4,194	\$5,534	3,874	\$6,152	3,497	\$6,726	5,388	\$6,822	5,466	\$7,067	4,722	\$7,472	1,922	\$7,104
Hawaii	665	\$4,856	569	\$5,756	635	\$5,323	1,231	\$5,457	1,136	\$6,493	1,209	\$6,979	500	\$6,506
South Carolina	1,952	\$4,423	1,790	\$5,422	1,941	\$6,346	3,007	\$5,968	2,976	\$5,928	2,790	\$6,918	1,287	\$6,936
Minnesota	1,060	\$5,425	1,050	\$6,174	1,170	\$7,195	2,695	\$6,557	3,094	\$6,399	3,721	\$5,921	1,833	\$5,064
Wisconsin	1,093	\$5,402	1,028	\$6,007	927	\$6,560	2,300	\$6,638	2,797	\$7,367	2,523	\$7,780	1,060	\$6,743
Missouri	1,740	\$4,705	1,203	\$4,808	1,468	\$4,855	2,939	\$5,781	3,947	\$5,679	3,729	\$6,085	1,573	\$5,260

Appendix D

States	1999		2000		2001		2002		2003		2004		2005	
	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Veterans	Average Annual Payment	Veterans	Average Annual Payment
New Hampshire	497	\$4,649	361	\$5,317	335	\$5,520	692	\$5,181	607	\$6,055	438	\$5,931	220	\$4,816
Alabama	1,883	\$4,340	1,649	\$4,738	1,928	\$5,690	3,102	\$5,990	3,661	\$6,510	2,762	\$6,920	1,485	\$6,035
North Dakota	290	\$4,617	335	\$6,051	337	\$5,816	821	\$6,562	861	\$7,158	946	\$6,181	441	\$5,142
Alaska	692	\$5,099	657	\$5,687	570	\$6,815	739	\$6,475	825	\$5,988	609	\$5,803	269	\$5,575
California	9,745	\$5,134	8,741	\$5,495	8,165	\$6,272	14,882	\$6,723	17,528	\$7,248	14,005	\$7,313	6,357	\$6,949
Maryland	1,413	\$5,217	1,333	\$5,853	1,394	\$5,956	2,750	\$6,324	2,871	\$6,395	2,662	\$6,698	968	\$6,663
Colorado	1,797	\$4,778	1,845	\$5,462	1,978	\$5,777	3,081	\$6,282	3,703	\$7,440	2,608	\$7,011	1,517	\$5,866
Utah	562	\$4,892	452	\$5,379	656	\$5,957	715	\$6,019	826	\$6,374	860	\$6,779	517	\$5,557
Pennsylvania	2,533	\$5,203	2,183	\$5,914	2,226	\$5,842	4,318	\$6,380	4,330	\$6,800	4,708	\$6,865	2,152	\$7,180
Iowa	507	\$5,238	410	\$5,115	478	\$5,371	888	\$5,835	1,252	\$6,509	1,170	\$6,677	458	\$6,485
Wyoming	230	\$4,313	270	\$5,245	191	\$4,563	376	\$6,240	444	\$5,584	381	\$6,493	167	\$5,638
Georgia	3,610	\$4,237	3,261	\$4,601	3,455	\$4,896	4,859	\$5,407	5,201	\$6,079	4,851	\$6,302	2,168	\$6,185
Virginia	3,823	\$4,628	3,686	\$5,065	2,930	\$5,453	6,046	\$5,995	7,095	\$6,188	6,457	\$7,054	2,653	\$6,871
Kansas	802	\$3,820	536	\$4,455	703	\$6,003	1,187	\$5,838	1,682	\$6,256	1,166	\$6,424	518	\$5,705
Massachusetts	962	\$5,195	908	\$5,282	1,082	\$5,954	1,558	\$6,284	1,480	\$6,975	1,861	\$6,487	576	\$5,943
Delaware	304	\$5,035	304	\$4,543	202	\$6,311	372	\$5,805	374	\$5,487	440	\$6,091	193	\$5,666
New York	2,966	\$4,321	2,366	\$4,915	2,289	\$5,411	4,843	\$5,674	5,265	\$6,099	4,649	\$6,775	2,168	\$6,236
Indiana	1,418	\$4,069	1,203	\$4,665	1,159	\$5,131	2,467	\$4,980	2,938	\$5,315	2,998	\$5,152	1,141	\$4,711
Michigan	1,460	\$4,755	1,249	\$5,479	1,302	\$5,852	2,640	\$6,482	2,695	\$7,013	3,288	\$7,326	1,311	\$7,053
Connecticut	516	\$5,732	457	\$5,543	406	\$6,954	1,008	\$5,860	746	\$6,926	698	\$6,707	373	\$6,870
Ohio	1,934	\$4,531	1,794	\$5,077	1,843	\$4,983	3,563	\$5,445	4,221	\$5,857	3,599	\$6,616	1,351	\$6,156
New Jersey	962	\$4,662	865	\$5,594	874	\$5,729	1,791	\$6,479	1,879	\$6,052	1,604	\$6,479	684	\$6,252
Illinois	2,325	\$4,355	2,107	\$4,645	2,031	\$5,088	4,146	\$5,950	3,546	\$6,799	3,493	\$6,970	1,529	\$7,404

Table 3. Historical Ranking of Annual Average Payments for All Veterans in FYs 1985–2004 and for Veterans Who Began Receiving Compensation in FYs 1999–2005 by State

State	Ranking for All Veterans																			Ranking for New Compensation Recipients							
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004	2005
New Mexico	6	6	6	6	7	7	7	7	8	8	8	9	9	7	5	5	3	2	2	1	2	2	1	1	1	1	1
Maine	9	9	7	7	6	4	4	2	2	2	2	2	2	2	1	1	1	1	1	2	4	1	2	2	3	16	37
Arkansas	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	2	2	3	3	3	5	6	8	3	5	2	2
West Virginia	13	12	12	12	10	10	10	10	7	7	7	8	8	5	4	3	4	4	4	4	1	3	12	9	8	10	20
Oklahoma	4	4	4	4	3	3	2	3	3	3	3	3	3	3	4	5	5	5	5	13	8	13	5	4	5	24	
Oregon	15	16	16	16	13	14	15	14	12	12	9	6	6	6	6	6	6	6	6	6	6	11	4	4	2	3	3
Vermont	3	3	2	2	2	2	3	4	5	5	5	5	5	8	8	8	8	7	7	7	34	5	3	7	9	7	12
Arizona	7	7	9	9	9	8	8	8	10	11	10	11	11	11	10	9	9	8	8	28	21	17	8	11	12	10	
North Carolina	11	10	10	10	11	11	11	11	9	9	11	12	12	16	16	16	15	14	9	9	10	27	32	10	7	19	31
Kentucky	17	15	15	15	15	13	13	12	13	16	15	14	15	17	15	15	11	11	11	10	31	40	20	15	20	14	36
Louisiana	26	26	25	24	24	22	25	21	23	24	25	26	24	21	18	17	17	15	12	11	24	18	28	13	14	4	6
Mississippi	5	5	5	5	5	5	5	5	4	4	4	4	4	4	7	7	7	8	10	12	26	25	36	45	46	42	33
Texas	12	13	13	13	14	15	14	15	17	17	18	20	20	19	19	21	21	16	15	13	22	32	27	12	16	18	18
Rhode Island	23	22	22	23	21	20	22	23	24	23	20	19	19	18	20	19	19	17	16	14	18	17	5	6	6	11	23
Montana	21	19	20	19	19	19	18	19	19	19	19	18	17	13	14	13	14	13	14	15	37	41	22	30	34	36	41
Nevada	40	37	40	41	43	42	39	42	46	46	47	47	45	42	38	31	28	25	19	16	41	30	15	24	10	9	4
Tennessee	16	17	17	17	17	17	17	17	15	15	17	16	14	12	12	14	18	20	18	17	23	44	46	42	25	27	29
Florida	2	2	3	3	4	6	6	6	6	6	6	7	7	9	9	9	10	12	17	18	30	36	43	36	44	41	34
Nebraska	20	20	19	20	20	21	24	22	21	18	16	17	16	14	13	12	12	10	13	19	9	35	37	31	37	49	45
Idaho	24	21	21	21	22	23	21	26	30	28	32	35	34	34	30	26	25	21	21	20	38	34	16	17	26	39	44
South Dakota	18	18	18	18	18	18	19	20	20	21	23	22	26	23	22	22	22	23	22	21	3	4	9	26	30	8	7
Washington	22	24	24	25	26	28	32	33	34	34	34	31	23	22	21	20	20	18	20	22	8	9	11	11	18	13	9
Hawaii	34	28	26	26	25	25	28	24	22	25	24	24	21	27	25	23	24	26	25	23	27	15	42	46	29	22	21
South Carolina	31	32	31	29	30	29	30	27	27	27	27	27	27	24	26	24	23	24	23	24	43	26	18	35	43	25	14
Minnesota	46	46	46	46	47	47	47	47	47	47	46	41	38	37	34	30	27	27	27	25	11	7	6	19	31	47	48
Wisconsin	30	30	29	28	29	30	31	31	32	31	31	30	31	28	27	27	29	29	29	26	12	12	14	16	13	6	17
Missouri	27	27	28	27	27	26	29	30	25	22	22	21	22	25	23	25	26	28	28	27	33	43	49	43	47	45	46
New Hampshire	14	14	14	14	16	16	16	16	14	13	12	10	10	10	10	11	13	22	26	28	36	29	38	49	40	46	49

Appendix D

State	Ranking for All Veterans																			Ranking for New Compensation Recipients							
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004	2005
Alabama	28	29	30	31	32	31	33	35	36	37	39	39	40	38	40	39	36	33	31	29	45	45	35	34	27	24	30
North Dakota	44	44	44	43	40	38	40	38	35	36	36	37	37	39	43	40	33	31	30	30	40	10	31	18	17	43	47
Alaska	49	49	49	47	37	35	20	18	16	10	13	13	13	15	17	18	16	19	24	31	20	16	10	22	42	48	42
California	36	38	37	37	39	41	41	43	44	44	44	43	42	43	41	41	41	36	32	32	19	22	21	14	15	17	13
Maryland	33	34	33	33	34	34	34	32	31	33	33	33	33	36	36	37	40	34	34	33	15	14	25	25	32	31	19
Colorado	25	23	23	22	23	24	23	25	29	29	30	29	30	30	31	32	35	38	33	34	29	24	33	28	12	21	35
Utah	38	36	35	32	28	27	27	29	26	26	28	32	32	31	33	34	30	30	35	35	25	28	24	32	33	28	43
Pennsylvania	42	42	42	44	46	45	43	41	40	40	40	40	41	41	39	38	39	37	36	36	16	13	30	23	23	26	8
Iowa	29	31	32	34	35	36	36	36	37	35	35	36	36	35	32	35	37	40	37	37	14	37	41	40	28	32	22
Wyoming	19	25	27	30	31	33	26	28	28	30	29	25	29	29	28	29	32	32	39	38	47	33	50	29	48	34	40
Georgia	10	11	11	11	12	12	12	13	18	20	21	23	25	26	29	33	34	39	38	39	48	48	48	48	39	40	27
Virginia	8	8	8	8	8	9	9	9	11	14	14	15	18	20	24	28	31	35	40	40	39	39	39	33	36	20	15
Kansas	35	33	34	35	33	32	35	34	33	32	26	28	28	32	37	42	42	41	41	41	50	50	23	39	35	38	38
Massachusetts	37	39	38	38	38	39	38	40	41	41	41	44	44	44	44	44	44	43	43	42	17	31	26	27	21	35	32
Delaware	45	45	45	45	41	40	42	39	39	39	37	34	35	33	35	36	38	42	42	43	21	49	19	41	49	44	39
New York	41	41	41	40	45	46	45	45	43	43	42	42	43	45	45	45	45	45	44	44	46	42	40	44	38	29	26
Indiana	32	35	36	36	36	37	37	37	38	38	38	38	39	40	42	43	43	44	44	45	49	46	44	50	50	50	50
Michigan	39	40	39	39	42	43	44	44	42	42	43	46	47	47	48	48	48	47	47	46	32	23	29	20	19	15	11
Connecticut	47	47	47	48	48	48	48	48	48	48	48	48	48	48	47	47	46	46	46	47	7	20	7	38	22	30	16
Ohio	43	43	43	42	44	44	46	46	45	45	45	45	46	46	46	46	47	49	48	48	42	38	47	47	45	33	28
New Jersey	48	48	48	49	49	49	49	49	49	49	49	49	49	49	49	49	49	48	49	49	35	19	34	21	41	37	25
Illinois	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	44	47	45	37	24	23	5

Table 4. Percentage of Veterans Receiving Compensation by State—FY 2004

State	Average Annual Payment	Total State Veterans	Veterans Receiving Compensation	Percent of Total State Veterans
50-State Totals	\$8,378	24,485,952	2,493,576	10.2%
New Mexico	\$12,004	180,172	25,258	14.0%
Maine	\$11,626	143,726	18,751	13.0%
Arkansas	\$10,968	268,353	31,473	11.7%
West Virginia	\$10,866	188,101	20,681	11.0%
Oklahoma	\$10,697	355,312	51,213	14.4%
Oregon	\$10,277	366,780	35,449	9.7%
Vermont	\$9,649	57,802	6,894	11.9%
Arizona	\$9,308	555,223	50,224	9.0%
North Carolina	\$9,281	767,051	90,745	11.8%
Kentucky	\$9,194	359,845	37,657	10.5%
Louisiana	\$9,114	366,957	37,475	10.2%
Mississippi	\$8,949	240,109	25,620	10.7%
Texas	\$8,928	1,681,748	208,986	12.4%
Rhode Island	\$8,893	91,161	17,301	19.0%
Montana	\$8,871	102,605	12,444	12.1%
Nevada	\$8,771	243,716	20,620	8.5%
Tennessee	\$8,698	540,778	54,108	10.0%
Florida	\$8,658	1,788,496	179,850	10.1%
Nebraska	\$8,623	159,487	23,143	14.5%
Idaho	\$8,604	133,183	14,185	10.7%
South Dakota	\$8,548	73,400	9,823	13.4%
Washington	\$8,531	632,929	85,094	13.4%
Hawaii	\$8,491	107,310	15,895	14.8%
South Carolina	\$8,459	413,551	44,708	10.8%
Minnesota	\$8,321	426,591	39,990	9.4%
Wisconsin	\$8,297	474,594	44,102	9.3%
Missouri	\$8,232	554,531	49,126	8.9%
New Hampshire	\$8,168	131,074	13,470	10.3%
Alabama	\$8,165	426,322	54,247	12.7%
North Dakota	\$8,143	55,374	10,655	19.2%
Alaska	\$8,138	67,299	11,648	17.3%
California	\$8,099	2,310,968	229,915	9.9%
Maryland	\$7,944	486,298	36,808	7.6%
Colorado	\$7,944	427,956	49,580	11.6%
Utah	\$7,906	151,129	14,748	9.8%
Pennsylvania	\$7,898	1,145,919	101,755	8.9%
Iowa	\$7,797	265,960	20,642	7.8%
Wyoming	\$7,778	54,941	5,871	10.7%
Georgia	\$7,775	760,323	84,118	11.1%
Virginia	\$7,716	750,950	81,297	10.8%
Kansas	\$7,579	246,359	24,213	9.8%
Massachusetts	\$7,529	490,882	53,584	10.9%
Delaware	\$7,453	80,751	7,584	9.4%
New York	\$7,348	1,171,900	119,963	10.2%
Indiana	\$7,287	550,871	42,855	7.8%

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State	Average Annual Payment	Total State Veterans	Veterans Receiving Compensation	Percent of Total State Veterans
Michigan	\$7,241	836,950	64,204	7.7%
Connecticut	\$7,204	268,975	21,005	7.8%
Ohio	\$7,039	1,051,683	85,527	8.1%
New Jersey	\$7,028	582,917	46,903	8.0%
Illinois	\$6,961	896,640	62,169	6.9%

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Table 5. Compensation Claims Received for FYs 2002–2004 per State Veteran Population

State	State Veterans	Veterans Receiving Compensation as of 2004	Percent State Veterans Receiving Compensation	Total Claims Received	Total Claims per 1,000 State Veterans	Original Claims per 1,000 State Veterans	Reopened Claims per 1,000 State Veterans
50-State Totals	24,485,952	2,493,576	10.2%	1,771,738	72.4	21.0	51.4
New Mexico	180,172	25,258	14.0%	20,583	114.2	25.8	88.4
Maine	143,726	18,751	13.0%	14,564	101.3	24.1	77.2
Arkansas	268,353	31,473	11.7%	24,433	91.0	20.8	70.2
West Virginia	188,101	20,681	11.0%	19,566	104.0	21.0	83.0
Oklahoma	355,312	51,213	14.4%	45,873	129.1	33.9	95.2
Oregon	366,780	35,449	9.7%	29,153	79.5	21.3	58.2
Vermont	57,802	6,894	11.9%	4,420	76.5	18.0	58.4
Arizona	555,223	50,224	9.0%	40,093	72.2	18.5	53.7
North Carolina	767,051	90,745	11.8%	79,374	103.5	34.4	69.1
Kentucky	359,845	37,657	10.5%	32,281	89.7	34.1	55.7
Louisiana	366,957	37,475	10.2%	35,902	97.8	23.2	74.6
Mississippi	240,109	25,620	10.7%	24,254	101.0	23.4	77.6
Texas	1,681,748	208,986	12.4%	178,573	106.2	30.7	75.5
Rhode Island	91,161	17,301	19.0%	8,848	97.1	21.8	75.3
Montana	102,605	12,444	12.1%	9,795	95.5	25.3	70.2
Nevada	243,716	20,620	8.5%	16,215	66.5	19.0	47.5
Tennessee	540,778	54,108	10.0%	46,304	85.6	25.5	60.1
Florida	1,788,496	179,850	10.1%	134,299	75.1	20.0	55.1
Nebraska	159,487	23,143	14.5%	18,868	118.3	43.7	74.6
Idaho	133,183	14,185	10.7%	12,115	91.0	22.4	68.6
South Dakota	73,400	9,823	13.4%	8,200	111.7	26.6	85.1
Washington	632,929	85,094	13.4%	52,393	82.8	29.4	53.3
Hawaii	107,310	15,895	14.8%	12,826	119.5	37.9	81.6
South Carolina	413,551	44,708	10.8%	39,871	96.4	25.5	70.9
Minnesota	426,591	39,990	9.4%	31,212	73.2	20.4	52.8
Wisconsin	474,594	44,102	9.3%	28,902	60.9	14.8	46.1
Missouri	554,531	49,126	8.9%	40,536	73.1	23.0	50.1
New Hampshire	131,074	13,470	10.3%	6,943	53.0	13.2	39.8
Alabama	426,322	54,247	12.7%	41,061	96.3	25.6	70.7
North Dakota	55,374	10,655	19.2%	9,558	172.6	51.6	121.0
Alaska	67,299	11,648	17.3%	7,376	109.6	34.5	75.1
California	2,310,968	229,915	9.9%	154,746	67.0	22.6	44.4
Maryland	486,298	36,808	7.6%	25,736	52.9	17.1	35.8
Colorado	427,956	49,580	11.6%	35,245	73.0	23.4	49.5
Utah	151,129	14,748	9.8%	10,466	69.3	19.4	49.9
Pennsylvania	1,145,919	101,755	8.9%	57,908	50.5	13.0	37.5
Iowa	265,960	20,642	7.8%	13,714	51.6	15.4	36.1
Wyoming*	54,941	5,871	10.7%				
Georgia	760,323	84,118	11.1%	57,686	75.9	22.7	53.2
Virginia	750,950	81,297	10.8%	52,291	69.6	26.9	42.8
Kansas	246,359	24,213	9.8%	15,257	61.9	19.4	42.5
Massachusetts	490,882	53,584	10.9%	22,768	46.4	9.4	37.0
Delaware	80,751	7,584	9.4%	4,711	58.3	16.6	41.7

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State	State Veterans	Veterans Receiving Compensation as of 2004	Percent State Veterans Receiving Compensation	Total Claims Received	Total Claims per 1,000 State Veterans	Original Claims per 1,000 State Veterans	Reopened Claims per 1,000 State Veterans
New York	1,171,900	119,963	10.2%	62,921	53.7	13.9	39.8
Indiana	550,871	42,855	7.8%	30,178	54.8	16.1	38.7
Michigan	836,950	64,204	7.7%	37,126	44.4	12.0	32.4
Connecticut	268,975	21,005	7.8%	10,664	39.6	10.1	29.6
Ohio	1,051,683	85,527	8.1%	47,175	44.9	12.2	32.6
New Jersey	582,917	46,903	8.0%	18,980	32.6	7.6	24.9
Illinois	896,640	62,169	6.9%	39,775	44.4	14.2	30.2

*Note: Claims data is consolidated for Colorado and Wyoming.

Table 6. Veterans with Military-Retired Status by State—FY 2004

State	Veterans Receiving Compensation		Military-Retired Veterans		Non-Military-Retired Veterans			
	Average Annual Payment	Number	Number	Percent	Average Annual Payment	Number	Percent	Average Annual Payment
50-State Totals	\$8,378	2,493,576	751,791	30.1%	\$9,383	1,741,785	69.9%	\$7,945
New Mexico	\$12,004	25,258	8,863	35.1%	\$10,493	16,395	64.9%	\$12,820
Maine	\$11,626	18,751	4,865	25.9%	\$11,312	13,886	74.1%	\$11,736
Arkansas	\$10,968	31,473	9,631	30.6%	\$11,819	21,842	69.4%	\$10,592
West Virginia	\$10,866	20,681	4,043	19.5%	\$12,318	16,638	80.5%	\$10,513
Oklahoma	\$10,697	51,213	16,691	32.6%	\$10,677	34,522	67.4%	\$10,706
Oregon	\$10,277	35,449	7,763	21.9%	\$12,163	27,686	78.1%	\$9,748
Vermont	\$9,649	6,894	1,380	20.0%	\$11,599	5,514	80.0%	\$9,161
Arizona	\$9,308	50,224	18,499	36.8%	\$9,576	31,725	63.2%	\$9,152
North Carolina	\$9,281	90,745	34,093	37.6%	\$10,063	56,652	62.4%	\$8,810
Kentucky	\$9,194	37,657	10,442	27.7%	\$10,099	27,215	72.3%	\$8,846
Louisiana	\$9,114	37,475	10,708	28.6%	\$10,260	26,767	71.4%	\$8,656
Mississippi	\$8,949	25,620	9,061	35.4%	\$9,684	16,559	64.6%	\$8,547
Texas	\$8,928	208,986	82,307	39.4%	\$9,605	126,679	60.6%	\$8,488
Rhode Island	\$8,893	17,301	3,079	17.8%	\$10,387	14,222	82.2%	\$8,569
Montana	\$8,871	12,444	3,573	28.7%	\$9,629	8,871	71.3%	\$8,565
Nevada	\$8,771	20,620	8,322	40.4%	\$8,767	12,298	59.6%	\$8,774
Tennessee	\$8,698	54,108	17,662	32.6%	\$9,708	36,446	67.4%	\$8,208
Florida	\$8,658	179,850	70,971	39.5%	\$8,792	108,879	60.5%	\$8,571
Nebraska	\$8,623	23,143	6,812	29.4%	\$8,919	16,331	70.6%	\$8,499
Idaho	\$8,604	14,185	4,391	31.0%	\$9,343	9,794	69.0%	\$8,273
South Dakota	\$8,548	9,823	2,832	28.8%	\$9,179	6,991	71.2%	\$8,292
Washington	\$8,531	85,094	34,358	40.4%	\$8,551	50,736	59.6%	\$8,518
Hawaii	\$8,491	15,895	6,838	43.0%	\$8,487	9,057	57.0%	\$8,495
South Carolina	\$8,459	44,708	18,969	42.4%	\$8,869	25,739	57.6%	\$8,158
Minnesota	\$8,321	39,990	5,510	13.8%	\$11,235	34,480	86.2%	\$7,855
Wisconsin	\$8,297	44,102	6,593	14.9%	\$11,583	37,509	85.1%	\$7,719
Missouri	\$8,232	49,126	13,225	26.9%	\$9,401	35,901	73.1%	\$7,802
New Hampshire	\$8,168	13,470	3,757	27.9%	\$9,104	9,713	72.1%	\$7,806
Alabama	\$8,165	54,247	21,786	40.2%	\$8,324	32,461	59.8%	\$8,058
North Dakota	\$8,143	10,655	2,506	23.5%	\$9,160	8,149	76.5%	\$7,830
Alaska	\$8,138	11,648	5,343	45.9%	\$8,581	6,305	54.1%	\$7,762
California	\$8,099	229,915	74,961	32.6%	\$8,866	154,954	67.4%	\$7,728
Maryland	\$7,944	36,808	13,124	35.7%	\$8,929	23,684	64.3%	\$7,398
Colorado	\$7,944	49,580	20,235	40.8%	\$8,264	29,345	59.2%	\$7,723
Utah	\$7,906	14,748	4,612	31.3%	\$8,502	10,136	68.7%	\$7,635
Pennsylvania	\$7,898	101,755	18,148	17.8%	\$10,803	83,607	82.2%	\$7,267
Iowa	\$7,797	20,642	3,504	17.0%	\$10,573	17,138	83.0%	\$7,230
Wyoming	\$7,778	5,871	1,862	31.7%	\$8,110	4,009	68.3%	\$7,624
Georgia	\$7,775	84,118	34,364	40.9%	\$8,496	49,754	59.1%	\$7,277
Virginia	\$7,716	81,297	41,263	50.8%	\$7,951	40,034	49.2%	\$7,475
Kansas	\$7,579	24,213	7,776	32.1%	\$7,969	16,437	67.9%	\$7,394
Massachusetts	\$7,529	53,584	6,305	11.8%	\$11,250	47,279	88.2%	\$7,033
Delaware	\$7,453	7,584	2,655	35.0%	\$7,903	4,929	65.0%	\$7,210

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State	Veterans Receiving Compensation		Military-Retired Veterans			Non-Military-Retired Veterans		
	Average Annual Payment	Number	Number	Percent	Average Annual Payment	Number	Percent	Average Annual Payment
New York	\$7,348	119,963	13,517	11.3%	\$11,554	106,446	88.7%	\$6,814
Indiana	\$7,287	42,855	8,371	19.5%	\$9,750	34,484	80.5%	\$6,689
Michigan	\$7,241	64,204	9,627	15.0%	\$10,928	54,577	85.0%	\$6,591
Connecticut	\$7,204	21,005	3,061	14.6%	\$10,404	17,944	85.4%	\$6,658
Ohio	\$7,039	85,527	15,687	18.3%	\$9,713	69,840	81.7%	\$6,438
New Jersey	\$7,028	46,903	6,137	13.1%	\$10,431	40,766	86.9%	\$6,515
Illinois	\$6,961	62,169	11,709	18.8%	\$9,291	50,460	81.2%	\$6,420

Table 7. Veterans Enlisted or Officer Status by State—FY 2004

State	Average Annual Payment	Enlisted			Officer		
		Number	Percent of Total Veterans	Average Annual Payment	Number	Percent of Total Veterans	Average Annual Payment
50-State Totals	\$8,378	1,448,014	58.1%	\$8,850	163,916	6.6%	\$7,075
New Mexico	\$12,004	16,745	66.3%	\$12,671	2,293	9.1%	\$7,969
Maine	\$11,626	12,609	67.2%	\$11,893	819	4.4%	\$8,445
Arkansas	\$10,968	20,049	63.7%	\$10,929	1,529	4.9%	\$8,442
West Virginia	\$10,866	11,727	56.7%	\$11,018	593	2.9%	\$8,646
Oklahoma	\$10,697	32,140	62.8%	\$10,457	2,740	5.4%	\$7,686
Oregon	\$10,277	22,538	63.6%	\$10,845	1,747	4.9%	\$8,698
Vermont	\$9,649	3,330	48.3%	\$10,219	408	5.9%	\$8,018
Arizona	\$9,308	32,578	64.9%	\$9,304	4,005	8.0%	\$7,715
North Carolina	\$9,281	63,947	70.5%	\$9,383	5,222	5.8%	\$8,007
Kentucky	\$9,194	23,235	61.7%	\$9,421	1,507	4.0%	\$6,913
Louisiana	\$9,114	22,986	61.3%	\$9,355	1,825	4.9%	\$7,497
Mississippi	\$8,949	15,798	61.7%	\$8,831	1,377	5.4%	\$7,371
Texas	\$8,928	138,246	66.2%	\$9,059	19,043	9.1%	\$7,423
Rhode Island	\$8,893	7,936	45.9%	\$10,468	901	5.2%	\$7,763
Montana	\$8,871	7,632	61.3%	\$8,613	831	6.7%	\$7,689
Nevada	\$8,771	14,793	71.7%	\$8,787	1,543	7.5%	\$7,400
Tennessee	\$8,698	34,639	64.0%	\$8,570	2,644	4.9%	\$6,944
Florida	\$8,658	113,882	63.3%	\$8,527	15,979	8.9%	\$7,468
Nebraska	\$8,623	12,195	52.7%	\$8,725	1,748	7.6%	\$6,095
Idaho	\$8,604	9,716	68.5%	\$8,491	914	6.4%	\$6,998
South Dakota	\$8,548	5,968	60.8%	\$8,491	565	5.8%	\$7,320
Washington	\$8,531	58,536	68.8%	\$8,695	7,415	8.7%	\$7,230
Hawaii	\$8,491	10,463	65.8%	\$8,865	1,664	10.5%	\$6,617
South Carolina	\$8,459	32,362	72.4%	\$8,447	3,260	7.3%	\$7,243
Minnesota	\$8,321	16,158	40.4%	\$9,037	1,250	3.1%	\$7,192
Wisconsin	\$8,297	20,094	45.6%	\$8,738	1,312	3.0%	\$7,657
Missouri	\$8,232	29,687	60.4%	\$8,531	2,375	4.8%	\$6,686
New Hampshire	\$8,168	7,327	54.4%	\$8,309	1,091	8.1%	\$6,804
Alabama	\$8,165	35,383	65.2%	\$8,565	4,324	8.0%	\$5,875
North Dakota	\$8,143	6,202	58.2%	\$8,598	334	3.1%	\$7,357
Alaska	\$8,138	8,921	76.6%	\$8,168	1,047	9.0%	\$7,246
California	\$8,099	139,066	60.5%	\$8,642	17,518	7.6%	\$7,031
Maryland	\$7,944	22,064	59.9%	\$8,207	3,890	10.6%	\$7,381
Colorado	\$7,944	33,858	68.3%	\$8,639	6,143	12.4%	\$6,372
Utah	\$7,906	8,549	58.0%	\$8,306	1,249	8.5%	\$6,944
Pennsylvania	\$7,898	43,128	42.4%	\$9,027	3,875	3.8%	\$7,283
Iowa	\$7,797	9,813	47.5%	\$8,350	650	3.1%	\$6,548
Wyoming	\$7,778	4,118	70.1%	\$7,931	406	6.9%	\$6,734
Georgia	\$7,775	57,726	68.6%	\$7,816	6,422	7.6%	\$6,377
Virginia	\$7,716	52,256	64.3%	\$7,871	12,447	15.3%	\$6,572
Kansas	\$7,579	13,495	55.7%	\$7,664	2,016	8.3%	\$5,934
Massachusetts	\$7,529	20,651	38.5%	\$9,833	2,015	3.8%	\$7,373
Delaware	\$7,453	4,546	59.9%	\$7,759	406	5.4%	\$6,859
New York	\$7,348	43,680	36.4%	\$8,910	2,849	2.4%	\$7,028

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State	Average Annual Payment	Enlisted			Officer		
		Number	Percent of Total Veterans	Average Annual Payment	Number	Percent of Total Veterans	Average Annual Payment
Indiana	\$7,287	22,486	52.5%	\$7,566	1,575	3.7%	\$6,055
Michigan	\$7,241	30,033	46.8%	\$8,545	1,571	2.4%	\$7,033
Connecticut	\$7,204	8,075	38.4%	\$8,860	814	3.9%	\$6,893
Ohio	\$7,039	41,221	48.2%	\$7,925	3,831	4.5%	\$5,640
New Jersey	\$7,028	14,578	31.1%	\$8,522	1,436	3.1%	\$6,325
Illinois	\$6,961	30,849	49.6%	\$7,829	2,498	4.0%	\$5,916

Table 8. Veterans Average Age by State—FY 2004

State	Average Annual Payment	Average Age
50-State Totals	\$8,378	58
New Mexico	\$12,004	59
Maine	\$11,626	58
Arkansas	\$10,968	58
West Virginia	\$10,866	59
Oklahoma	\$10,697	57
Oregon	\$10,277	57
Vermont	\$9,649	60
Arizona	\$9,308	57
North Carolina	\$9,281	55
Kentucky	\$9,194	58
Louisiana	\$9,114	58
Mississippi	\$8,949	59
Texas	\$8,928	57
Rhode Island	\$8,893	63
Montana	\$8,871	57
Nevada	\$8,771	57
Tennessee	\$8,698	56
Florida	\$8,658	59
Nebraska	\$8,623	59
Idaho	\$8,604	57
South Dakota	\$8,548	57
Washington	\$8,531	55
Hawaii	\$8,491	58
South Carolina	\$8,459	56
Minnesota	\$8,321	61
Wisconsin	\$8,297	59
Missouri	\$8,232	59
New Hampshire	\$8,168	59
Alabama	\$8,165	58
North Dakota	\$8,143	59
Alaska	\$8,138	52
California	\$8,099	59
Maryland	\$7,944	55
Colorado	\$7,944	56
Utah	\$7,906	58
Pennsylvania	\$7,898	62
Iowa	\$7,797	60
Wyoming	\$7,778	56
Georgia	\$7,775	55
Virginia	\$7,716	54
Kansas	\$7,579	59
Massachusetts	\$7,529	66
Delaware	\$7,453	57
New York	\$7,348	64
Indiana	\$7,287	58

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State	Average Annual Payment	Average Age
Michigan	\$7,241	61
Connecticut	\$7,204	63
Ohio	\$7,039	60
New Jersey	\$7,028	65
Illinois	\$6,961	59

Table 9. Average Number of Disabilities by Period of Service—FY 2004

State	Total	Gulf War	Vietnam Era	Peacetime Era	Korean Conflict	World War II
50-State Averages	2.6	4.0	3.2	2.8	2.3	2.1
New Mexico	2.9	4.0	3.3	3.1	2.7	2.6
Maine	2.9	4.1	3.1	2.8	2.3	2.2
Arkansas	2.9	3.9	3.3	2.8	2.4	2.2
West Virginia	2.8	3.6	3.1	2.6	2.5	2.2
Oklahoma	3.2	4.1	3.5	3.1	2.6	2.5
Oregon	3.0	3.9	3.2	2.8	2.6	2.5
Vermont	2.6	3.5	2.8	2.3	2.1	2.1
Arizona	3.3	4.2	3.6	3.2	2.6	2.6
North Carolina	3.1	4.5	3.4	3.2	2.4	2.2
Kentucky	2.9	4.0	3.3	2.8	2.3	2.2
Louisiana	2.8	3.7	3.2	2.8	2.3	2.1
Mississippi	2.9	3.6	3.2	3.0	2.4	2.3
Texas	3.3	4.3	3.8	3.3	2.7	2.4
Rhode Island	2.5	3.5	2.7	2.3	2.1	2.0
Montana	3.0	3.9	3.4	3.1	2.4	2.2
Nevada	3.1	4.0	3.4	2.9	2.6	2.6
Tennessee	2.9	3.9	3.3	2.9	2.4	2.1
Florida	2.5	4.0	3.3	3.0	2.5	2.4
Nebraska	2.9	4.5	3.3	3.0	2.4	2.4
Idaho	3.0	4.0	3.2	3.2	2.3	2.2
South Dakota	3.0	4.0	3.3	3.0	2.3	2.3
Washington	2.8	4.4	3.4	3.3	2.4	2.4
Hawaii	3.0	4.0	3.2	3.0	2.7	2.4
South Carolina	3.0	3.9	3.2	3.1	2.5	2.3
Minnesota	2.6	3.4	2.9	2.4	2.2	2.1
Wisconsin	2.7	3.6	2.8	2.5	2.3	2.2
Missouri	2.8	3.7	3.0	2.7	2.3	2.2
New Hampshire	2.4	3.7	2.9	2.6	2.2	2.2
Alabama	2.5	3.7	3.2	2.9	2.2	2.1
North Dakota	2.9	3.9	3.2	2.8	2.2	2.2
Alaska	3.4	4.9	4.0	3.7	2.4	2.1
California	2.6	4.1	3.2	2.9	2.3	2.1
Maryland	2.9	4.1	3.1	2.9	2.2	1.9
Colorado	2.7	4.5	3.4	3.3	2.5	2.3
Utah	2.8	4.0	3.2	2.8	2.2	2.0
Pennsylvania	3.3	3.6	2.7	2.4	2.0	1.9
Iowa	2.7	3.7	2.9	2.5	2.2	2.1
Wyoming	3.0	3.9	3.2	3.3	2.4	2.3
Georgia	2.8	3.6	3.2	2.8	2.3	2.0
Virginia	3.1	4.5	3.3	3.1	2.4	2.1
Kansas	2.7	3.6	3.0	2.8	2.2	2.0
Massachusetts	3.0	3.0	2.4	2.0	1.7	1.7
Delaware	2.8	4.0	3.0	2.9	2.2	1.9
New York	2.1	3.3	2.6	2.2	1.9	1.8
Indiana	2.6	3.3	2.9	2.3	2.3	2.2

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State	Total	Gulf War	Vietnam Era	Peacetime Era	Korean Conflict	World War II
Michigan	2.3	3.1	2.6	2.2	1.9	1.9
Connecticut	2.3	3.4	2.6	2.3	1.9	1.8
Ohio	2.5	3.5	2.7	2.4	2.0	2.0
New Jersey	2.4	3.2	2.5	2.1	2.0	1.9
Illinois	2.5	3.4	2.9	2.4	2.0	1.9

Table 10. Veterans Power of Attorney Representation by State—FY 2004

State	Veterans Receiving Compensation		Veterans with Representation			Veterans without Representation		
	Average Annual Payment	Number	Number	Percent of Total Veterans	Average Annual Payment	Number	Percent of Total Veterans	Average Annual Payment
50-State Totals	\$8,378	2,493,576	1,591,334	63.8%	\$10,631	902,242	36.2%	\$4,406
New Mexico	\$12,004	25,258	16,649	65.9%	\$15,275	8,609	34.1%	\$5,677
Maine	\$11,626	18,751	13,101	69.9%	\$14,419	5,650	30.1%	\$5,148
Arkansas	\$10,968	31,473	21,309	67.7%	\$13,052	10,164	32.3%	\$6,597
West Virginia	\$10,866	20,681	15,176	73.4%	\$12,791	5,505	26.6%	\$5,561
Oklahoma	\$10,697	51,213	32,918	64.3%	\$13,501	18,295	35.7%	\$5,650
Oregon	\$10,277	35,449	26,919	75.9%	\$11,890	8,530	24.1%	\$5,187
Vermont	\$9,649	6,894	4,248	61.6%	\$12,449	2,646	38.4%	\$5,153
Arizona	\$9,308	50,224	31,341	62.4%	\$11,894	18,883	37.6%	\$5,016
North Carolina	\$9,281	90,745	65,559	72.2%	\$11,086	25,186	27.8%	\$4,583
Kentucky	\$9,194	37,657	23,767	63.1%	\$11,700	13,890	36.9%	\$4,905
Louisiana	\$9,114	37,475	27,009	72.1%	\$10,984	10,466	27.9%	\$4,290
Mississippi	\$8,949	25,620	15,156	59.2%	\$11,315	10,464	40.8%	\$5,523
Texas	\$8,928	208,986	140,951	67.4%	\$11,043	68,035	32.6%	\$4,545
Rhode Island	\$8,893	17,301	9,821	56.8%	\$12,398	7,480	43.2%	\$4,291
Montana	\$8,871	12,444	9,497	76.3%	\$10,267	2,947	23.7%	\$4,372
Nevada	\$8,771	20,620	11,669	56.6%	\$11,591	8,951	43.4%	\$5,095
Tennessee	\$8,698	54,108	35,407	65.4%	\$10,888	18,701	34.6%	\$4,550
Florida	\$8,658	179,850	129,221	71.8%	\$10,355	50,629	28.2%	\$4,327
Nebraska	\$8,623	23,143	16,633	71.9%	\$10,269	6,510	28.1%	\$4,415
Idaho	\$8,604	14,185	10,760	75.9%	\$9,959	3,425	24.1%	\$4,346
South Dakota	\$8,548	9,823	7,229	73.6%	\$10,070	2,594	26.4%	\$4,307
Washington	\$8,531	85,094	64,654	76.0%	\$9,661	20,440	24.0%	\$4,956
Hawaii	\$8,491	15,895	6,717	42.3%	\$12,471	9,178	57.7%	\$5,579
South Carolina	\$8,459	44,708	29,279	65.5%	\$10,587	15,429	34.5%	\$4,423
Minnesota	\$8,321	39,990	30,033	75.1%	\$9,935	9,957	24.9%	\$3,454
Wisconsin	\$8,297	44,102	32,923	74.7%	\$9,754	11,179	25.3%	\$4,005
Missouri	\$8,232	49,126	32,086	65.3%	\$10,366	17,040	34.7%	\$4,214
New Hampshire	\$8,168	13,470	7,934	58.9%	\$10,669	5,536	41.1%	\$4,584
Alabama	\$8,165	54,247	36,483	67.3%	\$10,138	17,764	32.7%	\$4,113
North Dakota	\$8,143	10,655	8,594	80.7%	\$9,221	2,061	19.3%	\$3,647
Alaska	\$8,138	11,648	8,397	72.1%	\$9,362	3,251	27.9%	\$4,977
California	\$8,099	229,915	151,261	65.8%	\$10,089	78,654	34.2%	\$4,271
Maryland	\$7,944	36,808	17,405	47.3%	\$11,062	19,403	52.7%	\$5,147
Colorado	\$7,944	49,580	31,382	63.3%	\$10,093	18,198	36.7%	\$4,238
Utah	\$7,906	14,748	8,374	56.8%	\$10,416	6,374	43.2%	\$4,610
Pennsylvania	\$7,898	101,755	51,354	50.5%	\$11,122	50,401	49.5%	\$4,613
Iowa	\$7,797	20,642	13,297	64.4%	\$9,832	7,345	35.6%	\$4,114
Wyoming	\$7,778	5,871	3,450	58.8%	\$9,867	2,421	41.2%	\$4,801
Georgia	\$7,775	84,118	47,953	57.0%	\$10,416	36,165	43.0%	\$4,274
Virginia	\$7,716	81,297	54,087	66.5%	\$9,118	27,210	33.5%	\$4,930
Kansas	\$7,579	24,213	16,450	67.9%	\$9,390	7,763	32.1%	\$3,740
Massachusetts	\$7,529	53,584	26,505	49.5%	\$11,478	27,079	50.5%	\$3,665
Delaware	\$7,453	7,584	4,416	58.2%	\$9,765	3,168	41.8%	\$4,230

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State	Veterans Receiving Compensation		Veterans with Representation			Veterans without Representation		
	Average Annual Payment	Number	Number	Percent of Total Veterans	Average Annual Payment	Number	Percent of Total Veterans	Average Annual Payment
New York	\$7,348	119,963	63,031	52.5%	\$10,598	56,932	47.5%	\$3,750
Indiana	\$7,287	42,855	24,813	57.9%	\$9,312	18,042	42.1%	\$4,503
Michigan	\$7,241	64,204	40,972	63.8%	\$9,391	23,232	36.2%	\$3,450
Connecticut	\$7,204	21,005	9,882	47.0%	\$10,922	11,123	53.0%	\$3,900
Ohio	\$7,039	85,527	48,974	57.3%	\$9,381	36,553	42.7%	\$3,902
New Jersey	\$7,028	46,903	22,648	48.3%	\$10,775	24,255	51.7%	\$3,528
Illinois	\$6,961	62,169	33,640	54.1%	\$9,564	28,529	45.9%	\$3,890

Table 11. Veterans Branch of Service and Annual Average Payment by State—FY 2004

State	Veterans Receiving Compensation		Army		Air Force		Marine Corps		Navy	
	Average Annual Payment	Number	Percent of Total Veterans	Average Annual Payment	Percent of Total Veterans	Average Annual Payment	Percent of Total Veterans	Average Annual Payment	Percent of Total Veterans	Average Annual Payment
50-State Totals	\$8,378	2,493,576	52.8%	\$8,787	17.8%	\$7,361	10.7%	\$9,315	17.6%	\$7,665
New Mexico	\$12,004	25,258	46.5%	\$13,764	28.8%	\$8,521	9.6%	\$14,846	13.9%	\$11,510
Maine	\$11,626	18,751	45.7%	\$12,778	16.6%	\$9,804	10.7%	\$14,001	23.5%	\$9,898
Arkansas	\$10,968	31,473	52.6%	\$11,597	23.2%	\$9,369	9.0%	\$12,028	14.7%	\$10,672
West Virginia	\$10,866	20,681	59.9%	\$11,271	13.7%	\$9,168	12.3%	\$11,973	13.4%	\$9,955
Oklahoma	\$10,697	51,213	56.3%	\$11,489	22.0%	\$8,184	8.6%	\$12,228	12.4%	\$10,497
Oregon	\$10,277	35,449	47.0%	\$10,696	14.5%	\$9,322	13.1%	\$11,757	23.0%	\$9,389
Vermont	\$9,649	6,894	53.2%	\$9,994	15.1%	\$8,192	12.8%	\$11,009	17.2%	\$8,868
Arizona	\$9,308	50,224	45.5%	\$10,006	27.0%	\$7,661	11.8%	\$10,468	14.5%	\$9,229
North Carolina	\$9,281	90,745	57.3%	\$9,731	13.7%	\$8,069	16.4%	\$8,979	11.4%	\$8,942
Kentucky	\$9,194	37,657	69.5%	\$9,361	10.4%	\$8,344	8.4%	\$9,660	11.0%	\$8,704
Louisiana	\$9,114	37,475	53.4%	\$9,647	20.0%	\$8,019	10.8%	\$9,953	14.6%	\$8,205
Mississippi	\$8,949	25,620	51.9%	\$9,578	22.7%	\$7,669	8.0%	\$10,225	16.5%	\$8,123
Texas	\$8,928	208,986	55.2%	\$9,375	23.6%	\$7,759	8.5%	\$9,959	12.0%	\$8,462
Rhode Island	\$8,893	17,301	50.3%	\$9,192	12.7%	\$7,534	10.8%	\$11,359	22.8%	\$7,968
Montana	\$8,871	12,444	44.2%	\$9,704	25.1%	\$7,138	11.1%	\$10,111	18.1%	\$8,545
Nevada	\$8,771	20,620	37.0%	\$9,997	31.2%	\$6,822	11.6%	\$9,937	19.1%	\$8,849
Tennessee	\$8,698	54,108	61.9%	\$8,829	14.1%	\$8,050	9.1%	\$9,531	14.3%	\$8,217
Florida	\$8,658	179,850	43.5%	\$9,751	22.7%	\$7,374	9.2%	\$9,895	22.8%	\$7,413
Nebraska	\$8,623	23,143	43.3%	\$9,576	32.3%	\$7,116	7.8%	\$9,824	15.9%	\$8,498
Idaho	\$8,604	14,185	43.4%	\$9,253	25.2%	\$7,448	10.5%	\$9,367	19.7%	\$8,387
South Dakota	\$8,548	9,823	47.9%	\$9,527	26.9%	\$6,913	8.4%	\$9,355	15.8%	\$7,930
Washington	\$8,531	85,094	48.3%	\$9,085	17.3%	\$7,478	7.1%	\$10,622	25.3%	\$7,688
Hawaii	\$8,491	15,895	54.3%	\$9,226	15.3%	\$6,467	9.9%	\$10,084	19.1%	\$7,331
South Carolina	\$8,459	44,708	52.2%	\$9,205	20.9%	\$7,211	9.4%	\$8,957	16.8%	\$7,490

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State	Veterans Receiving Compensation		Army		Air Force		Marine Corps		Navy	
	Average Annual Payment	Number	Percent of Total Veterans	Average Annual Payment	Percent of Total Veterans	Average Annual Payment	Percent of Total Veterans	Average Annual Payment	Percent of Total Veterans	Average Annual Payment
Minnesota	\$8,321	39,990	55.4%	\$8,595	12.7%	\$7,669	11.1%	\$9,088	19.7%	\$7,615
Wisconsin	\$8,297	44,102	56.6%	\$8,572	12.7%	\$7,505	12.9%	\$8,618	16.5%	\$7,765
Missouri	\$8,232	49,126	57.5%	\$8,504	15.4%	\$7,133	10.9%	\$9,074	15.3%	\$7,768
New Hampshire	\$8,168	13,470	44.4%	\$8,588	22.9%	\$7,096	11.3%	\$9,746	19.0%	\$7,626
Alabama	\$8,165	54,247	61.5%	\$8,430	18.2%	\$6,967	7.7%	\$9,779	11.7%	\$7,639
North Dakota	\$8,143	10,655	52.7%	\$8,775	23.3%	\$6,794	7.6%	\$8,684	15.6%	\$7,853
Alaska	\$8,138	11,648	43.1%	\$8,670	38.5%	\$7,299	5.8%	\$10,067	8.5%	\$8,085
California	\$8,099	229,915	38.4%	\$9,199	16.9%	\$7,109	15.3%	\$8,412	28.0%	\$7,062
Maryland	\$7,944	36,808	56.4%	\$8,114	14.5%	\$7,425	10.0%	\$8,624	17.5%	\$7,418
Colorado	\$7,944	49,580	52.5%	\$8,396	26.7%	\$6,635	7.7%	\$9,363	12.4%	\$7,992
Utah	\$7,906	14,748	46.2%	\$8,443	28.8%	\$6,497	9.8%	\$9,400	14.2%	\$8,036
Pennsylvania	\$7,898	101,755	59.1%	\$7,911	12.2%	\$7,240	12.0%	\$9,297	15.7%	\$7,332
Iowa	\$7,797	20,642	57.0%	\$7,938	12.4%	\$7,389	11.5%	\$8,205	18.1%	\$7,498
Wyoming	\$7,778	5,871	42.1%	\$8,578	32.4%	\$6,541	9.1%	\$9,333	15.6%	\$7,387
Georgia	\$7,775	84,118	64.4%	\$7,805	15.8%	\$7,184	7.8%	\$8,672	11.4%	\$7,808
Virginia	\$7,716	81,297	46.1%	\$8,293	14.8%	\$6,876	8.7%	\$8,325	29.2%	\$7,059
Kansas	\$7,579	24,213	60.9%	\$7,654	16.6%	\$6,510	8.1%	\$9,128	13.7%	\$7,694
Massachusetts	\$7,529	53,584	51.8%	\$7,663	13.1%	\$6,691	12.4%	\$9,355	20.1%	\$6,724
Delaware	\$7,453	7,584	43.3%	\$7,775	32.7%	\$6,377	9.7%	\$9,996	13.2%	\$7,322
New York	\$7,348	119,963	62.0%	\$7,252	10.8%	\$7,024	11.0%	\$8,941	15.0%	\$6,879
Indiana	\$7,287	42,855	58.5%	\$7,531	13.6%	\$6,401	12.5%	\$7,857	14.8%	\$6,697
Michigan	\$7,241	64,204	60.9%	\$7,358	11.6%	\$6,639	11.6%	\$7,832	14.6%	\$6,829
Connecticut	\$7,204	21,005	53.2%	\$7,145	11.0%	\$7,186	12.1%	\$8,869	21.8%	\$6,489
Ohio	\$7,039	85,527	55.6%	\$7,241	17.3%	\$6,249	11.6%	\$7,744	14.5%	\$6,706
New Jersey	\$7,028	46,903	61.8%	\$7,036	10.2%	\$6,411	10.9%	\$8,621	15.9%	\$6,400
Illinois	\$6,961	62,169	56.4%	\$7,216	13.6%	\$6,244	12.3%	\$7,711	17.1%	\$6,185

Table 12. Veterans Period of Service by State—FY 2004

State	Veterans Receiving Compensation		World War II		Korean Conflict		Vietnam		Gulf War		Peacetime	
	Average Annual Payment	Number	Percent of Total Veterans	Average Annual Payment	Percent of Total Veterans	Average Annual Payment	Percent of Total Veterans	Average Annual Payment	Percent of Total Veterans	Average Annual Payment	Percent of Total Veterans	Average Annual Payment
50-State Totals	\$8,378	2,493,576	15.0%	\$7,798	6.4%	\$8,602	34.6%	\$10,930	21.1%	\$6,058	22.9%	\$6,979
New Mexico	\$12,004	25,258	12.0%	\$13,558	6.1%	\$13,155	41.0%	\$15,033	18.3%	\$7,637	22.6%	\$8,901
Maine	\$11,626	18,751	13.4%	\$11,275	7.1%	\$11,176	37.1%	\$14,983	19.1%	\$8,058	23.3%	\$9,546
Arkansas	\$10,968	31,473	12.8%	\$10,782	5.8%	\$11,853	38.1%	\$13,533	20.1%	\$7,756	23.1%	\$9,414
West Virginia	\$10,866	20,681	14.6%	\$9,570	7.3%	\$11,008	42.3%	\$13,874	17.0%	\$7,160	18.9%	\$8,421
Oklahoma	\$10,697	51,213	11.4%	\$12,349	5.7%	\$12,501	37.0%	\$13,789	23.9%	\$6,784	22.0%	\$8,419
Oregon	\$10,277	35,449	13.6%	\$9,646	5.9%	\$10,282	40.6%	\$12,861	18.0%	\$7,126	21.9%	\$8,469
Vermont	\$9,649	6,894	16.4%	\$8,096	8.1%	\$8,842	39.0%	\$12,743	14.2%	\$6,917	22.3%	\$7,413
Arizona	\$9,308	50,224	11.1%	\$10,379	5.4%	\$10,675	36.2%	\$11,829	23.0%	\$6,230	24.3%	\$7,673
North Carolina	\$9,281	90,745	8.5%	\$9,223	4.1%	\$10,090	34.8%	\$12,557	29.0%	\$6,483	23.6%	\$7,771
Kentucky	\$9,194	37,657	14.9%	\$8,833	6.3%	\$9,349	35.6%	\$12,017	21.8%	\$6,210	21.4%	\$7,755
Louisiana	\$9,114	37,475	13.2%	\$8,638	6.3%	\$9,119	37.8%	\$11,994	21.5%	\$5,848	21.3%	\$7,590
Mississippi	\$8,949	25,620	13.5%	\$10,029	6.1%	\$10,314	36.8%	\$10,764	18.8%	\$6,112	24.8%	\$7,488
Texas	\$8,928	208,986	9.9%	\$9,670	4.5%	\$10,563	36.4%	\$11,482	26.2%	\$6,365	23.1%	\$7,173
Rhode Island	\$8,893	17,301	25.3%	\$7,985	8.6%	\$8,502	34.5%	\$11,348	10.8%	\$6,786	20.7%	\$7,173
Montana	\$8,871	12,444	12.1%	\$8,366	5.8%	\$10,022	36.9%	\$11,574	22.5%	\$5,901	22.7%	\$7,402
Nevada	\$8,771	20,620	9.2%	\$11,027	5.0%	\$10,469	36.7%	\$10,892	24.3%	\$6,227	24.8%	\$6,934
Tennessee	\$8,698	54,108	11.2%	\$9,152	4.8%	\$9,886	35.2%	\$11,551	25.9%	\$5,677	22.9%	\$7,261
Florida	\$8,658	179,850	13.4%	\$9,869	5.9%	\$10,374	34.2%	\$10,957	21.1%	\$5,519	25.4%	\$7,132
Nebraska	\$8,623	23,143	15.7%	\$9,255	9.9%	\$8,329	29.2%	\$10,427	24.5%	\$6,808	20.7%	\$7,894
Idaho	\$8,604	14,185	13.2%	\$8,235	5.5%	\$9,052	33.9%	\$11,078	20.0%	\$6,885	27.4%	\$6,882
South Dakota	\$8,548	9,823	12.7%	\$9,156	7.1%	\$8,970	34.3%	\$10,818	22.4%	\$6,209	23.6%	\$7,013
Washington	\$8,531	85,094	8.2%	\$9,008	4.0%	\$9,357	32.9%	\$11,576	30.4%	\$6,299	24.5%	\$6,913
Hawaii	\$8,491	15,895	8.8%	\$8,570	6.0%	\$9,336	35.1%	\$11,637	25.0%	\$5,752	25.1%	\$6,592
South Carolina	\$8,459	44,708	7.5%	\$9,070	4.2%	\$10,315	36.6%	\$11,232	25.4%	\$5,769	26.4%	\$6,732

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State	Veterans Receiving Compensation		World War II		Korean Conflict		Vietnam		Gulf War		Peacetime	
	Average Annual Payment	Number	Percent of Total Veterans	Average Annual Payment	Percent of Total Veterans	Average Annual Payment	Percent of Total Veterans	Average Annual Payment	Percent of Total Veterans	Average Annual Payment	Percent of Total Veterans	Average Annual Payment
Minnesota	\$8,321	39,990	21.4%	\$7,455	9.9%	\$7,563	35.1%	\$10,365	13.2%	\$6,343	20.4%	\$7,366
Wisconsin	\$8,297	44,102	17.2%	\$7,630	8.3%	\$7,924	34.7%	\$10,309	17.0%	\$6,329	22.8%	\$7,335
Missouri	\$8,232	49,126	16.7%	\$8,037	7.5%	\$8,546	35.1%	\$10,323	18.8%	\$5,731	21.9%	\$7,072
New Hampshire	\$8,168	13,470	13.3%	\$8,651	6.8%	\$8,996	39.6%	\$9,902	16.6%	\$5,929	23.8%	\$6,338
Alabama	\$8,165	54,247	10.5%	\$8,250	5.1%	\$8,623	37.7%	\$10,462	20.9%	\$5,881	25.9%	\$6,544
North Dakota	\$8,143	10,655	17.3%	\$7,717	8.4%	\$6,778	33.8%	\$10,413	19.2%	\$6,293	21.3%	\$7,091
Alaska	\$8,138	11,648	3.1%	\$7,937	2.2%	\$7,042	34.0%	\$10,536	34.5%	\$6,978	26.3%	\$6,672
California	\$8,099	229,915	14.4%	\$7,688	6.7%	\$8,275	34.3%	\$10,831	21.8%	\$5,806	22.9%	\$6,402
Maryland	\$7,944	36,808	10.6%	\$7,222	4.5%	\$8,429	30.5%	\$10,405	28.2%	\$6,423	26.2%	\$6,931
Colorado	\$7,944	49,580	9.1%	\$7,774	4.5%	\$8,730	32.5%	\$10,675	27.5%	\$6,192	26.4%	\$6,328
Utah	\$7,906	14,748	14.9%	\$6,976	5.6%	\$8,326	33.8%	\$10,173	23.8%	\$6,341	21.9%	\$6,636
Pennsylvania	\$7,898	101,755	24.2%	\$6,501	8.3%	\$7,225	33.5%	\$10,313	13.6%	\$6,089	20.4%	\$7,065
Iowa	\$7,797	20,642	21.5%	\$7,314	8.6%	\$7,633	34.3%	\$9,538	14.6%	\$5,793	21.0%	\$6,916
Wyoming	\$7,778	5,871	12.0%	\$7,945	5.2%	\$9,253	37.6%	\$9,599	16.7%	\$5,411	28.4%	\$6,414
Georgia	\$7,775	84,118	7.3%	\$8,056	3.8%	\$9,745	33.0%	\$10,599	29.0%	\$5,449	27.0%	\$6,478
Virginia	\$7,716	81,297	6.5%	\$8,464	3.3%	\$9,565	29.7%	\$10,120	35.6%	\$6,266	24.9%	\$6,484
Kansas	\$7,579	24,213	15.9%	\$7,172	5.8%	\$7,941	33.1%	\$10,130	21.6%	\$5,301	23.5%	\$6,264
Massachusetts	\$7,529	53,584	30.2%	\$6,712	13.2%	\$6,735	29.8%	\$10,018	7.9%	\$5,803	18.9%	\$6,188
Delaware	\$7,453	7,584	12.4%	\$6,344	5.6%	\$7,223	33.8%	\$9,579	17.4%	\$6,158	30.8%	\$6,338
New York	\$7,348	119,963	28.7%	\$5,943	9.3%	\$6,804	32.8%	\$9,690	10.1%	\$5,745	19.1%	\$6,557
Indiana	\$7,287	42,855	16.7%	\$6,938	7.1%	\$7,083	36.7%	\$8,982	17.8%	\$5,333	21.6%	\$6,358
Michigan	\$7,241	64,204	22.4%	\$6,070	7.6%	\$7,017	36.3%	\$9,231	14.0%	\$5,279	19.6%	\$6,383
Connecticut	\$7,204	21,005	27.8%	\$5,342	8.6%	\$6,146	30.9%	\$9,896	11.1%	\$6,060	21.6%	\$6,749
Ohio	\$7,039	85,527	20.4%	\$6,162	7.4%	\$7,063	34.7%	\$8,890	15.6%	\$5,193	22.0%	\$6,229
New Jersey	\$7,028	46,903	30.3%	\$5,859	10.7%	\$6,632	31.0%	\$9,311	8.1%	\$5,489	20.0%	\$6,096
Illinois	\$6,961	62,169	21.0%	\$5,722	7.4%	\$6,419	33.0%	\$9,459	19.2%	\$5,147	19.4%	\$6,061

Table 13. Dependency and Special Monthly Compensation for 100 Percent Disabled Veterans—FY 2004

State	Veterans Receiving Compensation		Percent Veterans Receiving SMC	Percent Veterans with Dependents	Percent Veterans Rated 100 Percent Disabled	Additional Compensation for SMC and Dependency (Note 1)	Relative Value Added to State Average (Note 2)
	Average Annual Payment	Number					
50-State Totals	\$8,378	2,493,576	8.1%	36.3%	8.4%	\$668,793,252	\$268
New Mexico	\$12,004	25,258	8.9%	43.3%	10.2%	\$8,331,456	\$330
Maine	\$11,626	18,751	8.1%	43.6%	12.0%	\$5,649,144	\$301
Arkansas	\$10,968	31,473	9.1%	46.1%	12.3%	\$11,908,056	\$378
West Virginia	\$10,866	20,681	9.4%	44.5%	11.9%	\$6,274,344	\$303
Oklahoma	\$10,697	51,213	9.4%	44.8%	11.1%	\$19,611,372	\$383
Oregon	\$10,277	35,449	9.0%	40.5%	11.9%	\$13,157,604	\$371
Vermont	\$9,649	6,894	8.2%	38.7%	10.8%	\$1,944,504	\$282
Arizona	\$9,308	50,224	8.7%	37.3%	9.9%	\$17,929,656	\$357
North Carolina	\$9,281	90,745	10.9%	43.3%	9.6%	\$29,224,812	\$322
Kentucky	\$9,194	37,657	8.9%	41.3%	10.3%	\$12,118,092	\$322
Louisiana	\$9,114	37,475	9.1%	39.0%	9.1%	\$10,917,960	\$291
Mississippi	\$8,949	25,620	8.7%	39.0%	10.8%	\$8,849,904	\$345
Texas	\$8,928	208,986	9.8%	40.3%	7.7%	\$56,214,108	\$269
Rhode Island	\$8,893	17,301	6.2%	34.0%	9.3%	\$4,272,552	\$247
Montana	\$8,871	12,444	7.8%	37.8%	8.2%	\$3,509,544	\$282
Nevada	\$8,771	20,620	9.6%	35.3%	8.5%	\$5,864,316	\$284
Tennessee	\$8,698	54,108	9.5%	38.7%	10.4%	\$18,742,080	\$346
Florida	\$8,658	179,850	8.0%	36.6%	8.6%	\$56,035,908	\$312
Nebraska	\$8,623	23,143	7.6%	39.4%	7.4%	\$5,844,600	\$253
Idaho	\$8,604	14,185	8.2%	39.3%	7.4%	\$3,703,860	\$261
South Dakota	\$8,548	9,823	8.0%	37.9%	8.7%	\$2,541,252	\$259
Washington	\$8,531	85,094	7.4%	38.4%	7.5%	\$19,611,372	\$230
Hawaii	\$8,491	15,895	9.0%	35.8%	9.5%	\$4,306,392	\$271
South Carolina	\$8,459	44,708	8.5%	39.9%	9.0%	\$14,238,372	\$318
Minnesota	\$8,321	39,990	7.3%	34.4%	8.6%	\$9,774,972	\$244
Wisconsin	\$8,297	44,102	7.7%	34.3%	9.0%	\$11,293,692	\$256
Missouri	\$8,232	49,126	7.6%	35.6%	7.3%	\$10,506,240	\$214
New Hampshire	\$8,168	13,470	6.2%	37.5%	7.6%	\$3,154,248	\$234
Alabama	\$8,165	54,247	7.6%	39.2%	8.1%	\$17,929,656	\$331
North Dakota	\$8,143	10,655	8.0%	36.5%	8.6%	\$2,639,916	\$248
Alaska	\$8,138	11,648	5.7%	44.8%	5.6%	\$1,679,856	\$144
California	\$8,099	229,915	8.1%	32.4%	7.9%	\$61,023,888	\$265
Maryland	\$7,944	36,808	9.5%	39.0%	9.1%	\$11,848,716	\$322
Colorado	\$7,944	49,580	8.2%	37.4%	9.6%	\$14,785,248	\$298
Utah	\$7,906	14,748	7.4%	38.5%	7.5%	\$3,495,480	\$237
Pennsylvania	\$7,898	101,755	7.7%	33.5%	7.6%	\$22,879,380	\$225
Iowa	\$7,797	20,642	7.7%	33.8%	7.4%	\$4,296,720	\$208
Wyoming	\$7,778	5,871	6.8%	35.1%	8.7%	\$1,435,380	\$244
Georgia	\$7,775	84,118	8.6%	36.7%	7.8%	\$22,601,412	\$269
Virginia	\$7,716	81,297	8.1%	41.1%	6.5%	\$19,455,240	\$239

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State	Veterans Receiving Compensation		Percent Veterans Receiving SMC	Percent Veterans with Dependents	Percent Veterans Rated 100 Percent Disabled	Additional Compensation for SMC and Dependency (Note 1)	Relative Value Added to State Average (Note 2)
	Average Annual Payment	Number					
Kansas	\$7,579	24,213	7.2%	33.6%	8.6%	\$5,500,980	\$227
Massachusetts	\$7,529	53,584	4.9%	29.0%	7.6%	\$10,235,172	\$191
Delaware	\$7,453	7,584	8.5%	34.2%	8.7%	\$2,021,844	\$267
New York	\$7,348	119,963	6.4%	28.5%	8.1%	\$24,147,192	\$201
Indiana	\$7,287	42,855	7.1%	33.6%	6.6%	\$8,999,388	\$210
Michigan	\$7,241	64,204	8.2%	30.7%	7.0%	\$12,921,600	\$201
Connecticut	\$7,204	21,005	7.0%	28.6%	8.1%	\$4,639,584	\$221
Ohio	\$7,039	85,527	7.2%	30.9%	6.9%	\$17,879,640	\$209
New Jersey	\$7,028	46,903	6.0%	28.2%	7.5%	\$9,383,148	\$200
Illinois	\$6,961	62,169	7.9%	29.5%	6.7%	\$13,463,400	\$217

Note 1 - For illustration purposes only, we calculated this column using total dollars paid to 100 percent service-connected veterans less the basic rate for 100 percent service-connected veterans without dependents, enabling us to isolate additional compensation for SMC and dependency for this control group only.

Note 2 - This column represents, for illustration purposes only, the relative average value added to individual state average annual payments for all service-connected veterans receiving compensation.

Table 14. Compensation and Pension Claims Pending by State for FYs 1999–2004

State	Veterans Receiving Compensation		Claims Pending at Fiscal Year-End						Percent Change
	Average Annual Payment	Veterans	1999	2000	2001	2002	2003	2004	
50-State Totals	\$8,378	2,493,576	236,032	216,902	403,970	334,624	247,381	316,145	33.9%
New Mexico	\$12,004	25,258	2,457	2,485	4,693	3,355	2,331	3,195	30.0%
Maine	\$11,626	18,751	2,188	1,241	3,858	2,022	1,772	2,401	9.7%
Arkansas	\$10,968	31,473	2,903	3,688	5,768	4,130	3,849	4,559	57.0%
West Virginia	\$10,866	20,681	1,987	2,252	5,317	3,929	2,600	3,207	61.4%
Oklahoma	\$10,697	51,213	4,073	3,634	8,598	5,160	4,848	5,452	33.9%
Oregon	\$10,277	35,449	4,336	4,280	9,971	8,686	6,039	7,124	64.3%
Vermont	\$9,649	6,894	457	470	1,109	970	600	515	12.7%
Arizona	\$9,308	50,224	6,870	5,058	7,663	7,020	5,945	7,006	2.0%
North Carolina	\$9,281	90,745	9,808	9,993	17,088	11,724	8,628	10,638	8.5%
Kentucky	\$9,194	37,657	4,609	4,168	8,905	9,476	6,907	7,974	73.0%
Louisiana	\$9,114	37,475	3,605	3,668	8,073	5,977	4,852	5,873	62.9%
Mississippi	\$8,949	25,620	2,686	2,568	4,991	3,629	2,710	3,286	22.3%
Texas	\$8,928	208,986	16,236	14,681	33,019	25,422	20,607	34,526	112.7%
Rhode Island	\$8,893	17,301	2,099	1,610	3,054	2,193	1,858	1,349	-35.7%
Montana	\$8,871	12,444	1,375	907	2,041	1,780	1,277	1,679	22.1%
Nevada	\$8,771	20,620	3,093	3,094	6,174	5,269	2,734	3,272	5.8%
Tennessee	\$8,698	54,108	6,522	6,615	10,943	6,743	5,841	6,619	1.5%
Florida	\$8,658	179,850	20,617	14,954	26,622	15,895	12,531	17,121	-17.0%
Nebraska	\$8,623	23,143	2,079	1,876	3,459	1,955	1,680	2,536	22.0%
Idaho	\$8,604	14,185	1,616	1,454	2,395	1,287	1,543	1,808	11.9%
South Dakota	\$8,548	9,823	879	937	1,523	1,253	1,016	1,376	56.5%
Washington	\$8,531	85,094	7,335	6,132	11,573	8,865	6,739	11,332	54.5%
Hawaii	\$8,491	15,895	2,245	2,370	3,770	3,189	2,771	2,905	29.4%
South Carolina	\$8,459	44,708	4,080	3,450	7,596	6,892	4,850	5,319	30.4%
Minnesota	\$8,321	39,990	3,268	2,946	5,598	5,422	4,366	4,723	44.5%
Wisconsin	\$8,297	44,102	2,921	3,203	8,656	6,230	4,274	4,416	51.2%
Missouri	\$8,232	49,126	4,463	5,189	7,839	7,152	5,577	6,577	47.4%

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State	Veterans Receiving Compensation		Claims Pending at Fiscal Year-End						Percent Change
	Average Annual Payment	Veterans	1999	2000	2001	2002	2003	2004	
New Hampshire	\$8,168	13,470	1,064	1,052	1,736	1,351	1,102	1,092	2.6%
Alabama	\$8,165	54,247	5,107	5,141	8,975	9,841	6,714	9,551	87.0%
North Dakota	\$8,143	10,655	1,259	1,063	1,613	1,549	1,075	1,326	5.3%
Alaska	\$8,138	11,648	1,642	1,270	2,266	1,782	1,233	1,147	-30.1%
California	\$8,099	229,915	24,927	23,589	42,702	37,207	21,655	28,351	13.7%
Maryland	\$7,944	36,808	2,671	2,609	4,987	5,892	3,926	4,323	61.8%
Colorado	\$7,944	49,580	4,492	4,008	7,791	6,400	4,343	7,001	55.9%
Utah	\$7,906	14,748	859	962	1,394	1,057	853	1,212	41.1%
Pennsylvania	\$7,898	101,755	7,506	6,583	11,585	9,190	8,286	11,183	49.0%
Iowa	\$7,797	20,642	1,624	2,175	3,428	3,426	2,401	3,689	127.2%
Wyoming*	\$7,778	5,871							
Georgia	\$7,775	84,118	9,748	8,573	14,398	12,766	8,469	10,847	11.3%
Virginia	\$7,716	81,297	7,139	6,872	13,968	13,198	9,038	12,557	75.9%
Kansas	\$7,579	24,213	2,026	2,777	4,565	4,742	2,801	4,401	117.2%
Massachusetts	\$7,529	53,584	3,162	3,611	3,517	4,862	4,368	3,193	1.0%
Delaware	\$7,453	7,584	739	816	1,640	1,493	952	899	21.7%
New York	\$7,348	119,963	11,000	9,566	17,435	16,292	11,055	12,527	13.9%
Indiana	\$7,287	42,855	3,471	2,836	5,701	5,223	3,948	5,248	51.2%
Michigan	\$7,241	64,204	4,319	3,316	7,494	8,098	7,487	6,984	61.7%
Connecticut	\$7,204	21,005	1,349	1,484	2,512	1,607	1,338	1,808	34.0%
Ohio	\$7,039	85,527	6,354	6,234	11,627	11,546	8,041	9,946	56.5%
New Jersey	\$7,028	46,903	4,898	4,284	6,134	6,126	3,441	3,230	-34.1%
Illinois	\$6,961	62,169	5,869	5,158	8,206	5,351	6,110	8,842	50.7%

*Wyoming claims pending included in Colorado data.

Table 15. Percentage of Brokered Rating Cases by State—FY 2004

State	Veterans Receiving Compensation		Rating Cases Completed	Brokered Cases	Percent Brokered Cases
	Average Annual Payment	Number			
50-State Totals	\$8,378	2,493,576	685,591	91,361	13.3%
New Mexico	\$12,004	25,258	7,457	300	4.0%
Maine	\$11,626	18,751	5,540	585	10.6%
Arkansas	\$10,968	31,473	9,966	1,470	14.8%
West Virginia	\$10,866	20,681	7,546	541	7.2%
Oklahoma	\$10,697	51,213	18,297	249	1.4%
Oregon	\$10,277	35,449	12,369	3,259	26.3%
Vermont	\$9,649	6,894	1,999	0	0.0%
Arizona	\$9,308	50,224	15,502	234	1.5%
North Carolina	\$9,281	90,745	31,646	1	0.0%
Kentucky	\$9,194	37,657	13,012	6,303	48.4%
Louisiana	\$9,114	37,475	14,832	0	0.0%
Mississippi	\$8,949	25,620	10,823	0	0.0%
Texas	\$8,928	208,986	61,401	4,822	7.9%
Rhode Island	\$8,893	17,301	4,338	2,923	67.4%
Montana	\$8,871	12,444	3,517	407	11.6%
Nevada	\$8,771	20,620	6,696	1,104	16.5%
Tennessee	\$8,698	54,108	20,683	0	0.0%
Florida	\$8,658	179,850	52,100	2,873	5.5%
Nebraska	\$8,623	23,143	6,973	710	10.2%
Idaho	\$8,604	14,185	4,310	253	5.9%
South Dakota	\$8,548	9,823	3,261	48	1.5%
Washington	\$8,531	85,094	16,461	4,536	27.6%
Hawaii	\$8,491	15,895	5,014	2,414	48.1%
South Carolina	\$8,459	44,708	16,833	58	0.3%
Minnesota	\$8,321	39,990	13,979	14	0.1%
Wisconsin	\$8,297	44,102	13,580	5	0.0%
Missouri	\$8,232	49,126	16,649	1,592	9.6%
New Hampshire	\$8,168	13,470	2,818	653	23.2%
Alabama	\$8,165	54,247	17,094	5,401	31.6%
North Dakota	\$8,143	10,655	3,790	79	2.1%
Alaska	\$8,138	11,648	2,705	2,386	88.2%
California	\$8,099	229,915	53,562	10,607	19.8%
Maryland	\$7,944	36,808	9,833	3,273	33.3%
Colorado	\$7,944	49,580	11,398	791	6.9%
Utah	\$7,906	14,748	4,444	0	0.0%
Pennsylvania	\$7,898	101,755	25,094	2,187	8.7%
Iowa	\$7,797	20,642	5,749	2,612	45.4%
Wyoming*	\$7,778	5,871			
Georgia	\$7,775	84,118	23,543	3,991	17.0%
Virginia	\$7,716	81,297	18,560	3,050	16.4%
Kansas	\$7,579	24,213	5,503	1,153	21.0%
Massachusetts	\$7,529	53,584	9,878	3,751	38.0%
Delaware	\$7,453	7,584	1,948	1,067	54.8%
New York	\$7,348	119,963	23,652	4,831	20.4%

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State	Veterans Receiving Compensation		Rating Cases Completed	Brokered Cases	Percent Brokered Cases
	Average Annual Payment	Number			
Indiana	\$7,287	42,855	11,439	117	1.0%
Michigan	\$7,241	64,204	15,933	2,087	13.1%
Connecticut	\$7,204	21,005	3,706	1	0.0%
Ohio	\$7,039	85,527	19,855	3,825	19.3%
New Jersey	\$7,028	46,903	6,616	1,911	28.9%
Illinois	\$6,961	62,169	13,687	2,887	21.1%

* Note: Wyoming rating and brokered cases included in Colorado data

Table 16. C&P Rating Actions Completed in More than 120 Days by State for FYs 2002–2004

State	Veterans Receiving Compensation		Percent Completed in More Than 120 Days		
	Average Annual Payment	Number	2002	2003	2004
50-State Totals	\$8,378	2,493,576	66.7%	55.7%	60.2%
New Mexico	\$12,004	25,258	73.1%	79.6%	70.0%
Maine	\$11,626	18,751	66.2%	61.9%	66.9%
Arkansas	\$10,968	31,473	60.7%	67.1%	64.8%
West Virginia	\$10,866	20,681	71.7%	79.6%	73.0%
Oklahoma	\$10,697	51,213	57.0%	76.3%	69.2%
Oregon	\$10,277	35,449	77.4%	69.8%	66.9%
Vermont	\$9,649	6,894	74.0%	43.7%	52.7%
Arizona	\$9,308	50,224	68.9%	58.7%	59.8%
North Carolina	\$9,281	90,745	63.3%	53.4%	61.1%
Kentucky	\$9,194	37,657	69.0%	77.9%	80.6%
Louisiana	\$9,114	37,475	54.5%	50.4%	59.0%
Mississippi	\$8,949	25,620	50.8%	55.4%	67.4%
Texas	\$8,928	208,986	64.6%	39.7%	51.9%
Rhode Island	\$8,893	17,301	78.0%	57.2%	65.6%
Montana	\$8,871	12,444	57.2%	62.1%	58.9%
Nevada	\$8,771	20,620	87.1%	42.8%	53.4%
Tennessee	\$8,698	54,108	63.7%	62.1%	56.9%
Florida	\$8,658	179,850	62.9%	67.4%	66.6%
Nebraska	\$8,623	23,143	59.2%	34.2%	48.1%
Idaho	\$8,604	14,185	59.2%	69.9%	67.3%
South Dakota	\$8,548	9,823	59.3%	55.8%	62.3%
Washington	\$8,531	85,094	69.1%	79.4%	69.8%
Hawaii	\$8,491	15,895	79.2%	52.0%	47.4%
South Carolina	\$8,459	44,708	62.6%	49.6%	53.6%
Minnesota	\$8,321	39,990	68.1%	70.0%	64.4%
Wisconsin	\$8,297	44,102	74.4%	45.5%	46.2%
Missouri	\$8,232	49,126	59.4%	59.3%	59.9%
New Hampshire	\$8,168	13,470	72.5%	51.2%	58.9%
Alabama	\$8,165	54,247	62.8%	53.5%	58.6%
North Dakota	\$8,143	10,655	64.1%	78.7%	69.5%
Alaska	\$8,138	11,648	87.2%	74.0%	68.3%
California	\$8,099	229,915	75.4%	41.8%	63.7%
Maryland	\$7,944	36,808	71.7%	34.7%	45.5%
Colorado	\$7,944	49,580	63.8%	72.1%	67.0%
Utah	\$7,906	14,748	33.2%	50.0%	60.3%
Pennsylvania	\$7,898	101,755	59.1%	24.8%	29.8%
Iowa	\$7,797	20,642	70.5%	44.7%	56.9%
Wyoming*	\$7,778	5,871			
Georgia	\$7,775	84,118	67.4%	47.9%	49.8%
Virginia	\$7,716	81,297	79.2%	62.7%	43.7%
Kansas	\$7,579	24,213	83.5%	42.1%	63.0%
Massachusetts	\$7,529	53,584	61.3%	23.1%	55.2%
Delaware	\$7,453	7,584	83.0%	42.4%	73.1%
New York	\$7,348	119,963	71.3%	47.2%	60.1%

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State	Veterans Receiving Compensation		Percent Completed in More Than 120 Days		
	Average Annual Payment	Number	2002	2003	2004
Indiana	\$7,287	42,855	65.8%	52.9%	54.7%
Michigan	\$7,241	64,204	67.7%	55.6%	69.0%
Connecticut	\$7,204	21,005	63.2%	67.5%	68.2%
Ohio	\$7,039	85,527	73.5%	69.3%	67.8%
New Jersey	\$7,028	46,903	80.8%	64.7%	64.5%
Illinois	\$6,961	62,169	65.5%	66.6%	68.3%

*Note: Wyoming rating actions completed included in Colorado data.

Table 17. Rating Veterans Service Representative Experience by State for FYs 2002–2004

State	Veterans Receiving Compensation		Percent of RVSRs with More than 2 Years Experience		
	Average Annual Payment	Number	September 2002	September 2003	September 2004
50-State Totals	\$8,378	2,493,576	50.1%	57.0%	78.9%
New Mexico	\$12,004	25,258	58.8%	63.9%	88.2%
Maine	\$11,626	18,751	66.7%	62.8%	69.2%
Arkansas	\$10,968	31,473	48.0%	59.3%	100.0%
West Virginia	\$10,866	20,681	35.3%	63.4%	100.0%
Oklahoma	\$10,697	51,213	41.5%	72.4%	80.0%
Oregon	\$10,277	35,449	66.7%	71.3%	81.0%
Vermont	\$9,649	6,894	50.0%	82.1%	100.0%
Arizona	\$9,308	50,224	39.3%	60.6%	90.6%
North Carolina	\$9,281	90,745	34.2%	41.2%	78.7%
Kentucky	\$9,194	37,657	79.2%	96.1%	73.7%
Louisiana	\$9,114	37,475	34.3%	37.2%	93.1%
Mississippi	\$8,949	25,620	54.2%	63.6%	77.3%
Texas	\$8,928	208,986	50.4%	54.2%	75.8%
Rhode Island	\$8,893	17,301	66.7%	77.2%	100.0%
Montana	\$8,871	12,444	55.6%	85.5%	100.0%
Nevada	\$8,771	20,620	38.5%	55.1%	100.0%
Tennessee	\$8,698	54,108	48.1%	57.0%	68.8%
Florida	\$8,658	179,850	62.7%	55.8%	73.0%
Nebraska	\$8,623	23,143	39.4%	38.6%	34.0%
Idaho	\$8,604	14,185	71.4%	37.7%	22.2%
South Dakota	\$8,548	9,823	33.3%	33.9%	75.0%
Washington	\$8,531	85,094	56.4%	60.9%	71.1%
Hawaii	\$8,491	15,895	50.0%	71.0%	87.5%
South Carolina	\$8,459	44,708	20.6%	37.4%	64.7%
Minnesota	\$8,321	39,990	56.3%	41.2%	48.1%
Wisconsin	\$8,297	44,102	47.6%	44.9%	82.4%
Missouri	\$8,232	49,126	66.2%	75.2%	75.5%
New Hampshire	\$8,168	13,470	75.0%	70.2%	83.3%
Alabama	\$8,165	54,247	62.2%	59.2%	80.6%
North Dakota	\$8,143	10,655	18.2%	23.3%	77.8%
Alaska	\$8,138	11,648	33.3%	33.3%	100.0%
California	\$8,099	229,915	33.3%	55.6%	84.2%
Maryland	\$7,944	36,808	52.4%	59.5%	68.4%
Colorado	\$7,944	49,580	63.6%	75.0%	92.1%
Utah	\$7,906	14,748	37.5%	30.3%	54.5%
Pennsylvania	\$7,898	101,755	58.3%	51.7%	78.9%
Iowa	\$7,797	20,642	53.8%	59.7%	83.3%
Wyoming*	\$7,778	5,871			
Georgia	\$7,775	84,118	54.5%	62.5%	92.7%
Virginia	\$7,716	81,297	68.6%	62.8%	70.6%
Kansas	\$7,579	24,213	50.0%	63.0%	100.0%
Massachusetts	\$7,529	53,584	50.0%	61.5%	100.0%
Delaware	\$7,453	7,584	33.3%	57.1%	66.7%

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State	Veterans Receiving Compensation		Percent of RVSRs with More than 2 Years Experience		
	Average Annual Payment	Number	September 2002	September 2003	September 2004
New York	\$7,348	119,963	65.5%	68.8%	89.3%
Indiana	\$7,287	42,855	64.6%	55.1%	58.0%
Michigan	\$7,241	64,204	57.4%	54.1%	81.5%
Connecticut	\$7,204	21,005	50.0%	62.2%	77.8%
Ohio	\$7,039	85,527	13.1%	29.4%	81.7%
New Jersey	\$7,028	46,903	60.0%	61.3%	93.3%
Illinois	\$6,961	62,169	69.4%	77.8%	100.0%

*Note: Wyoming representative experience included in Colorado data.

Table 18. Veterans Appeals Filed by State for FYs 2002–2004

State	Veterans Receiving Compensation		Appeals Filed 2002–2004	Appeals per 1,000 Veterans
	Average Annual Payment	Number		
50-State Totals	\$8,378	2,493,576	85,340	34
New Mexico	\$12,004	25,258	846	33
Maine	\$11,626	18,751	508	27
Arkansas	\$10,968	31,473	2,506	80
West Virginia	\$10,866	20,681	1,425	69
Oklahoma	\$10,697	51,213	1,930	38
Oregon	\$10,277	35,449	1,391	39
Vermont	\$9,649	6,894	182	26
Arizona	\$9,308	50,224	1,728	34
North Carolina	\$9,281	90,745	2,859	32
Kentucky	\$9,194	37,657	1,345	36
Louisiana	\$9,114	37,475	2,606	70
Mississippi	\$8,949	25,620	2,011	78
Texas	\$8,928	208,986	6,754	32
Rhode Island	\$8,893	17,301	277	16
Montana	\$8,871	12,444	408	33
Nevada	\$8,771	20,620	915	44
Tennessee	\$8,698	54,108	2,851	53
Florida	\$8,658	179,850	6,158	34
Nebraska	\$8,623	23,143	1,257	54
Idaho	\$8,604	14,185	506	36
South Dakota	\$8,548	9,823	253	26
Washington	\$8,531	85,094	951	11
Hawaii	\$8,491	15,895	219	14
South Carolina	\$8,459	44,708	3,316	74
Minnesota	\$8,321	39,990	828	21
Wisconsin	\$8,297	44,102	507	11
Missouri	\$8,232	49,126	2,237	46
New Hampshire	\$8,168	13,470	378	28
Alabama	\$8,165	54,247	4,637	85
North Dakota	\$8,143	10,655	233	22
Alaska	\$8,138	11,648	148	13
California	\$8,099	229,915	4,936	21
Maryland	\$7,944	36,808	741	20
Colorado	\$7,944	49,580	1,343	24
Utah	\$7,906	14,748	402	27
Pennsylvania	\$7,898	101,755	4,177	41
Iowa	\$7,797	20,642	439	21
Wyoming*	\$7,778	5,871		
Georgia	\$7,775	84,118	2,305	27
Virginia	\$7,716	81,297	1,986	24
Kansas	\$7,579	24,213	1,014	42
Massachusetts	\$7,529	53,584	1,450	27
Delaware	\$7,453	7,584	194	26
New York	\$7,348	119,963	3,552	30
Indiana	\$7,287	42,855	1,424	33

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State	Veterans Receiving Compensation		Appeals Filed 2002–2004	Appeals per 1,000 Veterans
	Average Annual Payment	Number		
Michigan	\$7,241	64,204	2,474	39
Connecticut	\$7,204	21,005	663	32
Ohio	\$7,039	85,527	2,751	32
New Jersey	\$7,028	46,903	1,376	29
Illinois	\$6,961	62,169	1,943	31

*Note: Wyoming appeals included in Colorado data.

Table 19. Percent of Veterans Receiving Compensation By Combined Degree of Disability and Average Degree of Disability—FY 2004

State	Veterans Receiving Compensation		Combined Degree of Disability											Average Degree of Disability
	Average Annual Payment	Number	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	
50-State Totals	\$8,378	2,493,576	0.6%	30.6%	15.7%	12.6%	9.3%	5.6%	6.3%	5.5%	3.6%	1.8%	8.4%	37.0%
New Mexico	\$12,004	25,258	0.5%	23.7%	12.8%	9.8%	8.7%	5.6%	7.4%	11.8%	6.6%	3.0%	10.2%	45.0%
Maine	\$11,626	18,751	0.3%	23.6%	13.1%	11.2%	8.4%	5.5%	7.1%	9.6%	6.1%	3.1%	12.0%	45.1%
Arkansas	\$10,968	31,473	0.4%	22.6%	14.0%	11.9%	9.3%	6.5%	8.2%	7.0%	5.1%	2.8%	12.3%	44.2%
West Virginia	\$10,866	20,681	0.5%	23.7%	13.4%	11.4%	9.3%	6.6%	7.2%	7.6%	5.8%	2.7%	11.9%	44.0%
Oklahoma	\$10,697	51,213	0.3%	22.9%	14.4%	11.8%	9.6%	6.3%	8.3%	7.5%	5.0%	2.7%	11.1%	43.5%
Oregon	\$10,277	35,449	0.6%	24.7%	13.6%	11.5%	9.6%	6.3%	6.9%	7.2%	4.8%	3.0%	11.9%	43.3%
Vermont	\$9,649	6,894	0.8%	27.3%	14.3%	11.8%	8.7%	5.9%	7.9%	6.3%	4.1%	2.2%	10.8%	40.7%
Arizona	\$9,308	50,224	0.5%	28.4%	15.5%	12.2%	9.3%	5.7%	6.7%	5.8%	3.9%	2.1%	9.9%	39.2%
North Carolina	\$9,281	90,745	0.4%	25.0%	16.4%	13.1%	10.3%	6.0%	7.0%	5.8%	4.1%	2.3%	9.6%	40.0%
Kentucky	\$9,194	37,657	0.6%	26.7%	15.5%	12.9%	9.7%	6.0%	6.9%	5.3%	3.9%	2.1%	10.3%	39.7%
Louisiana	\$9,114	37,475	0.5%	28.7%	15.4%	12.2%	8.9%	6.0%	6.4%	6.6%	4.1%	2.1%	9.1%	38.9%
Mississippi	\$8,949	25,620	0.6%	27.6%	16.5%	13.0%	9.2%	5.4%	7.0%	4.6%	3.6%	1.8%	10.8%	39.0%
Texas	\$8,928	208,986	0.5%	27.7%	15.5%	12.5%	10.0%	5.9%	7.5%	6.2%	4.3%	2.2%	7.7%	38.5%
Rhode Island	\$8,893	17,301	0.5%	32.5%	14.1%	11.7%	8.2%	5.0%	6.3%	6.5%	4.0%	1.9%	9.3%	37.9%
Montana	\$8,871	12,444	0.4%	28.9%	15.0%	12.8%	9.9%	6.2%	6.8%	6.1%	3.9%	1.9%	8.2%	38.1%
Nevada	\$8,771	20,620	0.3%	28.3%	16.3%	12.6%	9.7%	5.7%	6.9%	5.7%	3.7%	2.3%	8.5%	38.3%
Tennessee	\$8,698	54,108	0.7%	28.1%	16.7%	12.9%	9.3%	5.6%	6.4%	4.7%	3.4%	1.9%	10.4%	38.4%
Florida	\$8,658	179,850	0.4%	30.5%	15.9%	12.3%	9.0%	5.5%	6.6%	5.5%	3.8%	1.9%	8.6%	37.4%
Nebraska	\$8,623	23,143	0.3%	30.8%	14.2%	11.7%	9.7%	5.9%	7.1%	5.5%	4.8%	2.6%	7.4%	38.0%
Idaho	\$8,604	14,185	0.4%	27.7%	16.2%	13.1%	10.1%	6.0%	6.9%	6.2%	4.0%	2.0%	7.4%	37.8%
South Dakota	\$8,548	9,823	0.4%	30.1%	16.4%	12.2%	8.7%	5.9%	6.0%	5.4%	3.8%	2.3%	8.7%	37.6%
Washington	\$8,531	85,094	0.4%	29.2%	15.1%	12.7%	10.1%	5.9%	6.3%	6.6%	4.1%	2.1%	7.5%	37.8%
Hawaii	\$8,491	15,895	1.1%	29.7%	16.7%	12.2%	9.4%	5.4%	5.9%	5.3%	3.3%	1.6%	9.5%	37.2%
South Carolina	\$8,459	44,708	0.3%	28.2%	16.8%	13.2%	9.9%	5.8%	6.0%	5.2%	3.7%	1.9%	9.0%	37.9%
Minnesota	\$8,321	39,990	0.6%	33.4%	14.9%	11.3%	8.6%	5.4%	5.9%	5.6%	3.8%	2.0%	8.6%	36.7%
Wisconsin	\$8,297	44,102	0.7%	32.0%	15.5%	12.0%	8.6%	5.5%	6.1%	5.0%	3.5%	2.0%	9.0%	36.9%
Missouri	\$8,232	49,126	0.6%	31.3%	16.2%	12.9%	9.6%	5.4%	6.3%	5.4%	3.6%	1.5%	7.3%	35.8%
New Hampshire	\$8,168	13,470	0.4%	29.8%	16.2%	13.0%	9.7%	6.1%	6.4%	5.3%	3.7%	1.8%	7.6%	36.8%
Alabama	\$8,165	54,247	0.4%	29.5%	16.3%	13.3%	10.1%	5.7%	6.2%	5.3%	3.5%	1.6%	8.1%	36.9%
North Dakota	\$8,143	10,655	0.4%	32.8%	15.9%	11.9%	8.7%	5.5%	6.2%	4.8%	3.3%	1.9%	8.6%	36.3%
Alaska	\$8,138	11,648	0.3%	22.9%	15.6%	13.2%	11.7%	8.3%	9.2%	6.4%	4.6%	2.2%	5.6%	39.5%

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State	Veterans Receiving Compensation		Combined Degree of Disability											Average Degree of Disability
	Average Annual Payment	Number	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	
California	\$8,099	229,915	0.8%	32.8%	15.5%	12.5%	8.9%	5.2%	5.6%	5.4%	3.4%	1.7%	7.9%	35.7%
Colorado	\$7,944	49,580	0.5%	29.9%	16.2%	13.1%	10.1%	5.8%	6.0%	4.4%	2.8%	1.7%	9.6%	37.1%
Maryland	\$7,944	36,808	0.6%	27.7%	16.3%	13.8%	10.9%	6.3%	6.5%	4.3%	3.1%	1.6%	9.1%	37.5%
Utah	\$7,906	14,748	0.5%	29.7%	16.6%	12.4%	9.9%	6.3%	6.4%	5.4%	3.3%	2.0%	7.5%	36.7%
Pennsylvania	\$7,898	101,755	0.8%	32.7%	15.5%	12.9%	8.9%	5.5%	5.9%	5.3%	3.2%	1.6%	7.6%	35.5%
Iowa	\$7,797	20,642	0.6%	32.7%	15.7%	12.6%	9.4%	5.6%	6.0%	5.0%	3.2%	1.8%	7.4%	35.5%
Wyoming	\$7,778	5,871	0.5%	30.5%	17.9%	12.5%	9.7%	5.6%	5.9%	4.2%	2.9%	1.6%	8.7%	36.1%
Georgia	\$7,775	84,118	0.4%	30.6%	17.6%	13.1%	10.0%	5.5%	6.0%	4.5%	3.0%	1.5%	7.8%	35.6%
Virginia	\$7,716	81,297	0.4%	26.8%	17.0%	14.8%	11.4%	6.3%	7.0%	4.9%	3.3%	1.6%	6.5%	36.4%
Kansas	\$7,579	24,213	0.5%	33.4%	17.2%	12.9%	8.9%	4.8%	5.4%	4.2%	2.7%	1.4%	8.6%	34.8%
Massachusetts	\$7,529	53,584	0.7%	37.8%	13.8%	12.8%	7.2%	5.1%	5.4%	5.6%	2.9%	1.0%	7.6%	33.9%
Delaware	\$7,453	7,584	0.6%	31.7%	17.3%	13.3%	9.5%	5.9%	5.9%	3.7%	2.2%	1.3%	8.7%	35.1%
New York	\$7,348	119,963	0.9%	38.4%	14.5%	11.8%	7.5%	5.1%	4.9%	4.6%	2.8%	1.3%	8.1%	33.6%
Indiana	\$7,287	42,855	0.6%	32.9%	17.1%	12.8%	9.5%	5.4%	6.0%	4.5%	2.9%	1.5%	6.6%	34.2%
Michigan	\$7,241	64,204	0.9%	34.7%	16.4%	13.3%	8.6%	5.3%	5.5%	4.4%	2.6%	1.3%	7.0%	33.5%
Connecticut	\$7,204	21,005	0.9%	37.2%	15.5%	12.0%	7.8%	4.9%	5.0%	4.6%	2.6%	1.3%	8.1%	33.6%
Ohio	\$7,039	85,527	0.8%	34.5%	17.7%	12.9%	8.8%	5.3%	5.3%	3.9%	2.6%	1.3%	6.9%	33.1%
New Jersey	\$7,028	46,903	0.8%	39.0%	14.9%	11.6%	7.5%	5.2%	5.1%	4.0%	2.7%	1.7%	7.5%	33.0%
Illinois	\$6,961	62,169	1.0%	35.7%	16.7%	12.6%	8.6%	5.1%	5.0%	4.4%	2.7%	1.4%	6.7%	32.9%

Table 20. Veterans with 10 Percent and 100 Percent Disabilities by State—FY 2004

State	Veterans Receiving Compensation		10 Percent Disabled		100 Percent Disabled	
	Annual Average Payment	Number	Number	Percent of Total Veterans	Number	Percent of Total Veterans
50-State Totals	\$8,378	2,493,576	763,100	30.6%	208,779	8.4%
New Mexico	\$12,004	25,258	5,977	23.7%	2,573	10.2%
Maine	\$11,626	18,751	4,434	23.6%	2,255	12.0%
Arkansas	\$10,968	31,473	7,125	22.6%	3,868	12.3%
West Virginia	\$10,866	20,681	4,892	23.7%	2,454	11.9%
Oklahoma	\$10,697	51,213	11,753	22.9%	5,668	11.1%
Oregon	\$10,277	35,449	8,744	24.7%	4,223	11.9%
Vermont	\$9,649	6,894	1,879	27.3%	744	10.8%
Arizona	\$9,308	50,224	14,241	28.4%	4,994	9.9%
North Carolina	\$9,281	90,745	22,643	25.0%	8,670	9.6%
Kentucky	\$9,194	37,657	10,060	26.7%	3,876	10.3%
Louisiana	\$9,114	37,475	10,751	28.7%	3,394	9.1%
Mississippi	\$8,949	25,620	7,066	27.6%	2,763	10.8%
Texas	\$8,928	208,986	57,904	27.7%	16,030	7.7%
Rhode Island	\$8,893	17,301	5,616	32.5%	1,608	9.3%
Montana	\$8,871	12,444	3,594	28.9%	1,019	8.2%
Nevada	\$8,771	20,620	5,828	28.3%	1,756	8.5%
Tennessee	\$8,698	54,108	15,228	28.1%	5,631	10.4%
Florida	\$8,658	179,850	54,880	30.5%	15,468	8.6%
Nebraska	\$8,623	23,143	7,130	30.8%	1,707	7.4%
Idaho	\$8,604	14,185	3,936	27.7%	1,045	7.4%
South Dakota	\$8,548	9,823	2,958	30.1%	854	8.7%
Washington	\$8,531	85,094	24,810	29.2%	6,403	7.5%
Hawaii	\$8,491	15,895	4,716	29.7%	1,509	9.5%
South Carolina	\$8,459	44,708	12,619	28.2%	4,003	9.0%
Minnesota	\$8,321	39,990	13,368	33.4%	3,428	8.6%
Wisconsin	\$8,297	44,102	14,124	32.0%	3,965	9.0%
Missouri	\$8,232	49,126	15,377	31.3%	3,569	7.3%
New Hampshire	\$8,168	13,470	4,018	29.8%	1,026	7.6%
Alabama	\$8,165	54,247	15,996	29.5%	4,405	8.1%
North Dakota	\$8,143	10,655	3,498	32.8%	919	8.6%
Alaska	\$8,138	11,648	2,664	22.9%	658	5.6%
California	\$8,099	229,915	75,476	32.8%	18,218	7.9%
Maryland	\$7,944	36,808	10,187	27.7%	3,335	9.1%
Colorado	\$7,944	49,580	14,807	29.9%	4,745	9.6%
Utah	\$7,906	14,748	4,382	29.7%	1,105	7.5%
Pennsylvania	\$7,898	101,755	33,268	32.7%	7,775	7.6%
Iowa	\$7,797	20,642	6,746	32.7%	1,535	7.4%
Wyoming	\$7,778	5,871	1,788	30.5%	512	8.7%
Georgia	\$7,775	84,118	25,745	30.6%	6,588	7.8%
Virginia	\$7,716	81,297	21,828	26.8%	5,250	6.5%
Kansas	\$7,579	24,213	8,084	33.4%	2,085	8.6%
Massachusetts	\$7,529	53,584	20,269	37.8%	4,094	7.6%
Delaware	\$7,453	7,584	2,402	31.7%	659	8.7%

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State	Veterans Receiving Compensation		10 Percent Disabled		100 Percent Disabled	
	Annual Average Payment	Number	Number	Percent of Total Veterans	Number	Percent of Total Veterans
New York	\$7,348	119,963	46,087	38.4%	9,748	8.1%
Indiana	\$7,287	42,855	14,096	32.9%	2,845	6.6%
Michigan	\$7,241	64,204	22,281	34.7%	4,521	7.0%
Connecticut	\$7,204	21,005	7,824	37.2%	1,698	8.1%
Ohio	\$7,039	85,527	29,512	34.5%	5,869	6.9%
New Jersey	\$7,028	46,903	18,288	39.0%	3,530	7.5%
Illinois	\$6,961	62,169	22,201	35.7%	4,182	6.7%

Table 21. Veterans with 10 Percent, Individual Unemployability, and Scheduling 100 Percent Disabilities by State—FY 2004

State	Veterans Receiving Compensation		Veterans with 10 Percent Disability		Veterans with Individual Unemployability		Veterans with Scheduling 100 Percent Disability		All Other Veterans	
	Average Annual Payment	Number	Percent of Total Veterans	Annual Average Payment	Percent of Total Veterans	Average Annual Payment	Percent of Total Veterans	Average Annual Payment	Percent of Total Veterans	Average Annual Payment
50-State Totals	\$8,378	2,493,576	30.6%	\$1,280	7.9%	\$28,349	8.4%	\$30,940	53.1%	\$5,943
New Mexico	\$12,004	25,258	23.7%	\$1,281	20.1%	\$28,258	10.2%	\$31,133	46.1%	\$6,190
Maine	\$11,626	18,751	23.6%	\$1,282	17.1%	\$28,289	12.0%	\$29,998	47.3%	\$6,112
Arkansas	\$10,968	31,473	22.6%	\$1,282	12.8%	\$28,466	12.3%	\$30,586	52.3%	\$6,271
West Virginia	\$10,866	20,681	23.7%	\$1,280	13.3%	\$28,469	11.9%	\$30,152	51.2%	\$6,271
Oklahoma	\$10,697	51,213	22.9%	\$1,280	12.9%	\$28,372	11.1%	\$30,538	53.0%	\$6,315
Oregon	\$10,277	35,449	24.7%	\$1,280	9.7%	\$28,222	11.9%	\$31,164	53.7%	\$6,535
Vermont	\$9,649	6,894	27.3%	\$1,278	10.0%	\$28,402	10.8%	\$30,201	52.0%	\$6,182
Arizona	\$9,308	50,224	28.4%	\$1,282	9.8%	\$28,269	9.9%	\$31,459	51.9%	\$5,889
North Carolina	\$9,281	90,745	25.0%	\$1,282	8.8%	\$28,551	9.6%	\$30,912	56.7%	\$6,168
Kentucky	\$9,194	37,657	26.7%	\$1,281	8.5%	\$28,436	10.3%	\$30,616	54.5%	\$6,018
Louisiana	\$9,114	37,475	28.7%	\$1,282	9.8%	\$28,450	9.1%	\$30,818	52.5%	\$6,037
Mississippi	\$8,949	25,620	27.6%	\$1,282	7.3%	\$28,441	10.8%	\$30,751	54.3%	\$5,876
Texas	\$8,928	208,986	27.7%	\$1,282	9.8%	\$28,458	7.7%	\$31,237	54.8%	\$6,169
Rhode Island	\$8,893	17,301	32.5%	\$1,277	10.1%	\$28,127	9.3%	\$30,077	48.1%	\$5,901
Montana	\$8,871	12,444	28.9%	\$1,283	10.0%	\$28,369	8.2%	\$31,041	52.9%	\$5,899
Nevada	\$8,771	20,620	28.3%	\$1,284	9.0%	\$28,190	8.5%	\$31,293	54.3%	\$5,933
Tennessee	\$8,698	54,108	28.1%	\$1,282	6.5%	\$28,424	10.4%	\$30,906	54.9%	\$5,945
Florida	\$8,658	179,850	30.5%	\$1,281	8.9%	\$28,321	8.6%	\$31,517	52.0%	\$5,849
Nebraska	\$8,623	23,143	30.8%	\$1,278	8.8%	\$28,355	7.4%	\$31,449	53.0%	\$6,437
Idaho	\$8,604	14,185	27.7%	\$1,281	9.0%	\$28,341	7.4%	\$31,366	55.9%	\$6,060
South Dakota	\$8,548	9,823	30.1%	\$1,277	8.2%	\$28,367	8.7%	\$30,559	53.0%	\$5,991
Washington	\$8,531	85,094	29.2%	\$1,280	8.6%	\$28,286	7.5%	\$30,936	54.7%	\$6,204
Hawaii	\$8,491	15,895	29.7%	\$1,281	7.8%	\$28,492	9.5%	\$30,337	53.1%	\$5,694
South Carolina	\$8,459	44,708	28.2%	\$1,282	6.8%	\$28,458	9.0%	\$31,193	56.0%	\$6,002
Minnesota	\$8,321	39,990	33.4%	\$1,279	8.0%	\$28,242	8.6%	\$30,686	50.0%	\$6,012
Wisconsin	\$8,297	44,102	32.0%	\$1,279	7.2%	\$28,271	9.0%	\$30,648	51.7%	\$5,961
Missouri	\$8,232	49,126	31.3%	\$1,280	9.4%	\$28,335	7.3%	\$30,953	52.0%	\$5,613
New Hampshire	\$8,168	13,470	29.8%	\$1,282	7.9%	\$28,322	7.6%	\$30,513	54.7%	\$5,906

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State	Veterans Receiving Compensation		Veterans with 10 Percent Disability		Veterans with Individual Unemployability		Veterans with Scheduling 100 Percent Disability		All Other Veterans	
	Average Annual Payment	Number	Percent of Total Veterans	Annual Average Payment	Percent of Total Veterans	Average Annual Payment	Percent of Total Veterans	Average Annual Payment	Percent of Total Veterans	Average Annual Payment
Alabama	\$8,165	54,247	29.5%	\$1,280	7.1%	\$28,463	8.1%	\$30,569	55.3%	\$5,935
North Dakota	\$8,143	10,655	32.8%	\$1,277	7.0%	\$28,428	8.6%	\$30,631	51.6%	\$6,006
Alaska	\$8,138	11,648	22.9%	\$1,280	5.5%	\$28,385	5.6%	\$29,694	66.0%	\$6,981
California	\$8,099	229,915	32.8%	\$1,280	7.9%	\$28,243	7.9%	\$31,419	51.3%	\$5,752
Maryland	\$7,944	36,808	27.7%	\$1,282	3.3%	\$28,509	9.1%	\$31,366	59.9%	\$6,329
Colorado	\$7,944	49,580	29.9%	\$1,280	3.9%	\$28,371	9.6%	\$30,835	56.7%	\$6,188
Utah	\$7,906	14,748	29.7%	\$1,282	5.7%	\$28,497	7.5%	\$30,968	57.1%	\$6,281
Pennsylvania	\$7,898	101,755	32.7%	\$1,280	7.4%	\$28,313	7.6%	\$30,778	52.3%	\$5,814
Iowa	\$7,797	20,642	32.7%	\$1,279	7.0%	\$28,277	7.4%	\$30,660	52.9%	\$5,895
Wyoming	\$7,778	5,871	30.5%	\$1,280	5.2%	\$28,276	8.7%	\$30,513	55.6%	\$5,837
Georgia	\$7,775	84,118	30.6%	\$1,282	6.1%	\$28,492	7.8%	\$31,090	55.5%	\$5,799
Virginia	\$7,716	81,297	26.8%	\$1,282	5.5%	\$28,435	6.5%	\$31,429	61.1%	\$6,158
Kansas	\$7,579	24,213	33.4%	\$1,280	5.6%	\$28,402	8.6%	\$30,301	52.4%	\$5,636
Massachusetts	\$7,529	53,584	37.8%	\$1,276	7.3%	\$28,096	7.6%	\$30,231	47.2%	\$5,667
Delaware	\$7,453	7,584	31.7%	\$1,279	3.9%	\$28,395	8.7%	\$31,041	55.7%	\$5,812
New York	\$7,348	119,963	38.4%	\$1,278	6.1%	\$28,256	8.1%	\$30,048	47.3%	\$5,671
Indiana	\$7,287	42,855	32.9%	\$1,278	5.7%	\$28,331	6.6%	\$31,147	54.8%	\$5,809
Michigan	\$7,241	64,204	34.7%	\$1,279	6.0%	\$28,337	7.0%	\$30,880	52.2%	\$5,573
Connecticut	\$7,204	21,005	37.2%	\$1,277	5.0%	\$28,253	8.1%	\$30,435	49.7%	\$5,757
Ohio	\$7,039	85,527	34.5%	\$1,279	5.4%	\$28,343	6.9%	\$31,030	53.3%	\$5,536
New Jersey	\$7,028	46,903	39.0%	\$1,277	5.3%	\$28,220	7.5%	\$30,391	48.2%	\$5,715
Illinois	\$6,961	62,169	35.7%	\$1,279	5.0%	\$28,267	6.7%	\$31,287	52.6%	\$5,682
High-Low Variance	\$5,043									\$508
Variance between High (New Mexico) and Low (Illinois) Average Payment States for Total Veterans:									\$5,043	100.0%
Variance attributable to All Other Veterans:									\$508	10.1%
Variance attributable to 10 percent, Individual Unemployability, and Scheduling 100 Percent Veterans:									\$4,535	89.9%

Table 22. Veterans Average Ratings for Primary Disability by Body Systems and State—FY 2004

State	Veterans Receiving Compensation		Average Disability Rating Percent														
	Average Annual Payment	Number	Musculoskeletal	Visual	Auditory	Systemic	Respiratory	Cardiovascular	Digestive	Genitourinary	Gynecological	Hemic/Lymphatic	Skin/Scars	Endocrine	Neurological	Mental	Dental/Oral
50-State Totals	\$8,378	2,493,576	20%	32%	20%	42%	29%	30%	23%	40%	36%	49%	15%	24%	34%	58%	18%
New Mexico	\$12,004	25,258	24%	34%	20%	42%	33%	36%	26%	47%	37%	57%	17%	28%	37%	67%	17%
Maine	\$11,626	18,751	22%	32%	22%	46%	34%	33%	27%	34%	35%	51%	16%	26%	36%	67%	19%
Arkansas	\$10,968	31,473	25%	34%	20%	49%	38%	43%	25%	43%	37%	52%	17%	24%	41%	65%	21%
West Virginia	\$10,866	20,681	23%	35%	22%	41%	35%	39%	26%	43%	37%	55%	16%	25%	36%	61%	15%
Oklahoma	\$10,697	51,213	21%	36%	23%	51%	36%	35%	24%	43%	38%	46%	17%	26%	36%	65%	16%
Oregon	\$10,277	35,449	23%	34%	21%	46%	32%	37%	28%	42%	36%	53%	16%	28%	37%	66%	17%
Vermont	\$9,649	6,894	24%	34%	19%	29%	28%	29%	26%	43%	36%	43%	15%	24%	35%	63%	16%
Arizona	\$9,308	50,224	21%	33%	18%	43%	30%	31%	24%	39%	37%	50%	15%	24%	35%	65%	18%
North Carolina	\$9,281	90,745	20%	34%	20%	48%	34%	34%	24%	49%	36%	51%	17%	23%	32%	63%	18%
Kentucky	\$9,194	37,657	21%	35%	23%	40%	33%	34%	24%	39%	35%	51%	14%	23%	35%	60%	20%
Louisiana	\$9,114	37,475	21%	32%	20%	40%	32%	31%	23%	43%	35%	50%	15%	23%	34%	59%	18%
Mississippi	\$8,949	25,620	21%	37%	23%	49%	32%	31%	23%	43%	38%	46%	16%	22%	37%	60%	20%
Texas	\$8,928	208,986	20%	32%	20%	47%	31%	33%	23%	43%	37%	51%	16%	24%	33%	58%	18%
Rhode Island	\$8,893	17,301	22%	31%	20%	38%	28%	29%	23%	30%	33%	46%	14%	25%	33%	60%	16%
Montana	\$8,871	12,444	21%	33%	19%	39%	31%	30%	22%	44%	35%	55%	15%	24%	36%	57%	14%
Nevada	\$8,771	20,620	21%	32%	20%	45%	33%	34%	22%	40%	36%	49%	15%	26%	35%	60%	17%
Tennessee	\$8,698	54,108	20%	35%	23%	43%	33%	34%	23%	43%	36%	49%	15%	22%	34%	64%	20%
Florida	\$8,658	179,850	20%	33%	22%	43%	31%	31%	23%	41%	36%	52%	15%	24%	34%	60%	17%
Nebraska	\$8,623	23,143	22%	30%	19%	37%	32%	31%	24%	40%	36%	48%	15%	23%	34%	58%	14%
Idaho	\$8,604	14,185	22%	33%	19%	32%	31%	31%	25%	38%	36%	53%	15%	25%	37%	57%	15%
South Dakota	\$8,548	9,823	20%	32%	22%	44%	33%	35%	23%	40%	38%	46%	15%	23%	34%	60%	10%
Washington	\$8,531	85,094	19%	30%	15%	45%	30%	29%	24%	38%	35%	52%	15%	28%	32%	61%	17%
Hawaii	\$8,491	15,895	20%	29%	20%	47%	25%	26%	22%	43%	37%	47%	15%	25%	33%	67%	16%
South Carolina	\$8,459	44,708	19%	33%	20%	43%	35%	29%	22%	48%	36%	50%	15%	22%	34%	60%	20%
Minnesota	\$8,321	39,990	22%	32%	20%	38%	30%	32%	25%	38%	35%	48%	14%	23%	32%	58%	18%

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State	Veterans Receiving Compensation		Average Disability Rating Percent														
	Average Annual Payment	Number	Musculoskeletal	Visual	Auditory	Systemic	Respiratory	Cardiovascular	Digestive	Genitourinary	Gynecological	Hemic/Lymphatic	Skin/Scars	Endocrine	Neurological	Mental	Dental/Oral
Wisconsin	\$8,297	44,102	22%	29%	20%	45%	27%	32%	24%	39%	36%	50%	14%	22%	34%	59%	18%
Missouri	\$8,232	49,126	20%	33%	20%	38%	30%	30%	24%	40%	37%	45%	14%	22%	34%	55%	21%
New Hampshire	\$8,168	13,470	21%	30%	20%	53%	26%	29%	24%	33%	36%	49%	15%	25%	34%	56%	16%
Alabama	\$8,165	54,247	20%	32%	21%	39%	31%	28%	22%	41%	37%	51%	14%	24%	34%	56%	18%
North Dakota	\$8,143	10,655	21%	35%	17%	50%	31%	30%	25%	40%	39%	51%	14%	28%	34%	64%	21%
Alaska	\$8,138	11,648	21%	26%	15%	48%	29%	32%	24%	37%	39%	48%	15%	27%	29%	59%	16%
California	\$8,099	229,915	19%	31%	19%	44%	25%	28%	22%	41%	35%	47%	14%	25%	32%	59%	17%
Maryland	\$7,944	36,808	20%	31%	19%	49%	28%	27%	25%	43%	35%	49%	15%	22%	32%	63%	18%
Colorado	\$7,944	49,580	19%	32%	18%	49%	28%	27%	23%	40%	36%	47%	15%	23%	33%	63%	16%
Utah	\$7,906	14,748	21%	35%	21%	51%	28%	29%	22%	35%	39%	52%	15%	24%	33%	59%	19%
Pennsylvania	\$7,898	101,755	21%	33%	21%	36%	25%	29%	23%	39%	35%	48%	15%	23%	34%	54%	17%
Iowa	\$7,797	20,642	21%	32%	20%	41%	29%	32%	25%	36%	34%	50%	14%	23%	33%	54%	15%
Wyoming	\$7,778	5,871	21%	31%	17%	31%	34%	27%	21%	38%	32%	46%	16%	22%	34%	61%	15%
Georgia	\$7,775	84,118	19%	31%	19%	42%	30%	28%	22%	42%	35%	53%	16%	24%	33%	58%	16%
Virginia	\$7,716	81,297	19%	30%	18%	46%	33%	27%	23%	41%	37%	50%	16%	24%	32%	55%	16%
Kansas	\$7,579	24,213	19%	30%	20%	41%	28%	28%	23%	36%	37%	45%	14%	24%	33%	64%	17%
Massachusetts	\$7,529	53,584	20%	26%	20%	35%	24%	27%	22%	29%	32%	46%	14%	33%	34%	51%	16%
Delaware	\$7,453	7,584	19%	33%	19%	40%	26%	23%	19%	39%	35%	40%	14%	23%	36%	61%	14%
New York	\$7,348	119,963	19%	29%	21%	36%	22%	25%	22%	35%	31%	45%	13%	24%	32%	54%	18%
Indiana	\$7,287	42,855	20%	33%	17%	38%	26%	31%	24%	37%	37%	45%	14%	23%	35%	54%	19%
Michigan	\$7,241	64,204	20%	30%	20%	33%	24%	28%	24%	39%	34%	46%	15%	24%	34%	51%	18%
Connecticut	\$7,204	21,005	20%	30%	19%	38%	23%	26%	22%	31%	35%	46%	14%	24%	33%	55%	19%
Ohio	\$7,039	85,527	20%	32%	21%	37%	25%	28%	23%	36%	36%	46%	14%	21%	31%	52%	18%
New Jersey	\$7,028	46,903	19%	26%	19%	27%	22%	25%	21%	31%	34%	44%	13%	24%	33%	50%	17%
Illinois	\$6,961	62,169	19%	32%	18%	36%	23%	25%	22%	39%	36%	48%	12%	22%	32%	52%	22%

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State	Veterans Receiving Compensation		Average Disability Rating Percent														
	Average Annual Payment	Number	Musculoskeletal	Visual	Auditory	Systemic	Respiratory	Cardiovascular	Digestive	Genitourinary	Gynecological	Hemic/Lymphatic	Skin/Scars	Endocrine	Neurological	Mental	Dental/Oral
	High Average Degree of Disability		25%	37%	23%	53%	38%	43%	28%	49%	39%	57%	17%	28%	41%	67%	22%
	Low Average Degree of Disability		19%	26%	15%	27%	22%	23%	19%	29%	31%	40%	12%	21%	29%	50%	10%
	Range		6%	11%	8%	26%	16%	20%	9%	20%	8%	17%	5%	7%	12%	17%	12%

Table 23. Veterans with 100 Percent Disability with PTSD or PTSD and Individual Unemployability (IU) Ratings—FY 2004

State	Veterans Receiving Compensation		Veterans with 100 Percent Disability and PTSD or PTSD and IU Rating				All Other Veterans
	Average Annual Payment	Number	Percent with PTSD	Percent with PTSD and IU	Combined Percent PTSD and PTSD/IU	Combined Average Annual Payment	Average Annual Payment
50-State Totals	\$8,378	2,493,576	2.0%	2.1%	4.1%	\$28,387	\$7,523
New Mexico	\$12,004	25,258	3.2%	9.4%	12.6%	\$28,310	\$9,663
Maine	\$11,626	18,751	4.5%	6.5%	11.0%	\$28,191	\$9,571
Arkansas	\$10,968	31,473	3.1%	2.3%	5.4%	\$28,535	\$9,966
West Virginia	\$10,866	20,681	4.5%	5.1%	9.6%	\$28,517	\$8,996
Oklahoma	\$10,697	51,213	3.7%	3.3%	7.1%	\$28,537	\$9,338
Oregon	\$10,277	35,449	3.9%	3.6%	7.4%	\$28,363	\$8,825
Vermont	\$9,649	6,894	4.0%	2.2%	6.2%	\$28,294	\$8,427
Arizona	\$9,308	50,224	3.1%	2.3%	5.4%	\$28,351	\$8,218
North Carolina	\$9,281	90,745	2.4%	2.1%	4.5%	\$28,640	\$8,376
Kentucky	\$9,194	37,657	3.2%	1.7%	4.9%	\$28,653	\$8,195
Louisiana	\$9,114	37,475	1.9%	2.8%	4.7%	\$28,571	\$8,159
Mississippi	\$8,949	25,620	2.5%	1.0%	3.5%	\$28,569	\$8,248
Texas	\$8,928	208,986	1.4%	2.1%	3.4%	\$28,535	\$8,230
Rhode Island	\$8,893	17,301	2.5%	3.7%	6.2%	\$28,178	\$7,613
Montana	\$8,871	12,444	2.0%	2.8%	4.9%	\$28,396	\$7,871
Nevada	\$8,771	20,620	1.6%	2.1%	3.7%	\$28,348	\$8,019
Tennessee	\$8,698	54,108	2.9%	1.2%	4.1%	\$28,682	\$7,844
Florida	\$8,658	179,850	1.5%	1.9%	3.4%	\$28,323	\$7,963
Nebraska	\$8,623	23,143	1.0%	2.0%	3.0%	\$28,444	\$8,012
Idaho	\$8,604	14,185	1.6%	2.6%	4.2%	\$28,316	\$7,736
South Dakota	\$8,548	9,823	1.8%	2.6%	4.4%	\$28,387	\$7,638
Washington	\$8,531	85,094	2.1%	3.4%	5.5%	\$28,239	\$7,390
Hawaii	\$8,491	15,895	3.8%	2.2%	6.0%	\$28,452	\$7,221
South Carolina	\$8,459	44,708	2.2%	1.9%	4.1%	\$28,526	\$7,598
Minnesota	\$8,321	39,990	2.0%	2.4%	4.4%	\$28,344	\$7,407
Wisconsin	\$8,297	44,102	2.2%	1.7%	3.9%	\$28,362	\$7,484
Missouri	\$8,232	49,126	1.3%	2.5%	3.7%	\$28,283	\$7,454
New Hampshire	\$8,168	13,470	1.9%	2.1%	4.0%	\$28,261	\$7,324

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State	Veterans Receiving Compensation		Veterans with 100 Percent Disability and PTSD or PTSD and IU Rating				All Other Veterans
	Average Annual Payment	Number	Percent with PTSD	Percent with PTSD and IU	Combined Percent PTSD and PTSD/IU	Combined Average Annual Payment	Average Annual Payment
Alabama	\$8,165	54,247	2.1%	1.9%	4.0%	\$28,525	\$7,321
North Dakota	\$8,143	10,655	2.7%	1.0%	3.6%	\$28,389	\$7,384
Alaska	\$8,138	11,648	1.7%	1.1%	2.8%	\$28,059	\$7,572
California	\$8,099	229,915	2.1%	2.7%	4.8%	\$28,280	\$7,085
Maryland	\$7,944	36,808	2.1%	0.7%	2.9%	\$28,578	\$7,336
Colorado	\$7,944	49,580	3.1%	0.7%	3.8%	\$28,544	\$7,126
Utah	\$7,906	14,748	1.9%	1.8%	3.7%	\$28,489	\$7,112
Pennsylvania	\$7,898	101,755	1.4%	2.1%	3.5%	\$28,355	\$7,158
Iowa	\$7,797	20,642	1.2%	1.8%	3.0%	\$28,159	\$7,164
Wyoming	\$7,778	5,871	2.5%	1.1%	3.6%	\$28,320	\$7,016
Georgia	\$7,775	84,118	1.3%	1.2%	2.5%	\$28,590	\$7,236
Virginia	\$7,716	81,297	0.8%	1.2%	2.0%	\$28,395	\$7,289
Kansas	\$7,579	24,213	2.7%	1.4%	4.0%	\$28,247	\$6,709
Massachusetts	\$7,529	53,584	1.6%	2.7%	4.3%	\$28,191	\$6,612
Delaware	\$7,453	7,584	2.8%	0.8%	3.5%	\$28,711	\$6,671
New York	\$7,348	119,963	1.9%	2.1%	4.0%	\$28,254	\$6,474
Indiana	\$7,287	42,855	1.0%	1.3%	2.3%	\$28,202	\$6,795
Michigan	\$7,241	64,204	1.1%	1.2%	2.3%	\$28,225	\$6,744
Connecticut	\$7,204	21,005	1.9%	1.6%	3.6%	\$28,174	\$6,430
Ohio	\$7,039	85,527	1.0%	1.2%	2.2%	\$28,315	\$6,568
New Jersey	\$7,028	46,903	1.8%	1.7%	3.5%	\$28,300	\$6,251
Illinois	\$6,961	62,169	1.3%	1.5%	2.8%	\$28,240	\$6,340
Variance between High (New Mexico) and Low (Illinois) State Average Annual Payments for Total Veterans							\$5,043 (100%)
Variance Attributed to Veterans with 100 Percent Disability with PTSD and PTSD/IU							\$1,720 (34.1%)
Variance between Average Annual Payments for All Other Veterans							\$3,323 (65.9%)

Table 24. Veterans with Systemic Disabilities by Degree of Disability and State—FY 2004

State	Average Annual Payment	Veterans with Systemic Disability												
		Percent of Total Veterans	Average Degree of Disability	Percent of Veterans at Each Degree of Disability										
				0	10	20	30	40	50	60	70	80	90	100
50-State Totals	\$8,378	0.5%	42	9.7%	20.9%	4.0%	20.3%	3.7%	0.9%	22.0%	0.2%	1.1%	0.0%	17.2%
New Mexico	\$12,004	0.2%	42	4.1%	34.7%	0.0%	12.2%	8.2%	2.0%	20.4%	0.0%	0.0%	0.0%	18.4%
Maine	\$11,626	0.2%	46	17.6%	8.8%	5.9%	14.7%	5.9%	0.0%	23.5%	0.0%	0.0%	0.0%	23.5%
Arkansas	\$10,968	0.2%	49	8.5%	13.6%	3.4%	18.6%	5.1%	0.0%	28.8%	0.0%	0.0%	0.0%	22.0%
West Virginia	\$10,866	0.2%	41	5.9%	20.6%	11.8%	11.8%	11.8%	0.0%	23.5%	0.0%	0.0%	0.0%	14.7%
Oklahoma	\$10,697	0.2%	51	6.3%	12.5%	2.1%	20.8%	8.3%	2.1%	21.9%	0.0%	0.0%	0.0%	26.0%
Oregon	\$10,277	0.2%	46	17.3%	17.3%	5.3%	8.0%	1.3%	0.0%	22.7%	0.0%	5.3%	0.0%	22.7%
Vermont	\$9,649	0.2%	29	17.6%	23.5%	11.8%	11.8%	5.9%	11.8%	11.8%	0.0%	0.0%	0.0%	5.9%
Arizona	\$9,308	0.2%	43	14.4%	15.2%	5.6%	16.8%	5.6%	1.6%	20.8%	0.0%	1.6%	0.0%	18.4%
North Carolina	\$9,281	0.3%	48	5.2%	19.7%	6.4%	15.9%	3.0%	1.3%	26.2%	0.4%	0.9%	0.0%	21.0%
Kentucky	\$9,194	0.2%	40	7.0%	26.3%	3.5%	21.1%	5.3%	0.0%	21.1%	0.0%	0.0%	0.0%	15.8%
Louisiana	\$9,114	0.2%	40	13.1%	21.4%	3.6%	20.2%	1.2%	0.0%	25.0%	1.2%	0.0%	0.0%	14.3%
Mississippi	\$8,949	0.2%	49	8.3%	18.3%	5.0%	13.3%	0.0%	3.3%	26.7%	0.0%	5.0%	0.0%	20.0%
Texas	\$8,928	0.2%	47	5.0%	18.4%	3.8%	22.1%	3.5%	0.8%	26.7%	0.4%	0.6%	0.0%	18.8%
Rhode Island	\$8,893	0.2%	38	14.6%	17.1%	4.9%	19.5%	2.4%	4.9%	24.4%	0.0%	4.9%	0.0%	7.3%
Montana	\$8,871	0.3%	39	9.4%	21.9%	9.4%	12.5%	9.4%	0.0%	25.0%	0.0%	0.0%	0.0%	12.5%
Nevada	\$8,771	0.3%	45	5.3%	22.8%	5.3%	22.8%	5.3%	0.0%	14.0%	0.0%	1.8%	0.0%	22.8%
Tennessee	\$8,698	0.2%	43	10.2%	23.4%	4.7%	14.1%	4.7%	2.3%	19.5%	0.0%	1.6%	0.0%	19.5%
Florida	\$8,658	0.3%	43	6.7%	20.9%	4.7%	21.3%	3.5%	1.2%	24.4%	0.0%	0.6%	0.0%	16.7%
Nebraska	\$8,623	0.2%	37	27.5%	12.5%	2.5%	15.0%	5.0%	0.0%	20.0%	2.5%	2.5%	0.0%	12.5%
Idaho	\$8,604	0.3%	32	20.0%	25.0%	7.5%	12.5%	5.0%	0.0%	20.0%	0.0%	0.0%	0.0%	10.0%
South Dakota	\$8,548	0.3%	44	19.4%	9.7%	6.5%	12.9%	6.5%	0.0%	22.6%	0.0%	3.2%	0.0%	19.4%
Washington	\$8,531	0.2%	45	10.7%	17.6%	2.4%	17.1%	4.4%	1.0%	27.8%	0.5%	0.5%	0.0%	18.0%
Hawaii	\$8,491	0.3%	47	16.3%	18.6%	0.0%	14.0%	4.7%	0.0%	18.6%	0.0%	0.0%	0.0%	27.9%
South Carolina	\$8,459	0.3%	43	8.5%	20.8%	2.3%	25.4%	3.8%	0.0%	19.2%	0.0%	0.8%	0.0%	19.2%
Minnesota	\$8,321	0.2%	38	22.0%	20.7%	3.7%	9.8%	4.9%	0.0%	20.7%	0.0%	1.2%	0.0%	17.1%
Wisconsin	\$8,297	0.2%	45	12.7%	13.9%	7.6%	15.2%	2.5%	0.0%	29.1%	0.0%	0.0%	0.0%	19.0%

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State	Average Annual Payment	Veterans with Systemic Disability												
		Percent of Total Veterans	Average Degree of Disability	Percent of Veterans at Each Degree of Disability										
				0	10	20	30	40	50	60	70	80	90	100
Missouri	\$8,232	0.2%	38	12.5%	20.5%	2.3%	25.0%	5.7%	1.1%	20.5%	0.0%	0.0%	0.0%	12.5%
New Hampshire	\$8,168	0.2%	53	6.9%	13.8%	20.7%	3.4%	3.4%	0.0%	17.2%	0.0%	0.0%	0.0%	34.5%
Alabama	\$8,165	0.3%	39	9.9%	26.8%	3.5%	18.3%	3.5%	0.7%	21.8%	0.0%	2.1%	0.0%	13.4%
North Dakota	\$8,143	0.3%	50	12.5%	3.1%	9.4%	9.4%	15.6%	0.0%	28.1%	0.0%	0.0%	0.0%	21.9%
Alaska	\$8,138	0.2%	48	5.6%	16.7%	11.1%	11.1%	5.6%	5.6%	16.7%	0.0%	11.1%	0.0%	16.7%
California	\$8,099	0.3%	44	6.3%	21.3%	3.1%	25.3%	2.4%	0.8%	20.6%	0.0%	1.1%	0.0%	19.3%
Maryland	\$7,944	0.5%	49	3.0%	21.3%	1.2%	22.5%	4.1%	0.6%	22.5%	0.0%	0.6%	0.0%	24.3%
Colorado	\$7,944	0.3%	49	4.5%	16.5%	3.0%	19.5%	3.0%	0.8%	33.1%	0.8%	0.8%	0.0%	18.0%
Utah	\$7,906	0.2%	51	0.0%	6.7%	10.0%	23.3%	10.0%	3.3%	26.7%	0.0%	0.0%	0.0%	20.0%
Pennsylvania	\$7,898	0.2%	36	12.8%	27.4%	3.8%	19.7%	2.1%	0.4%	20.5%	0.4%	0.9%	0.0%	12.0%
Iowa	\$7,797	0.2%	41	10.0%	20.0%	12.5%	17.5%	2.5%	0.0%	17.5%	0.0%	2.5%	0.0%	17.5%
Wyoming	\$7,778	0.2%	31	41.7%	16.7%	8.3%	8.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%
Georgia	\$7,775	0.5%	42	6.0%	22.1%	2.9%	25.7%	3.1%	0.7%	23.3%	0.5%	1.0%	0.0%	14.9%
Virginia	\$7,716	0.4%	46	2.5%	17.8%	3.1%	28.5%	4.2%	0.6%	24.3%	0.0%	1.4%	0.0%	17.5%
Kansas	\$7,579	0.2%	41	11.9%	11.9%	7.1%	31.0%	2.4%	0.0%	19.0%	0.0%	0.0%	0.0%	16.7%
Massachusetts	\$7,529	0.2%	35	18.8%	30.2%	3.1%	11.5%	4.2%	1.0%	11.5%	1.0%	1.0%	0.0%	17.7%
Delaware	\$7,453	0.3%	40	9.5%	9.5%	9.5%	28.6%	4.8%	0.0%	23.8%	0.0%	9.5%	0.0%	4.8%
New York	\$7,348	0.2%	36	16.2%	26.5%	2.1%	18.4%	2.1%	0.4%	17.9%	0.4%	1.7%	0.0%	14.1%
Indiana	\$7,287	0.2%	38	19.8%	20.8%	2.8%	13.2%	7.5%	0.0%	17.9%	0.0%	1.9%	0.0%	16.0%
Michigan	\$7,241	0.3%	33	20.9%	22.1%	4.7%	20.9%	1.7%	1.2%	14.5%	0.0%	1.7%	0.0%	12.2%
Connecticut	\$7,204	0.2%	38	9.3%	37.2%	0.0%	9.3%	7.0%	0.0%	18.6%	2.3%	0.0%	0.0%	16.3%
Ohio	\$7,039	0.2%	37	14.1%	26.3%	4.7%	18.3%	2.8%	0.9%	16.9%	0.0%	0.9%	0.0%	15.0%
New Jersey	\$7,028	0.2%	27	19.8%	31.7%	3.0%	21.8%	1.0%	2.0%	11.9%	0.0%	3.0%	0.0%	5.9%
Illinois	\$6,961	0.2%	36	17.7%	21.1%	4.1%	19.0%	3.4%	1.4%	18.4%	2.0%	0.7%	0.0%	12.2%

Table 25. Veterans with Cardiovascular Disabilities by Degree of Disability and State—FY 2004

State	Average Annual Payment	Veterans with Cardiovascular Disability												
		Percent of Total Veterans	Average Degree of Disability	Percent of Veterans at Each Degree of Disability										
				0	10	20	30	40	50	60	70	80	90	100
50-State Totals	\$8,378	6.7%	30	1.2%	44.8%	7.4%	21.6%	2.7%	0.9%	13.2%	0.1%	0.1%	0.0%	8.0%
New Mexico	\$12,004	5.7%	36	1.0%	39.1%	5.9%	20.1%	3.3%	0.6%	16.4%	0.2%	0.1%	0.0%	13.1%
Maine	\$11,626	5.0%	33	1.1%	42.2%	8.3%	18.5%	2.5%	0.6%	15.2%	0.4%	0.1%	0.0%	11.0%
Arkansas	\$10,968	7.3%	43	0.7%	30.6%	6.9%	17.6%	2.6%	0.9%	22.1%	0.3%	0.0%	0.0%	18.4%
West Virginia	\$10,866	6.1%	39	1.0%	30.8%	7.2%	23.4%	3.3%	0.9%	19.4%	0.0%	0.1%	0.0%	13.7%
Oklahoma	\$10,697	7.2%	35	0.6%	36.7%	6.2%	23.3%	3.5%	0.9%	18.8%	0.1%	0.1%	0.0%	9.8%
Oregon	\$10,277	4.5%	37	1.7%	35.6%	6.4%	21.8%	3.7%	1.2%	14.0%	0.4%	0.1%	0.0%	15.2%
Vermont	\$9,649	5.2%	29	1.4%	42.2%	7.0%	24.3%	4.5%	2.0%	12.8%	0.3%	0.0%	0.0%	5.6%
Arizona	\$9,308	6.6%	31	1.2%	45.2%	6.4%	20.8%	2.5%	0.8%	13.6%	0.1%	0.0%	0.0%	9.4%
North Carolina	\$9,281	7.5%	34	1.0%	39.1%	7.8%	22.0%	2.9%	0.5%	16.4%	0.2%	0.0%	0.0%	10.1%
Kentucky	\$9,194	6.6%	34	1.2%	39.1%	7.1%	22.3%	2.7%	0.7%	15.9%	0.1%	0.0%	0.0%	10.9%
Louisiana	\$9,114	7.5%	31	1.1%	43.3%	7.3%	21.1%	2.3%	0.6%	16.2%	0.0%	0.2%	0.0%	7.9%
Mississippi	\$8,949	8.6%	31	0.9%	41.3%	7.5%	25.1%	2.9%	0.8%	13.1%	0.0%	0.2%	0.0%	8.2%
Texas	\$8,928	7.5%	33	1.2%	40.9%	7.0%	22.4%	2.8%	0.6%	15.4%	0.1%	0.1%	0.0%	9.6%
Rhode Island	\$8,893	5.5%	29	1.2%	45.1%	7.3%	23.9%	1.6%	1.7%	11.5%	0.3%	0.2%	0.0%	7.4%
Montana	\$8,871	4.6%	30	2.1%	43.1%	7.0%	24.3%	3.2%	0.5%	11.4%	0.2%	0.2%	0.0%	8.1%
Nevada	\$8,771	8.0%	34	0.8%	41.0%	7.1%	20.1%	3.5%	1.2%	14.8%	0.1%	0.1%	0.1%	11.2%
Tennessee	\$8,698	7.1%	34	1.4%	41.1%	6.4%	19.4%	2.9%	0.9%	16.7%	0.0%	0.1%	0.0%	11.1%
Florida	\$8,658	7.6%	31	1.8%	43.6%	7.3%	20.1%	2.5%	0.9%	15.6%	0.1%	0.1%	0.0%	8.1%
Nebraska	\$8,623	5.6%	31	1.3%	44.8%	6.7%	21.0%	2.4%	1.6%	12.9%	0.2%	0.1%	0.0%	9.0%
Idaho	\$8,604	5.1%	31	1.4%	43.0%	6.0%	23.3%	3.3%	0.7%	13.0%	0.4%	0.0%	0.0%	8.9%
South Dakota	\$8,548	5.4%	35	1.3%	36.5%	8.8%	22.8%	2.6%	0.9%	14.8%	0.2%	0.2%	0.0%	11.8%
Washington	\$8,531	6.2%	29	2.5%	45.7%	6.7%	21.6%	2.6%	0.7%	11.4%	0.1%	0.1%	0.0%	8.5%
Hawaii	\$8,491	7.7%	26	0.5%	56.6%	5.5%	20.3%	1.1%	0.2%	9.0%	0.1%	0.0%	0.0%	6.6%
South Carolina	\$8,459	8.6%	29	0.9%	47.2%	6.6%	22.8%	1.9%	0.5%	11.9%	0.1%	0.1%	0.0%	8.0%
Minnesota	\$8,321	4.7%	32	0.8%	41.3%	9.5%	21.4%	4.3%	0.9%	11.7%	0.2%	0.1%	0.0%	9.8%
Wisconsin	\$8,297	5.3%	32	0.6%	40.0%	7.7%	22.9%	4.1%	1.2%	15.8%	0.1%	0.0%	0.0%	7.7%

Appendix D

State	Average Annual Payment	Veterans with Cardiovascular Disability												
		Percent of Total Veterans	Average Degree of Disability	Percent of Veterans at Each Degree of Disability										
				0	10	20	30	40	50	60	70	80	90	100
Missouri	\$8,232	6.1%	30	0.7%	44.5%	8.3%	22.8%	2.6%	0.6%	12.4%	0.1%	0.2%	0.0%	7.7%
New Hampshire	\$8,168	6.0%	29	1.2%	43.9%	8.4%	22.8%	3.0%	1.6%	12.7%	0.1%	0.1%	0.0%	6.1%
Alabama	\$8,165	7.8%	28	1.6%	48.4%	7.4%	19.7%	2.3%	1.0%	12.2%	0.1%	0.0%	0.0%	7.2%
North Dakota	\$8,143	5.4%	30	1.2%	47.0%	6.4%	17.9%	3.1%	0.9%	16.6%	0.0%	0.2%	0.0%	6.8%
Alaska	\$8,138	5.2%	32	1.0%	41.1%	12.0%	18.3%	2.5%	2.3%	10.9%	0.5%	0.3%	0.0%	11.2%
California	\$8,099	6.8%	28	1.2%	46.9%	7.4%	22.4%	2.5%	0.7%	11.8%	0.2%	0.0%	0.0%	6.9%
Maryland	\$7,944	6.7%	27	0.8%	52.4%	8.4%	18.3%	2.5%	0.7%	9.5%	0.1%	0.1%	0.0%	7.1%
Colorado	\$7,944	6.7%	27	1.0%	51.7%	7.1%	20.8%	2.6%	0.4%	9.3%	0.0%	0.0%	0.0%	7.1%
Utah	\$7,906	5.2%	29	1.2%	46.4%	8.0%	20.9%	2.4%	1.3%	11.2%	0.3%	0.1%	0.0%	8.3%
Pennsylvania	\$7,898	6.1%	29	1.2%	42.2%	8.3%	25.6%	3.2%	1.1%	12.7%	0.1%	0.1%	0.0%	5.5%
Iowa	\$7,797	5.5%	32	1.1%	41.6%	7.4%	22.5%	3.7%	1.2%	12.8%	0.0%	0.0%	0.0%	9.6%
Wyoming	\$7,778	6.5%	27	1.6%	52.6%	5.3%	18.7%	2.9%	1.1%	11.6%	0.0%	0.0%	0.0%	6.3%
Georgia	\$7,775	8.5%	28	1.1%	50.7%	7.1%	18.4%	2.6%	0.5%	11.7%	0.1%	0.1%	0.0%	7.7%
Virginia	\$7,716	9.1%	27	0.7%	52.4%	5.8%	21.3%	2.1%	0.5%	11.3%	0.1%	0.0%	0.0%	5.8%
Kansas	\$7,579	6.6%	28	0.5%	48.9%	7.2%	22.0%	1.6%	0.2%	13.1%	0.0%	0.1%	0.0%	6.5%
Massachusetts	\$7,529	5.0%	27	0.9%	47.6%	8.8%	20.6%	3.6%	2.4%	10.6%	0.1%	0.1%	0.0%	5.3%
Delaware	\$7,453	7.3%	23	1.1%	59.5%	6.4%	17.4%	1.1%	0.7%	9.4%	0.0%	0.0%	0.0%	4.4%
New York	\$7,348	5.1%	25	1.8%	48.7%	10.4%	20.1%	3.3%	1.7%	9.5%	0.1%	0.1%	0.0%	4.5%
Indiana	\$7,287	5.6%	31	1.5%	41.6%	7.1%	25.2%	2.7%	0.8%	12.9%	0.1%	0.0%	0.0%	8.1%
Michigan	\$7,241	5.7%	28	0.7%	45.5%	7.9%	24.0%	2.5%	1.0%	12.9%	0.1%	0.0%	0.0%	5.5%
Connecticut	\$7,204	5.6%	26	1.3%	48.9%	9.5%	22.2%	3.4%	1.4%	7.4%	0.3%	0.2%	0.0%	5.4%
Ohio	\$7,039	6.0%	28	1.0%	47.3%	7.5%	22.2%	2.2%	1.1%	11.5%	0.0%	0.1%	0.0%	7.0%
New Jersey	\$7,028	6.4%	25	1.0%	48.6%	9.1%	24.8%	2.5%	1.1%	8.8%	0.1%	0.0%	0.0%	3.9%
Illinois	\$6,961	5.7%	25	0.8%	53.8%	7.2%	20.3%	2.7%	1.0%	8.5%	0.0%	0.0%	0.0%	5.7%

Table 26. Veterans with Genitourinary Disabilities by Degree of Disability and State—FY 2004

State	Average Annual Payment	Veterans with Genitourinary Disability												
		Percent of Total Veterans	Average Degree of Disability	Percent of Veterans at Each Degree of Disability										
				0	10	20	30	40	50	60	70	80	90	100
50-State Totals	\$8,378	2.3%	40	6.9%	24.5%	12.1%	16.4%	8.2%	0.0%	10.7%	0.0%	1.3%	0.0%	19.9%
New Mexico	\$12,004	2.2%	47	5.5%	18.6%	12.0%	17.0%	6.2%	0.0%	12.2%	0.0%	1.8%	0.0%	26.6%
Maine	\$11,626	1.9%	34	8.0%	30.2%	14.2%	17.4%	7.7%	0.0%	6.8%	0.0%	0.9%	0.0%	14.8%
Arkansas	\$10,968	2.4%	43	5.2%	27.5%	8.1%	15.4%	7.6%	0.0%	12.5%	0.0%	1.4%	0.0%	22.2%
West Virginia	\$10,866	2.1%	43	6.4%	20.2%	10.6%	17.2%	9.9%	0.0%	14.7%	0.0%	2.1%	0.0%	19.0%
Oklahoma	\$10,697	2.2%	43	5.0%	20.8%	12.8%	15.4%	10.4%	0.1%	13.5%	0.0%	1.4%	0.0%	20.6%
Oregon	\$10,277	2.0%	42	6.9%	23.4%	12.2%	15.2%	9.5%	0.0%	10.0%	0.0%	0.7%	0.0%	22.2%
Vermont	\$9,649	2.1%	43	8.8%	19.6%	11.5%	18.9%	4.7%	0.0%	12.8%	0.0%	1.4%	0.0%	22.3%
Arizona	\$9,308	2.4%	39	8.9%	22.6%	14.4%	18.1%	7.5%	0.0%	7.6%	0.0%	1.2%	0.0%	19.8%
North Carolina	\$9,281	3.1%	49	4.6%	14.5%	10.6%	16.1%	9.1%	0.0%	19.7%	0.0%	1.1%	0.0%	24.3%
Kentucky	\$9,194	2.2%	39	4.3%	26.6%	11.6%	19.5%	8.5%	0.0%	10.3%	0.0%	1.3%	0.0%	17.7%
Louisiana	\$9,114	2.8%	43	9.3%	19.2%	13.7%	12.7%	11.1%	0.0%	10.4%	0.0%	1.2%	0.0%	22.4%
Mississippi	\$8,949	2.6%	43	8.5%	21.1%	10.5%	15.3%	10.6%	0.0%	10.0%	0.0%	1.3%	0.0%	22.6%
Texas	\$8,928	2.8%	43	7.2%	19.6%	13.0%	15.6%	10.1%	0.0%	12.3%	0.0%	1.6%	0.0%	20.6%
Rhode Island	\$8,893	1.9%	30	9.6%	33.3%	14.2%	16.7%	8.0%	0.0%	6.5%	0.0%	0.9%	0.0%	10.8%
Montana	\$8,871	2.5%	44	8.0%	21.2%	10.9%	16.3%	7.1%	0.0%	10.6%	0.0%	1.3%	0.0%	24.7%
Nevada	\$8,771	2.5%	40	8.1%	23.8%	13.6%	14.4%	6.3%	0.4%	11.9%	0.0%	1.5%	0.0%	20.0%
Tennessee	\$8,698	2.5%	43	8.5%	20.5%	9.4%	16.5%	6.9%	0.0%	15.5%	0.0%	1.6%	0.0%	21.1%
Florida	\$8,658	2.5%	41	7.6%	24.6%	12.4%	14.8%	7.7%	0.1%	10.1%	0.0%	1.2%	0.0%	21.5%
Nebraska	\$8,623	1.7%	40	7.7%	23.9%	11.7%	16.2%	9.2%	0.0%	10.2%	0.0%	2.5%	0.0%	18.5%
Idaho	\$8,604	2.3%	38	5.7%	27.8%	15.1%	16.6%	6.9%	0.0%	9.1%	0.0%	0.3%	0.0%	18.4%
South Dakota	\$8,548	2.1%	40	7.2%	25.4%	9.6%	18.2%	8.6%	0.5%	11.0%	0.0%	1.4%	0.0%	18.2%
Washington	\$8,531	2.1%	38	8.3%	24.7%	12.4%	17.8%	9.4%	0.0%	8.8%	0.0%	1.0%	0.0%	17.6%
Hawaii	\$8,491	2.5%	43	7.3%	21.0%	10.6%	17.7%	7.6%	0.5%	10.6%	0.0%	2.3%	0.0%	22.5%
South Carolina	\$8,459	3.4%	48	5.4%	16.8%	11.8%	13.1%	11.2%	0.0%	14.2%	0.0%	1.5%	0.0%	26.1%
Minnesota	\$8,321	2.0%	38	8.2%	26.2%	12.9%	18.2%	6.3%	0.0%	8.4%	0.0%	0.7%	0.0%	19.2%
Wisconsin	\$8,297	2.2%	39	7.2%	26.1%	9.8%	21.0%	6.0%	0.0%	11.0%	0.0%	1.7%	0.0%	17.3%

Appendix D

State	Average Annual Payment	Veterans with Genitourinary Disability												
		Percent of Total Veterans	Average Degree of Disability	Percent of Veterans at Each Degree of Disability										
				0	10	20	30	40	50	60	70	80	90	100
Missouri	\$8,232	2.1%	40	7.3%	24.3%	11.6%	18.1%	7.9%	0.0%	8.7%	0.2%	1.6%	0.0%	20.4%
New Hampshire	\$8,168	2.1%	33	6.8%	29.7%	17.6%	16.1%	7.5%	0.0%	8.2%	0.0%	0.4%	0.0%	13.6%
Alabama	\$8,165	2.5%	41	6.0%	26.2%	13.5%	15.0%	7.1%	0.0%	8.6%	0.0%	1.4%	0.0%	22.0%
North Dakota	\$8,143	2.0%	40	11.1%	25.5%	12.5%	13.4%	5.1%	0.5%	8.8%	0.0%	0.5%	0.0%	22.7%
Alaska	\$8,138	1.9%	37	5.9%	26.7%	14.5%	13.1%	10.4%	0.0%	13.6%	0.0%	1.4%	0.0%	14.5%
California	\$8,099	2.3%	41	6.4%	25.3%	12.1%	16.1%	8.0%	0.0%	10.0%	0.0%	1.1%	0.0%	21.0%
Maryland	\$7,944	2.7%	43	6.2%	21.7%	13.9%	14.3%	10.6%	0.0%	9.9%	0.0%	1.0%	0.0%	22.3%
Colorado	\$7,944	2.4%	40	6.1%	24.6%	11.6%	14.6%	9.2%	0.0%	16.1%	0.0%	1.0%	0.0%	16.8%
Utah	\$7,906	2.3%	35	6.8%	26.8%	12.5%	19.3%	10.7%	0.3%	9.8%	0.0%	1.5%	0.0%	12.2%
Pennsylvania	\$7,898	2.3%	39	6.6%	29.0%	10.4%	16.6%	6.8%	0.1%	8.9%	0.0%	1.2%	0.0%	20.3%
Iowa	\$7,797	2.1%	36	7.6%	30.0%	10.6%	20.3%	5.8%	0.0%	7.4%	0.0%	2.1%	0.0%	16.4%
Wyoming	\$7,778	1.9%	38	7.9%	24.6%	12.3%	17.5%	8.8%	0.0%	10.5%	0.0%	0.9%	0.0%	17.5%
Georgia	\$7,775	2.7%	42	6.5%	23.3%	12.7%	15.6%	9.5%	0.0%	9.7%	0.0%	1.6%	0.0%	21.2%
Virginia	\$7,716	2.9%	41	5.7%	21.0%	16.6%	14.5%	11.5%	0.0%	10.3%	0.0%	0.5%	0.0%	19.9%
Kansas	\$7,579	2.2%	36	8.5%	26.1%	15.3%	15.9%	8.3%	0.2%	7.9%	0.0%	0.6%	0.0%	17.2%
Massachusetts	\$7,529	2.0%	29	4.9%	45.9%	10.2%	16.0%	4.8%	0.2%	6.6%	0.0%	0.7%	0.0%	10.7%
Delaware	\$7,453	2.5%	39	8.0%	26.2%	10.7%	16.0%	9.1%	0.0%	10.2%	0.0%	1.1%	0.0%	18.7%
New York	\$7,348	1.8%	35	7.6%	34.2%	10.3%	16.7%	5.6%	0.1%	7.7%	0.0%	1.0%	0.0%	16.7%
Indiana	\$7,287	1.7%	37	6.9%	28.2%	11.5%	21.3%	4.3%	0.0%	8.9%	0.0%	1.0%	0.0%	18.0%
Michigan	\$7,241	2.1%	39	5.8%	23.0%	12.8%	22.7%	7.5%	0.1%	9.1%	0.0%	2.0%	0.0%	17.1%
Connecticut	\$7,204	1.8%	31	5.2%	39.0%	11.0%	19.6%	5.5%	0.0%	5.8%	0.0%	1.0%	0.0%	12.8%
Ohio	\$7,039	2.0%	36	8.5%	30.8%	10.5%	16.6%	5.1%	0.0%	9.8%	0.0%	1.5%	0.0%	17.1%
New Jersey	\$7,028	1.8%	31	8.7%	38.4%	10.2%	16.4%	5.2%	0.0%	7.9%	0.0%	1.0%	0.0%	12.2%
Illinois	\$6,961	2.2%	39	6.8%	27.3%	10.8%	20.6%	6.3%	0.1%	7.2%	0.0%	1.5%	0.0%	19.6%

Table 27. Veterans with Mental Disabilities by Degree of Disability and State—FY 2004

State	Average Annual Payment	Veterans with Mental Disability												
		Percent of Total Veterans	Average Degree of Disability	Percent of Veterans at Each Degree of Disability										
				0	10	20	30	40	50	60	70	80	90	100
50-State Totals	\$8,378	14.9%	58	0.2%	14.0%	0.1%	20.0%	0.0%	18.6%	0.0%	18.7%	0.0%	0.0%	28.4%
New Mexico	\$12,004	23.4%	67	0.1%	4.3%	0.0%	9.7%	0.0%	18.4%	0.0%	44.4%	0.0%	0.0%	23.1%
Maine	\$11,626	25.3%	67	0.1%	5.8%	0.0%	12.9%	0.0%	15.0%	0.2%	36.3%	0.0%	0.0%	29.8%
Arkansas	\$10,968	16.9%	65	0.1%	7.9%	0.1%	17.9%	0.0%	20.8%	0.0%	17.2%	0.0%	0.0%	36.0%
West Virginia	\$10,866	24.3%	61	0.2%	7.4%	0.0%	19.4%	0.0%	23.2%	0.0%	21.8%	0.0%	0.0%	27.9%
Oklahoma	\$10,697	17.3%	65	0.1%	7.0%	0.0%	17.2%	0.0%	21.3%	0.0%	18.7%	0.0%	0.0%	35.6%
Oregon	\$10,277	20.4%	66	0.1%	6.8%	0.1%	15.1%	0.1%	16.9%	0.0%	28.9%	0.0%	0.0%	32.0%
Vermont	\$9,649	17.9%	63	0.2%	11.8%	0.0%	17.4%	0.0%	17.6%	0.1%	17.2%	0.0%	0.0%	35.8%
Arizona	\$9,308	15.1%	65	0.1%	9.7%	0.1%	16.5%	0.0%	18.2%	0.0%	19.6%	0.0%	0.0%	35.7%
North Carolina	\$9,281	13.3%	63	0.2%	10.3%	0.0%	18.2%	0.0%	18.1%	0.0%	20.3%	0.0%	0.0%	32.9%
Kentucky	\$9,194	15.9%	60	0.2%	12.9%	0.1%	22.5%	0.1%	17.0%	0.0%	12.9%	0.0%	0.0%	34.3%
Louisiana	\$9,114	17.6%	59	0.1%	11.4%	0.0%	19.6%	0.0%	22.4%	0.0%	20.3%	0.0%	0.0%	26.0%
Mississippi	\$8,949	15.6%	60	0.2%	14.0%	0.1%	22.2%	0.0%	16.9%	0.0%	9.4%	0.0%	0.0%	37.4%
Texas	\$8,928	12.0%	58	0.2%	10.7%	0.1%	21.6%	0.0%	21.8%	0.0%	18.6%	0.0%	0.0%	26.9%
Rhode Island	\$8,893	20.8%	60	0.2%	13.6%	0.1%	16.9%	0.0%	16.5%	0.1%	25.0%	0.0%	0.0%	27.4%
Montana	\$8,871	14.5%	57	0.3%	11.7%	0.0%	22.9%	0.0%	20.3%	0.1%	19.7%	0.0%	0.0%	24.9%
Nevada	\$8,771	12.5%	60	0.2%	10.6%	0.0%	19.3%	0.0%	18.8%	0.0%	25.9%	0.0%	0.0%	25.1%
Tennessee	\$8,698	13.6%	64	0.1%	11.5%	0.1%	19.3%	0.1%	16.0%	0.0%	13.0%	0.0%	0.0%	40.0%
Florida	\$8,658	14.1%	60	0.2%	12.0%	0.1%	17.8%	0.0%	21.9%	0.0%	19.2%	0.0%	0.0%	28.7%
Nebraska	\$8,623	12.2%	58	0.5%	8.5%	0.0%	20.9%	0.0%	25.5%	0.0%	20.5%	0.0%	0.0%	24.1%
Idaho	\$8,604	14.2%	57	0.3%	9.9%	0.0%	22.3%	0.1%	22.4%	0.0%	23.6%	0.1%	0.0%	21.2%
South Dakota	\$8,548	14.3%	60	2.6%	10.8%	0.1%	17.2%	0.0%	17.5%	0.1%	23.3%	0.0%	0.0%	28.5%
Washington	\$8,531	14.6%	61	0.2%	9.7%	0.1%	18.3%	0.1%	17.6%	0.0%	29.2%	0.0%	0.0%	24.8%
Hawaii	\$8,491	13.9%	67	0.1%	10.1%	0.0%	14.2%	0.0%	17.2%	0.0%	18.0%	0.0%	0.0%	40.4%
South Carolina	\$8,459	13.4%	60	0.1%	10.4%	0.1%	21.8%	0.0%	18.5%	0.0%	20.0%	0.0%	0.0%	29.0%
Minnesota	\$8,321	15.6%	58	0.1%	14.7%	0.1%	18.0%	0.0%	19.1%	0.0%	20.8%	0.0%	0.0%	27.1%
Wisconsin	\$8,297	14.9%	59	0.1%	15.0%	0.1%	19.0%	0.0%	17.0%	0.0%	16.9%	0.0%	0.0%	31.8%

Appendix D

State	Average Annual Payment	Veterans with Mental Disability												
		Percent of Total Veterans	Average Degree of Disability	Percent of Veterans at Each Degree of Disability										
				0	10	20	30	40	50	60	70	80	90	100
Missouri	\$8,232	14.6%	55	0.2%	14.3%	0.0%	25.0%	0.1%	20.0%	0.0%	16.2%	0.0%	0.0%	24.3%
New Hampshire	\$8,168	15.4%	56	0.1%	15.5%	0.0%	21.0%	0.1%	19.5%	0.0%	18.7%	0.0%	0.0%	25.0%
Alabama	\$8,165	14.9%	56	0.2%	13.8%	0.0%	24.6%	0.0%	17.9%	0.0%	17.2%	0.0%	0.0%	26.3%
North Dakota	\$8,143	11.8%	64	0.2%	11.5%	0.1%	15.8%	0.0%	18.6%	0.1%	16.2%	0.0%	0.0%	37.5%
Alaska	\$8,138	9.1%	59	0.2%	9.2%	0.0%	21.2%	0.0%	23.3%	0.0%	19.2%	0.0%	0.0%	27.0%
California	\$8,099	14.6%	59	0.2%	13.3%	0.1%	18.2%	0.0%	18.1%	0.0%	22.0%	0.0%	0.0%	28.1%
Maryland	\$7,944	12.6%	63	0.1%	11.9%	0.0%	18.6%	0.0%	17.7%	0.1%	14.0%	0.0%	0.0%	37.4%
Colorado	\$7,944	13.6%	63	0.1%	13.3%	0.1%	20.0%	0.0%	14.3%	0.0%	12.6%	0.0%	0.0%	39.6%
Utah	\$7,906	14.7%	59	0.1%	11.3%	0.1%	18.8%	0.1%	22.0%	0.1%	22.5%	0.1%	0.0%	24.8%
Pennsylvania	\$7,898	16.5%	54	0.1%	19.1%	0.0%	21.6%	0.0%	17.6%	0.0%	17.1%	0.0%	0.0%	24.5%
Iowa	\$7,797	14.3%	54	0.3%	15.4%	0.3%	23.9%	0.2%	19.6%	0.1%	15.3%	0.0%	0.0%	24.9%
Wyoming	\$7,778	13.3%	61	0.0%	12.0%	0.0%	23.6%	0.0%	17.0%	0.0%	10.9%	0.0%	0.0%	36.5%
Georgia	\$7,775	11.4%	58	0.1%	15.8%	0.1%	21.1%	0.0%	17.5%	0.1%	14.3%	0.0%	0.0%	31.0%
Virginia	\$7,716	10.0%	55	0.1%	14.6%	0.0%	25.9%	0.0%	18.0%	0.0%	16.1%	0.0%	0.0%	25.1%
Kansas	\$7,579	12.6%	64	0.2%	13.4%	0.1%	18.1%	0.0%	13.4%	0.0%	15.8%	0.0%	0.0%	38.9%
Massachusetts	\$7,529	22.5%	51	0.0%	20.8%	0.1%	22.0%	0.0%	17.8%	0.0%	18.4%	0.0%	0.0%	20.8%
Delaware	\$7,453	13.2%	61	0.2%	15.3%	0.0%	22.2%	0.0%	13.7%	0.0%	10.5%	0.0%	0.0%	38.2%
New York	\$7,348	20.3%	54	0.2%	20.5%	0.0%	20.6%	0.0%	17.4%	0.0%	14.6%	0.0%	0.0%	26.6%
Indiana	\$7,287	11.0%	54	0.2%	17.1%	0.1%	24.4%	0.0%	16.9%	0.0%	15.0%	0.0%	0.0%	26.2%
Michigan	\$7,241	14.1%	51	0.2%	23.1%	0.1%	23.4%	0.1%	16.2%	0.0%	12.2%	0.0%	0.0%	24.7%
Connecticut	\$7,204	17.0%	55	0.2%	22.5%	0.1%	17.6%	0.0%	14.8%	0.0%	16.0%	0.0%	0.0%	28.7%
Ohio	\$7,039	13.6%	52	0.2%	19.8%	0.0%	25.6%	0.0%	18.0%	0.0%	11.1%	0.0%	0.0%	25.2%
New Jersey	\$7,028	18.7%	50	0.1%	24.2%	0.0%	22.1%	0.0%	18.6%	0.0%	11.4%	0.0%	0.0%	23.6%
Illinois	\$6,961	13.9%	52	0.4%	21.4%	0.1%	20.1%	0.1%	16.9%	0.0%	17.8%	0.0%	0.0%	23.2%

Table 28. Veterans with Hemic/Lymphatic Disabilities by Degree of Disability and State—FY 2004

State	Average Annual Payment	Veterans with Hemic/Lymphatic Disability												
		Percent of Total Veterans	Average Degree of Disability	Percent of Veterans at Each Degree of Disability										
				0	10	20	30	40	50	60	70	80	90	100
50-State Totals	\$8,378	0.5%	49	5.7%	6.1%	5.9%	46.2%	1.4%	0.2%	3.6%	1.2%	0.0%	0.0%	29.6%
New Mexico	\$12,004	0.4%	57	6.7%	7.7%	1.0%	34.6%	0.0%	0.0%	8.7%	1.9%	0.0%	0.0%	39.4%
Maine	\$11,626	0.5%	51	1.1%	5.7%	8.0%	44.8%	3.4%	1.1%	4.6%	1.1%	1.1%	0.0%	28.7%
Arkansas	\$10,968	0.5%	52	4.2%	9.2%	2.1%	42.3%	2.8%	0.7%	4.2%	1.4%	0.0%	0.0%	33.1%
West Virginia	\$10,866	0.5%	55	1.9%	2.8%	4.6%	51.9%	0.9%	0.0%	0.0%	1.9%	0.0%	0.0%	36.1%
Oklahoma	\$10,697	0.4%	46	7.0%	7.5%	6.0%	47.0%	1.0%	0.0%	4.0%	0.5%	0.0%	0.0%	27.0%
Oregon	\$10,277	0.5%	53	5.1%	6.2%	7.3%	39.0%	1.7%	0.0%	3.4%	1.7%	0.0%	0.0%	35.6%
Vermont	\$9,649	0.5%	43	0.0%	12.1%	6.1%	54.5%	3.0%	0.0%	3.0%	0.0%	0.0%	0.0%	21.2%
Arizona	\$9,308	0.5%	50	7.5%	4.8%	4.4%	44.0%	3.2%	0.4%	3.6%	0.8%	0.0%	0.0%	31.3%
North Carolina	\$9,281	0.5%	51	6.2%	4.8%	7.8%	42.5%	1.1%	0.5%	2.3%	1.1%	0.0%	0.0%	33.8%
Kentucky	\$9,194	0.5%	51	5.8%	4.7%	4.1%	44.2%	3.5%	0.6%	4.7%	0.6%	0.0%	0.0%	32.0%
Louisiana	\$9,114	0.5%	50	4.1%	6.4%	5.3%	46.8%	1.2%	0.0%	5.3%	1.8%	0.0%	0.0%	29.2%
Mississippi	\$8,949	0.4%	46	5.6%	4.7%	6.5%	51.4%	1.9%	0.0%	3.7%	0.0%	0.0%	0.0%	26.2%
Texas	\$8,928	0.5%	51	6.2%	5.2%	7.0%	43.1%	1.7%	0.1%	2.7%	1.2%	0.0%	0.0%	32.8%
Rhode Island	\$8,893	0.5%	46	5.1%	6.3%	2.5%	57.0%	0.0%	0.0%	1.3%	1.3%	0.0%	0.0%	26.6%
Montana	\$8,871	0.5%	55	4.8%	3.2%	11.3%	38.7%	0.0%	0.0%	1.6%	0.0%	0.0%	0.0%	40.3%
Nevada	\$8,771	0.5%	49	4.5%	2.7%	11.6%	46.4%	0.9%	0.0%	3.6%	2.7%	0.0%	0.0%	27.7%
Tennessee	\$8,698	0.5%	49	4.8%	5.9%	9.6%	43.7%	3.0%	0.0%	2.2%	1.1%	0.0%	0.0%	29.6%
Florida	\$8,658	0.5%	52	4.2%	6.6%	5.2%	44.4%	1.3%	0.1%	3.1%	1.9%	0.0%	0.0%	33.1%
Nebraska	\$8,623	0.5%	48	1.9%	6.7%	8.6%	49.5%	1.0%	0.0%	4.8%	0.0%	1.0%	0.0%	26.7%
Idaho	\$8,604	0.5%	53	6.9%	1.4%	5.6%	38.9%	6.9%	0.0%	5.6%	2.8%	0.0%	0.0%	31.9%
South Dakota	\$8,548	0.5%	46	2.1%	12.5%	4.2%	47.9%	4.2%	0.0%	2.1%	0.0%	0.0%	0.0%	27.1%
Washington	\$8,531	0.5%	52	5.0%	5.2%	6.4%	41.9%	2.1%	0.2%	4.8%	1.7%	0.0%	0.0%	32.6%
Hawaii	\$8,491	0.4%	47	10.4%	9.0%	4.5%	38.8%	3.0%	0.0%	4.5%	0.0%	0.0%	0.0%	29.9%
South Carolina	\$8,459	0.5%	50	3.3%	6.2%	10.9%	43.6%	0.9%	0.0%	3.3%	1.4%	0.0%	0.0%	30.3%
Minnesota	\$8,321	0.5%	48	6.8%	4.9%	5.3%	49.0%	1.9%	0.0%	2.4%	1.0%	0.0%	0.0%	28.6%
Wisconsin	\$8,297	0.6%	50	5.3%	2.0%	4.5%	52.4%	2.0%	0.0%	4.1%	0.8%	0.0%	0.0%	28.9%

Appendix D

State	Average Annual Payment	Veterans with Hemic/Lymphatic Disability												
		Percent of Total Veterans	Average Degree of Disability	Percent of Veterans at Each Degree of Disability										
				0	10	20	30	40	50	60	70	80	90	100
Missouri	\$8,232	0.6%	45	7.3%	6.6%	7.3%	49.5%	0.0%	0.0%	3.7%	0.4%	0.0%	0.0%	25.3%
New Hampshire	\$8,168	0.5%	49	6.2%	10.8%	1.5%	44.6%	1.5%	0.0%	3.1%	3.1%	0.0%	0.0%	29.2%
Alabama	\$8,165	0.5%	51	3.6%	7.2%	4.8%	46.2%	0.8%	0.4%	5.2%	1.6%	0.0%	0.0%	30.3%
North Dakota	\$8,143	0.6%	51	3.2%	1.6%	7.9%	49.2%	3.2%	0.0%	4.8%	0.0%	0.0%	0.0%	30.2%
Alaska	\$8,138	0.4%	48	9.6%	1.9%	13.5%	36.5%	1.9%	1.9%	5.8%	0.0%	0.0%	0.0%	28.8%
California	\$8,099	0.5%	47	6.7%	4.9%	6.1%	47.6%	2.3%	0.3%	3.6%	1.1%	0.2%	0.0%	27.3%
Maryland	\$7,944	0.5%	49	6.0%	4.9%	7.1%	46.4%	1.6%	0.5%	2.2%	1.1%	0.0%	0.0%	30.1%
Colorado	\$7,944	0.5%	47	3.8%	6.8%	8.3%	48.9%	1.9%	0.0%	3.0%	1.1%	0.0%	0.0%	26.1%
Utah	\$7,906	0.5%	52	5.5%	4.1%	4.1%	46.6%	1.4%	0.0%	4.1%	0.0%	0.0%	0.0%	34.2%
Pennsylvania	\$7,898	0.6%	48	5.2%	6.9%	6.0%	47.2%	0.7%	0.2%	4.8%	0.9%	0.0%	0.0%	28.1%
Iowa	\$7,797	0.6%	50	3.8%	1.5%	5.3%	54.9%	0.8%	0.0%	3.8%	1.5%	0.0%	0.0%	28.6%
Wyoming	\$7,778	0.4%	46	13.0%	4.3%	8.7%	43.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	30.4%
Georgia	\$7,775	0.5%	53	6.2%	8.5%	6.7%	36.7%	0.5%	0.0%	4.0%	1.5%	0.0%	0.0%	35.9%
Virginia	\$7,716	0.6%	50	3.7%	6.9%	7.3%	44.8%	1.0%	0.4%	3.7%	1.7%	0.0%	0.0%	30.6%
Kansas	\$7,579	0.5%	45	6.1%	7.0%	7.8%	47.0%	1.7%	0.9%	3.5%	2.6%	0.0%	0.0%	23.5%
Massachusetts	\$7,529	0.4%	46	2.5%	11.0%	2.0%	53.5%	1.0%	0.5%	4.5%	1.0%	0.0%	0.0%	24.0%
Delaware	\$7,453	0.7%	40	9.4%	5.7%	5.7%	52.8%	0.0%	0.0%	7.5%	3.8%	0.0%	0.0%	15.1%
New York	\$7,348	0.4%	45	7.8%	9.5%	4.3%	47.5%	0.8%	0.0%	4.3%	0.6%	0.0%	0.0%	25.3%
Indiana	\$7,287	0.5%	45	6.7%	6.2%	3.8%	54.1%	2.4%	0.0%	1.4%	0.0%	0.0%	0.0%	25.4%
Michigan	\$7,241	0.6%	46	9.4%	5.1%	2.4%	49.6%	0.5%	0.3%	5.4%	0.8%	0.3%	0.0%	26.3%
Connecticut	\$7,204	0.6%	46	6.3%	7.0%	3.1%	53.1%	0.0%	0.0%	2.3%	1.6%	0.0%	0.0%	26.6%
Ohio	\$7,039	0.5%	46	5.8%	6.7%	5.3%	51.7%	0.2%	0.2%	2.3%	0.9%	0.0%	0.0%	26.7%
New Jersey	\$7,028	0.4%	44	7.8%	7.3%	2.2%	52.5%	0.6%	0.6%	3.9%	1.7%	0.0%	0.0%	23.5%
Illinois	\$6,961	0.6%	48	8.7%	5.6%	3.6%	46.3%	0.5%	0.3%	4.3%	1.0%	0.0%	0.0%	29.7%

Table 29. Veterans with Respiratory Disabilities by Degree of Disability and State—FY 2004

State	Average Annual Payment	Veterans with Respiratory Disability												
		Percent of Total Veterans	Average Degree of Disability	Percent of Veterans at Each Degree of Disability										
				0	10	20	30	40	50	60	70	80	90	100
50-State Totals	\$8,378	4.8%	29	10.6%	36.4%	2.8%	25.9%	1.1%	6.7%	8.5%	0.1%	0.2%	0.0%	7.6%
New Mexico	\$12,004	4.0%	33	10.2%	31.5%	1.6%	25.3%	0.7%	9.3%	9.7%	0.2%	0.4%	0.0%	10.9%
Maine	\$11,626	4.0%	34	7.2%	33.0%	2.8%	25.8%	0.8%	6.0%	14.0%	0.3%	0.3%	0.0%	9.9%
Arkansas	\$10,968	4.7%	38	7.2%	26.6%	1.5%	27.5%	0.8%	7.3%	14.9%	0.2%	0.0%	0.0%	14.0%
West Virginia	\$10,866	4.5%	35	10.4%	28.7%	3.3%	26.0%	2.2%	2.7%	11.7%	0.2%	0.4%	0.0%	14.3%
Oklahoma	\$10,697	4.7%	36	5.1%	31.5%	1.2%	28.2%	1.0%	9.5%	12.5%	0.0%	0.2%	0.0%	10.9%
Oregon	\$10,277	4.1%	32	12.3%	29.6%	3.6%	26.9%	1.2%	4.3%	11.2%	0.1%	0.2%	0.0%	10.4%
Vermont	\$9,649	3.8%	28	16.3%	32.3%	3.8%	24.0%	2.3%	3.4%	8.7%	0.4%	0.4%	0.0%	8.4%
Arizona	\$9,308	5.1%	30	8.8%	36.9%	1.9%	28.8%	0.7%	4.3%	9.7%	0.1%	0.4%	0.0%	8.5%
North Carolina	\$9,281	4.7%	34	6.6%	33.1%	2.0%	29.3%	0.5%	5.7%	11.1%	0.1%	0.2%	0.0%	11.5%
Kentucky	\$9,194	4.6%	33	11.3%	29.2%	3.3%	26.7%	1.3%	6.8%	9.4%	0.2%	0.2%	0.0%	11.6%
Louisiana	\$9,114	4.6%	32	7.0%	34.2%	2.7%	28.3%	0.8%	6.3%	11.0%	0.2%	0.1%	0.0%	9.5%
Mississippi	\$8,949	4.9%	32	6.6%	37.7%	2.6%	24.1%	1.4%	7.4%	10.2%	0.0%	0.1%	0.0%	10.0%
Texas	\$8,928	5.2%	31	7.3%	35.9%	1.7%	27.1%	0.7%	10.8%	9.0%	0.1%	0.3%	0.0%	7.1%
Rhode Island	\$8,893	4.2%	28	10.4%	38.0%	4.9%	25.1%	0.7%	4.1%	9.3%	0.1%	0.7%	0.0%	6.8%
Montana	\$8,871	4.3%	31	8.1%	38.8%	2.6%	22.9%	0.4%	7.8%	8.5%	0.0%	0.0%	0.0%	10.9%
Nevada	\$8,771	5.5%	33	4.6%	39.0%	1.1%	26.5%	0.4%	6.2%	10.8%	0.0%	0.3%	0.0%	11.1%
Tennessee	\$8,698	4.7%	33	10.7%	32.0%	2.6%	25.5%	1.2%	5.7%	9.8%	0.2%	0.3%	0.0%	11.9%
Florida	\$8,658	4.7%	31	8.0%	36.6%	1.8%	25.1%	0.9%	7.6%	10.3%	0.2%	0.2%	0.0%	9.3%
Nebraska	\$8,623	4.3%	32	7.2%	35.5%	1.4%	28.1%	0.2%	7.9%	10.4%	0.0%	0.2%	0.0%	9.1%
Idaho	\$8,604	4.4%	31	7.3%	38.0%	2.6%	26.8%	1.1%	6.7%	7.7%	0.3%	0.0%	0.0%	9.6%
South Dakota	\$8,548	4.3%	33	7.4%	36.0%	2.4%	23.4%	1.2%	8.1%	9.5%	0.2%	0.0%	0.0%	11.7%
Washington	\$8,531	5.1%	30	10.5%	33.2%	1.6%	27.3%	0.4%	10.6%	8.7%	0.2%	0.1%	0.0%	7.3%
Hawaii	\$8,491	4.6%	25	21.1%	32.0%	3.3%	24.2%	0.4%	6.5%	6.1%	0.1%	0.0%	0.0%	6.3%
South Carolina	\$8,459	4.6%	35	6.2%	33.1%	1.8%	28.4%	0.5%	7.6%	10.1%	0.0%	0.0%	0.0%	12.2%
Minnesota	\$8,321	3.8%	30	11.7%	39.4%	3.9%	19.5%	2.2%	3.4%	7.9%	0.3%	0.9%	0.0%	10.7%
Wisconsin	\$8,297	4.3%	27	12.5%	37.0%	4.8%	23.4%	2.3%	4.3%	7.2%	0.1%	0.5%	0.0%	8.0%

Appendix D

State	Average Annual Payment	Veterans with Respiratory Disability												
		Percent of Total Veterans	Average Degree of Disability	Percent of Veterans at Each Degree of Disability										
				0	10	20	30	40	50	60	70	80	90	100
Missouri	\$8,232	4.4%	30	10.1%	34.0%	3.3%	25.7%	1.9%	6.4%	10.6%	0.0%	0.2%	0.0%	7.7%
New Hampshire	\$8,168	4.5%	26	6.3%	46.1%	2.3%	26.4%	1.0%	2.3%	9.6%	0.3%	0.2%	0.0%	5.5%
Alabama	\$8,165	4.7%	31	10.3%	35.5%	2.0%	23.8%	0.9%	7.5%	10.4%	0.1%	0.2%	0.0%	9.3%
North Dakota	\$8,143	4.3%	31	5.7%	39.4%	0.9%	25.8%	1.3%	7.7%	9.8%	0.2%	0.0%	0.0%	9.2%
Alaska	\$8,138	5.3%	29	4.1%	36.3%	1.0%	33.9%	0.3%	13.1%	6.8%	0.0%	0.0%	0.0%	4.5%
California	\$8,099	5.1%	25	15.4%	37.3%	2.7%	26.5%	0.9%	4.5%	7.1%	0.1%	0.3%	0.0%	5.2%
Maryland	\$7,944	5.2%	28	8.5%	35.0%	2.0%	30.3%	0.8%	10.8%	6.8%	0.3%	0.3%	0.0%	5.3%
Colorado	\$7,944	4.9%	28	8.1%	39.1%	1.8%	30.5%	0.8%	6.6%	5.3%	0.1%	0.3%	0.0%	7.4%
Utah	\$7,906	4.5%	28	6.9%	41.0%	2.1%	26.5%	1.0%	9.3%	6.6%	0.0%	0.1%	0.0%	6.4%
Pennsylvania	\$7,898	4.7%	25	13.2%	38.5%	5.5%	24.6%	2.0%	3.6%	6.8%	0.1%	0.3%	0.0%	5.5%
Iowa	\$7,797	4.3%	29	12.1%	32.7%	7.4%	24.0%	1.8%	4.1%	8.6%	0.2%	0.5%	0.0%	8.6%
Wyoming	\$7,778	4.7%	34	6.9%	36.0%	4.0%	24.4%	0.4%	6.9%	8.0%	0.0%	0.0%	0.0%	13.5%
Georgia	\$7,775	4.6%	30	6.8%	38.5%	2.0%	27.8%	0.5%	6.4%	9.3%	0.0%	0.1%	0.0%	8.5%
Virginia	\$7,716	5.8%	33	3.7%	30.3%	1.3%	29.7%	0.8%	20.6%	7.7%	0.1%	0.1%	0.0%	5.6%
Kansas	\$7,579	4.2%	28	8.9%	40.4%	4.0%	23.7%	0.7%	5.7%	8.1%	0.1%	0.1%	0.0%	8.3%
Massachusetts	\$7,529	5.4%	24	12.0%	45.7%	2.9%	22.5%	1.7%	1.8%	7.9%	0.3%	0.4%	0.0%	4.9%
Delaware	\$7,453	4.7%	26	8.7%	43.4%	2.8%	23.7%	0.6%	7.6%	8.2%	0.0%	0.0%	0.0%	5.1%
New York	\$7,348	4.9%	22	17.2%	42.2%	3.6%	21.7%	1.7%	2.3%	6.2%	0.1%	0.3%	0.0%	4.6%
Indiana	\$7,287	3.9%	26	15.4%	34.4%	4.1%	25.7%	1.7%	4.4%	6.5%	0.2%	0.3%	0.0%	7.4%
Michigan	\$7,241	4.8%	24	15.8%	37.8%	3.6%	24.4%	2.4%	2.8%	7.1%	0.2%	0.4%	0.0%	5.5%
Connecticut	\$7,204	5.0%	23	17.2%	37.7%	5.2%	22.2%	2.5%	3.8%	6.0%	0.4%	0.7%	0.0%	4.3%
Ohio	\$7,039	4.5%	25	13.8%	39.6%	5.2%	23.4%	2.4%	3.3%	6.1%	0.2%	0.1%	0.0%	6.0%
New Jersey	\$7,028	4.9%	22	15.3%	44.8%	4.6%	20.3%	2.0%	1.8%	6.1%	0.1%	0.3%	0.0%	4.7%
Illinois	\$6,961	4.9%	23	17.1%	36.6%	5.4%	23.3%	1.4%	4.9%	6.0%	0.3%	0.2%	0.0%	4.8%

Table 30. Veterans Receiving Compensation for PTSD–FY2004

State	Veterans Receiving Compensation		Veterans Receiving Compensation for Disabilities Other than PTSD				Veterans Receiving Compensation for PTSD			
	Average Annual Payment	Number	Average Annual Payment	Number	Percent of Total Compensation Recipients	Percent of Total Payments	Average Annual Payment	Number	Percent of Total Compensation Recipients	Percent of Total Payments
50-State Totals	\$8,378	2,493,576	\$7,291	2,277,705	91.3%	79.5%	\$19,845	215,871	8.7%	20.5%
New Mexico	\$12,004	25,258	\$9,309	20,665	81.8%	63.4%	\$24,129	4,593	18.2%	36.6%
Maine	\$11,626	18,751	\$9,308	15,671	83.6%	66.9%	\$23,421	3,080	16.4%	33.1%
Arkansas	\$10,968	31,473	\$9,795	28,074	89.2%	79.7%	\$20,649	3,399	10.8%	20.3%
West Virginia	\$10,866	20,681	\$8,601	16,824	81.4%	64.4%	\$20,747	3,857	18.6%	35.6%
Oklahoma	\$10,697	51,213	\$9,063	44,546	87.0%	73.7%	\$21,611	6,667	13.0%	26.3%
Oregon	\$10,277	35,449	\$8,456	30,180	85.1%	70.0%	\$20,708	5,269	14.9%	30.0%
Vermont	\$9,649	6,894	\$8,154	6,037	87.6%	74.0%	\$20,181	857	12.4%	26.0%
Arizona	\$9,308	50,224	\$8,005	45,465	90.5%	77.9%	\$21,754	4,759	9.5%	22.1%
North Carolina	\$9,281	90,745	\$8,164	83,041	91.5%	80.5%	\$21,322	7,704	8.5%	19.5%
Kentucky	\$9,194	37,657	\$7,987	33,941	90.1%	78.3%	\$20,220	3,716	9.9%	21.7%
Louisiana	\$9,114	37,475	\$7,898	33,306	88.9%	77.0%	\$18,831	4,169	11.1%	23.0%
Mississippi	\$8,949	25,620	\$8,065	23,589	92.1%	83.0%	\$19,219	2,031	7.9%	17.0%
Texas	\$8,928	208,986	\$8,011	193,303	92.5%	83.0%	\$20,230	15,683	7.5%	17.0%
Rhode Island	\$8,893	17,301	\$7,296	15,283	88.3%	72.5%	\$20,982	2,018	11.7%	27.5%
Montana	\$8,871	12,444	\$7,628	11,073	89.0%	76.5%	\$18,905	1,371	11.0%	23.5%
Nevada	\$8,771	20,620	\$7,719	18,970	92.0%	81.0%	\$20,869	1,650	8.0%	19.0%
Tennessee	\$8,698	54,108	\$7,685	49,801	92.0%	81.3%	\$20,408	4,307	8.0%	18.7%
Florida	\$8,658	179,850	\$7,775	167,289	93.0%	83.5%	\$20,420	12,561	7.0%	16.5%
Nebraska	\$8,623	23,143	\$7,634	21,258	91.9%	81.3%	\$19,776	1,885	8.1%	18.7%
Idaho	\$8,604	14,185	\$7,518	12,752	89.9%	78.6%	\$18,265	1,433	10.1%	21.4%
South Dakota	\$8,548	9,823	\$7,425	8,993	91.6%	79.5%	\$20,720	830	8.4%	20.5%
Washington	\$8,531	85,094	\$7,061	75,920	89.2%	73.8%	\$20,699	9,174	10.8%	26.2%
Hawaii	\$8,491	15,895	\$6,915	14,217	89.4%	72.8%	\$21,843	1,678	10.6%	27.2%
South Carolina	\$8,459	44,708	\$7,337	40,623	90.9%	78.8%	\$19,619	4,085	9.1%	21.2%

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State	Veterans Receiving Compensation		Veterans Receiving Compensation for Disabilities Other than PTSD				Veterans Receiving Compensation for PTSD			
	Average Annual Payment	Number	Average Annual Payment	Number	Percent of Total Compensation Recipients	Percent of Total Payments	Average Annual Payment	Number	Percent of Total Compensation Recipients	Percent of Total Payments
Minnesota	\$8,321	39,990	\$7,153	36,494	91.3%	78.4%	\$20,518	3,496	8.7%	21.6%
Wisconsin	\$8,297	44,102	\$7,309	40,648	92.2%	81.2%	\$19,918	3,454	7.8%	18.8%
Missouri	\$8,232	49,126	\$7,243	44,731	91.1%	80.1%	\$18,307	4,395	8.9%	19.9%
New Hampshire	\$8,168	13,470	\$7,006	12,204	90.6%	77.7%	\$19,371	1,266	9.4%	22.3%
Alabama	\$8,165	54,247	\$7,060	48,556	89.5%	77.4%	\$17,592	5,691	10.5%	22.6%
North Dakota	\$8,143	10,655	\$7,166	9,881	92.7%	81.6%	\$20,618	774	7.3%	18.4%
Alaska	\$8,138	11,648	\$7,378	10,898	93.6%	84.8%	\$19,187	750	6.4%	15.2%
California	\$8,099	229,915	\$6,834	208,604	90.7%	76.6%	\$20,476	21,311	9.3%	23.4%
Maryland	\$7,944	36,808	\$7,142	34,341	93.3%	83.9%	\$19,107	2,467	6.7%	16.1%
Colorado	\$7,944	49,580	\$6,928	45,593	92.0%	80.2%	\$19,555	3,987	8.0%	19.8%
Utah	\$7,906	14,748	\$6,828	13,388	90.8%	78.4%	\$18,520	1,360	9.2%	21.6%
Pennsylvania	\$7,898	101,755	\$6,940	93,229	91.6%	80.5%	\$18,375	8,526	8.4%	19.5%
Iowa	\$7,797	20,642	\$6,910	19,027	92.2%	81.7%	\$18,252	1,615	7.8%	18.3%
Wyoming	\$7,778	5,871	\$6,862	5,358	91.3%	80.5%	\$17,347	513	8.7%	19.5%
Georgia	\$7,775	84,118	\$7,078	78,988	93.9%	85.5%	\$18,509	5,130	6.1%	14.5%
Virginia	\$7,716	81,297	\$7,162	77,220	95.0%	88.2%	\$18,217	4,077	5.0%	11.8%
Kansas	\$7,579	24,213	\$6,533	22,433	92.6%	79.9%	\$20,762	1,780	7.4%	20.1%
Massachusetts	\$7,529	53,584	\$6,326	48,687	90.9%	76.3%	\$19,494	4,897	9.1%	23.7%
Delaware	\$7,453	7,584	\$6,531	7,036	92.8%	81.3%	\$19,291	548	7.2%	18.7%
New York	\$7,348	119,963	\$6,227	109,024	90.9%	77.0%	\$18,525	10,939	9.1%	23.0%
Indiana	\$7,287	42,855	\$6,617	40,352	94.2%	85.5%	\$18,094	2,503	5.8%	14.5%
Michigan	\$7,241	64,204	\$6,586	60,775	94.7%	86.1%	\$18,861	3,429	5.3%	13.9%
Connecticut	\$7,204	21,005	\$6,224	19,376	92.2%	79.7%	\$18,855	1,629	7.8%	20.3%
Ohio	\$7,039	85,527	\$6,372	80,011	93.6%	84.7%	\$16,709	5,516	6.4%	15.3%
New Jersey	\$7,028	46,903	\$5,841	42,198	90.0%	74.8%	\$17,670	4,705	10.0%	25.2%
Illinois	\$6,961	62,169	\$6,105	57,832	93.0%	81.6%	\$18,368	4,337	7.0%	18.4%

Table 31. STAR Error Rates for FYs 2003–2004

State	Average Annual Payment	Veterans	2003	2004
50-State Totals	\$8,378	2,493,576	14.6%	13.0%
New Mexico	\$12,004	25,258	16.0%	14.8%
Maine	\$11,626	18,751	10.7%	10.2%
Arkansas	\$10,968	31,473	18.8%	11.9%
West Virginia	\$10,866	20,681	18.3%	9.3%
Oklahoma	\$10,697	51,213	12.2%	14.3%
Oregon	\$10,277	35,449	16.5%	15.8%
Vermont	\$9,649	6,894	11.9%	13.7%
Arizona	\$9,308	50,224	13.8%	6.3%
North Carolina	\$9,281	90,745	12.7%	14.8%
Kentucky	\$9,194	37,657	10.9%	9.3%
Louisiana	\$9,114	37,475	15.8%	14.3%
Mississippi	\$8,949	25,620	12.2%	10.2%
Texas	\$8,928	208,986	18.5%	14.0%
Rhode Island	\$8,893	17,301	17.0%	12.2%
Montana	\$8,871	12,444	9.1%	3.7%
Nevada	\$8,771	20,620	13.3%	18.1%
Tennessee	\$8,698	54,108	11.0%	9.9%
Florida	\$8,658	179,850	11.7%	17.9%
Nebraska	\$8,623	23,143	9.9%	7.3%
Idaho	\$8,604	14,185	11.4%	7.1%
South Dakota	\$8,548	9,823	11.5%	8.9%
Washington	\$8,531	85,094	15.7%	16.4%
Hawaii	\$8,491	15,895	16.1%	6.8%
South Carolina	\$8,459	44,708	8.0%	11.6%
Minnesota	\$8,321	39,990	13.2%	11.9%
Wisconsin	\$8,297	44,102	9.3%	11.5%
Missouri	\$8,232	49,126	16.0%	9.7%
New Hampshire	\$8,168	13,470	16.7%	14.2%
Alabama	\$8,165	54,247	24.3%	16.7%
North Dakota	\$8,143	10,655	12.8%	13.9%
Alaska	\$8,138	11,648	10.8%	8.5%
California	\$8,099	229,915	13.3%	17.0%
Maryland	\$7,944	36,808	18.3%	10.9%
Colorado	\$7,944	49,580	22.2%	14.1%
Utah	\$7,906	14,748	15.0%	11.2%
Pennsylvania	\$7,898	101,755	11.1%	8.0%
Iowa	\$7,797	20,642	9.3%	4.3%
Wyoming*	\$7,778	5,871		
Georgia	\$7,775	84,118	19.3%	21.4%
Virginia	\$7,716	81,297	19.0%	12.3%
Kansas	\$7,579	24,213	9.3%	17.3%
Massachusetts	\$7,529	53,584	14.1%	24.4%
Delaware	\$7,453	7,584	13.8%	19.7%
New York	\$7,348	119,963	14.0%	14.0%
Indiana	\$7,287	42,855	16.5%	17.0%

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Michigan	\$7,241	64,204	12.7%	12.5%
Connecticut	\$7,204	21,005	16.5%	11.7%
Ohio	\$7,039	85,527	10.8%	17.3%
New Jersey	\$7,028	46,903	12.3%	20.9%
Illinois	\$6,961	62,169	27.3%	11.7%

*Note: Wyoming totals are included with Colorado

Survey of Rating Veterans Service Representatives and Decision Review Officers (March and April 2005)

1. I work in: (drop-down box listing VAROs)¹⁴

VARO Location	Potential Respondents	Responses Received	Percent Responding
Albuquerque, NM	18	8	44.4
Anchorage, AK	3	2	66.7
Atlanta, GA	56	38	67.9
Baltimore, MD	26	14	53.8
Boise, ID	12	8	66.7
Boston, MA	19	11	57.9
Buffalo, NY	26	21	80.8
Chicago, IL	37	27	73.0
Cleveland, OH	92	76	82.6
Columbia, SC	48	24	50.0
Denver, CO	35	23	65.7
Des Moines, IA	13	12	92.3
Detroit, MI	31	25	80.6
Fargo, ND	11	10	90.9
Fort Harrison, MT	9	9	100
Hartford, CT	14	12	85.7
Honolulu, HI	9	8	88.9
Houston, TX	82	63	76.8
Huntington, WV	31	30	96.8
Indianapolis, IN	33	29	87.9
Jackson, MS	26	18	69.2
Lincoln, NE	29	11	37.9
Little Rock, AR	22	19	86.4
Los Angeles, CA	57	27	47.4
Louisville, KY	23	17	73.9
Manchester, NH	8	7	87.5
Manila, Philippines	10	4	40.0
Milwaukee, WI	31	22	71.0
Montgomery, AL	44	23	52.3
Muskogee, OK	66	58	87.9
Nashville, TN	51	31	60.8
Newark, NJ	21	14	66.7
New Orleans, LA	34	24	70.6
New York, NY	40	23	57.5

¹⁴ Totals in the following tables may not add due to rounding.

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VARO Location	Potential Respondents	Responses Received	Percent Responding
Oakland, CA	66	39	59.1
Philadelphia, PA	70	52	74.3
Phoenix, AZ	41	26	63.4
Pittsburgh, PA	21	12	57.1
Portland, OR	25	13	52.0
Providence, RI	10	5	50.0
Reno, NV	13	11	84.6
Roanoke, VA	42	27	64.3
St. Louis, MO	55	47	85.5
St. Paul, MN	30	21	70.0
St. Petersburg, FL	128	74	57.8
Salt Lake City, UT	19	13	68.4
San Diego, CA	53	34	64.2
San Juan, PR	29	10	34.5
Seattle, WA	63	53	84.1
Sioux Falls, SD	9	8	88.9
Togus, ME	27	23	85.2
Waco, TX	96	71	74.0
Washington, DC ¹⁵	28	7	25.0
White River Junction, VT	4	4	100
Wichita, KS	12	7	58.3
Wilmington, DE	3	3	100
Winston-Salem, NC	81	41	50.6
Total	1992	1349	67.7

2. My current position is:

Response	No.	Percent
RVSR	1064	80.1
DRO	246	18.5
Other (Please specify) ¹⁶	19	1.4
Total	1329	100

Each respondent whose answer to Question 2 was “RVSR” was asked the two following questions:

¹⁵ These numbers include employees of both VARO Washington and the Appeals Management Center.

¹⁶ Respondents whose answer to Question 2 was “Other” included coaches, RVSR trainees, specialized RVSRs, a Rating Quality Officer, and an RVSR currently assigned to another position.

2.1 Do you have single signature authority for denied disability compensation claims?

Response	No.	Percent
Yes	843	79.5
No	217	20.5
Total	1060	100

2.2 Do you have single signature authority for granted disability compensation claims?

Response	No.	Percent
Yes	851	80.2
No	210	19.8
Total	1061	100

3. How long have you worked as an RVSR or DRO? (If you've served in both positions, provide the combined years of experience.) Please respond in years; 6 months is .5 year.

Each respondent was asked to type the answer in a blank space. The following table categorizes the responses.

Response	No.	Percent
1 year or less	91	6.9
More than 1 year, less than 3 years	219	16.6
3–5 years	565	42.7
6–10 years	264	20.0
11–15 years	108	8.2
16 years or more	75	5.7
Total	1322	100

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4. How long have you worked (in any capacity) in the Veterans Benefits Administration? Please respond in years. Three months is .25 year.

Each respondent was asked to type the answer in a blank space. The following table categorizes the responses.

Response	No.	Percent
1 year or less	4	0.3
More than 1 year, less than 3 years	120	9.0
3–5 years	361	27.1
6–10 years	119	8.9
11–15 years	253	19.0
16 years or more	473	35.6
Total	1330	100

5. Have you completed training for, or worked in, any of the following occupations? Check all that apply.

Response	No.	Percent
Physician	8	0.6
Physician Assistant	4	0.3
Registered Nurse	175	13.4
Licensed Practical Nurse or Licensed Vocational Nurse	20	1.5
Attorney	64	4.9
Paralegal	43	3.3
Veterans Service Organization Representative	66	5.1
Veterans Service Representative (Adjudicator)	811	62.1
Other Clinical Profession (Please specify) ¹⁷	116	8.9
Total	1,307	100

6. Are you a veteran?

Response	No.	Percent
Yes	601	44.9
No	738	55.1
Total	1339	100

Each respondent who answered “Yes” to Question 6 was asked the three following questions:

¹⁷ The most frequently mentioned clinical occupations were military medical corpsman, social worker, and emergency medical technician.

6.1 When did you serve on active duty? Please check all that apply.

Response	No.	Percent
WWII (Dec. 7, 1941–Dec. 31, 1946)	0	0
Korean Conflict (Jun. 27, 1950–Jan. 31, 1955)	1	0.1
Vietnam Era (Feb. 28, 1961–May 7, 1975)	357	45.8
Gulf War (Aug. 2, 1990–present)	214	27.4
Peacetime	208	26.7
Total	780	100

6.2 Did your service include combat?

Response	No.	Percent
Yes	122	20.4
No	476	79.6
Total	598	100

6.3 Do you have any service-connected conditions?

Response	No.	Percent
Yes	353	59.2
No	243	40.8
Total	596	100

7. What is your age?

Each respondent was asked to type the answer in a blank space. The following table categorizes the responses.

Response	No.	Percent
20–29 years	56	4.2
30–39 years	291	22.0
40–49 years	353	26.7
50–59 years	546	41.3
60 years and over	77	5.8
Total	1323	100

8. Have you attended centralized Rating Veterans Service Representative training in a formal classroom environment?

Response	No.	Percent
Yes	870	64.9
No	470	35.1
Total	1340	100

9. How often does your office provide formal classroom instruction on rating policies and procedures?

Response	No.	Percent
Once a week	241	18.0
Once a month	610	45.6
Once a quarter	241	18.0
Once biannually (twice a year)	101	7.5
Once annually or less often	112	8.4
Never	33	2.5
Total	1338	100

10. In the past 12 months, approximately how many hours of formal classroom instruction on rating policies and procedures have you received?

Response	No.	Percent
None	57	4.3
1–10 hours	544	40.7
11–20 hours	322	24.1
21–30 hours	116	8.7
31–40 hours	78	5.8
41–50 hours	96	7.2
More than 50 hours	123	9.2
Total	1336	100

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11. Approximately how often does your Rating Team spend time together reviewing and discussing manual changes, court decisions, frequently asked questions, and related issues?

Response	No.	Percent
Once a week	246	18.5
Once a month	442	33.2
Once a quarter (every 3 months)	200	15.0
Once biannually (twice a year)	76	5.7
Once annually or less often	130	9.8
Never	239	17.9
Total	1333	100

12. Did you watch the VBN broadcast “C&P: Requesting Medical Opinions,” which was initially transmitted on March 11, 2004, or a video recording of it?

Response	No.	Percent
Yes	979	73.4
No	355	26.6
Total	1334	100

13. Did you watch the VBN broadcast “C&P: Evaluating Degenerative & Traumatic Arthritis Claims,” which was initially transmitted on September 23, 2004, or a video recording of it?

Response	No.	Percent
Yes	944	70.7
No	392	29.3
Total	1336	100

14. Overall, how would you evaluate the quality of the VBA rating training, including both formal classroom instruction and on-the-job training, you have received?

Response	No.	Percent
Very good	182	13.6
Good	586	43.8
Neither good nor poor	356	26.6
Poor	159	11.9
Very poor	55	4.1
Total	1338	100

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15. Have you ever been assigned primary responsibility for training new RVSRs? (Being asked to provide occasional, brief classroom presentations should not be considered primary responsibility for training.)

Response	No.	Percent
Yes	235	17.6
No	1103	82.4
Total	1338	100

Each respondent who answered “Yes” to Question 15 was asked the following question:

15.1 Approximately how many RVSRs have you trained?

Response	No.	Percent
5 or less	93	39.6
6–10	61	26.0
11–20	41	17.4
21–30	12	5.1
More than 30	28	11.9
Total	235	100

16. Does your office conduct local STAR of rating decisions?

Response	No.	Percent
Yes	1253	93.6
No	21	1.6
Don’t know	65	4.9
Total	1339	100

17. Based on your experience in the past 12 months, approximately how many of the claims sent to the Rating Team as ready to rate were not actually ready to rate?

Response	No.	Percent
Less than 10 percent	187	14.4
10–19 percent	272	20.9
20–29 percent	314	24.1
30–39 percent	257	19.7
40–49 percent	117	9.0
50 percent or more	155	11.9
Total	1302	100

Appendix E

18. Based on your experience in the past 12 months, how many of the claims that WERE NOT READY TO RATE when they were sent to the Rating Team WERE ACTUALLY RATED without all of the information needed? Consider only final ratings, not partial ratings.

Response	No.	Percent
None	305	23.6
Less than 5 percent	474	36.7
5–10 percent	249	19.3
11–25 percent	134	10.4
26–50 percent	74	5.7
More than 50 percent	56	4.3
Total	1292	100

19. Based on your experience in the past 12 months, approximately how many PTSD claims sent to the Rating Team as ready to rate were not actually ready to rate?

Response	No.	Percent
Less than 10 percent	610	47.1
10–19 percent	291	22.5
20–29 percent	183	14.1
30–39 percent	103	8.0
40–49 percent	35	2.7
50 percent or more	73	5.6
Total	1295	100

20. Based on your experience in the past 12 months, how many of the PTSD claims that WERE NOT READY TO RATE when they were sent to the Rating Team WERE ACTUALLY RATED without all of the information needed? Consider only final ratings, not partial ratings.

Response	No.	Percent
None	498	38.8
Less than 5 percent	440	34.2
5–10 percent	170	13.2
11–25 percent	73	5.7
26–50 percent	54	4.2
More than 50 percent	50	3.9
Total	1285	100

21. Based upon your experience in the past 12 months, approximately how many of the C&P exams used by your office are done by contract examiners (QTC)?

Response	No.	Percent
None	465	35.5
1–25 percent	467	35.6
26–50 percent	177	13.5
51–75 percent	123	9.4
76–99 percent	64	4.9
100 percent	15	1.1
Total	1311	100

Each respondent whose answer to Question 21 was anything other than “None” was asked the following question:

21.1 How would you evaluate the quality of C&P exams done by contract examiners (QTC)?

Response	No.	Percent
Very good	79	9.4
Good	335	39.8
Neither good nor poor	291	34.6
Poor	115	13.7
Very poor	22	2.6
Total	842	100

Each respondent whose answer to Question 21 was anything other than “100 percent” was asked the following question:

21.2 How would you evaluate the quality of C&P exams done by VA examiners?

Response	No.	Percent
Very good	66	5.1
Good	552	42.6
Neither good nor poor	437	33.7
Poor	205	15.8
Very poor	35	2.7
Total	1295	100

22. Do you obtain the concurrence of another Rating Team member, a supervisor, or a DRO before returning inadequate C&P exams?

Response	No.	Percent
Yes	966	72.3
No	370	27.7
Total	1336	100

23. Based upon your experience in the past 12 months, approximately how many C&P exams WERE returned by your office because they were insufficient for rating purposes?

Response	No.	Percent
Less than 1 percent	245	18.8
1–5 percent	517	39.6
6–10 percent	348	26.6
11–19 percent	111	8.5
20–29 percent	62	4.7
30 or more percent	23	1.8
Total	1306	100

24. Based upon your experience in the past 12 months, approximately what percentage of C&P exams SHOULD HAVE BEEN returned by your office because they were insufficient for rating purposes?

Response	No.	Percent
Less than 1 percent	110	8.4
1–5 percent	256	19.6
6–10 percent	331	25.4
11–19 percent	192	14.7
20–29 percent	205	15.7
30 or more percent	210	16.1
Total	1304	100

Appendix E

25. Consider your use of the VA Schedule for Rating Disabilities to determine disability ratings. OVERALL, how easy or difficult for YOU is translating complete medical evidence to a diagnostic code with DEGREES OF DISABILITY (severe, moderately severe, etc.)? Check one.

Response	No.	Percent
Very easy	99	7.4
Generally easy	600	44.9
Neither easy nor difficult	417	31.2
Generally difficult	193	14.4
Very difficult	28	2.1
Total	1337	100

26. Listed below are body systems, conditions, or disorders. In your experience when using the VA Schedule for Rating Disabilities and when examination evidence is complete, in general, how easy or difficult is ASSIGNING DEGREES OF DISABILITY (severe, moderately severe, etc.) to each of the following? Check one answer for each of the following.

Body System, Condition, or Disorder¹⁸	Response					
	Very Easy	Generally Easy	Neither Easy Nor Difficult	Generally Difficult	Very Difficult	TOTAL
	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)
a. Musculoskeletal	94 (7.0)	619 (46.4)	318 (23.8)	267 (20.0)	36 (2.7)	1334 (100)
b. Organs of Special Sense	313 (23.5)	639 (47.9)	244 (18.3)	120 (9.0)	18 (1.4)	1334 (100)
c. Systemic Diseases	104 (7.8)	523 (39.4)	522 (39.3)	167 (12.6)	12 (0.9)	1328 (100)
d. Respiratory	239 (17.9)	761 (57.1)	238 (17.9)	83 (6.2)	11 (0.8)	1332 (100)
e. Cardiovascular	249 (18.8)	746 (56.3)	237 (17.9)	88 (6.6)	6 (0.5)	1326 (100)
f. Digestive	97 (7.3)	620 (46.8)	445 (33.6)	153 (11.6)	9 (0.7)	1324 (100)
g. Genitourinary	150 (11.3)	671 (50.5)	374 (28.1)	123 (9.3)	11 (0.8)	1329 (100)

¹⁸ Question 26 is a duplicate of a question in the 1988 GAO survey. Since that survey was done, the body systems used in the rating schedule to categorize disabilities were changed. The name of one category was changed from Systemic Diseases to Infectious Diseases, Immune Disorders, and Nutritional Deficiencies. Another category, Organs of Special Sense, was split into two categories, Auditory and Eye.

Body System, Condition, or Disorder	Response					
	Very Easy	Generally Easy	Neither Easy Nor Difficult	Generally Difficult	Very Difficult	TOTAL
	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)
h. Gynecological Conditions	109 (8.2)	585 (44.0)	410 (30.9)	197 (14.8)	28 (2.1)	1329 (100)
i. Hemic and Lymphatic	94 (7.1)	549 (41.4)	500 (37.7)	169 (12.8)	13 (1.0)	1325 (100)
j. Skin	150 (11.3)	647 (48.7)	370 (27.9)	146 (11.0)	15 (1.1)	1328 (100)
k. Endocrine	136 (10.3)	683 (51.8)	374 (28.4)	111 (8.4)	15 (1.1)	1319 (100)
l. Neurological and Convulsive Disorders	58 (4.4)	425 (31.9)	448 (33.6)	343 (25.7)	59 (4.4)	1333 (100)
m. Mental Disorders	134 (10.1)	524 (39.5)	348 (26.2)	258 (19.4)	64 (4.8)	1328 (100)
n. Dental and Oral Conditions	123 (9.3)	433 (32.7)	509 (38.4)	209 (15.8)	51 (3.8)	1325 (100)

27. Consider the situation in which you are translating complete medical evidence to diagnostic codes with DEGREES OF DISABILITY (severe, moderately severe, etc.). OVERALL, in your experience, how likely or unlikely will the situation occur that you could support two or more different ratings for the same medical condition? Check one.

Response	No.	Percent
Very likely	169	12.7
Somewhat likely	529	39.7
As likely as not	302	22.6
Somewhat unlikely	282	21.1
Very unlikely	52	3.9
Total	1334	100

Appendix E

28. Consider the situation in which you are translating complete medical evidence to diagnostic codes with DEGREES OF DISABILITY (severe, moderately severe, etc.). In your experience, how likely or unlikely will the situation occur in which you could support two or more different ratings for the same medical condition? Check one response for each body system, condition, or disorder.

Body System, Condition, or Disorder ¹⁹	Response					
	Very Unlikely	Somewhat Unlikely	As Likely As Not	Somewhat Likely	Very Likely	TOTAL
	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)
a. Musculoskeletal	80 (6.1)	297 (22.5)	279 (21.1)	464 (35.1)	202 (15.3)	1322 (100)
b. Organs of Special Sense	468 (35.6)	549 (41.7)	167 (12.7)	111 (8.4)	21 (1.6)	1316 (100)
c. Systemic Diseases	216 (16.5)	532 (40.6)	344 (26.2)	187 (14.3)	32 (2.4)	1311 (100)
d. Respiratory	290 (22.0)	548 (41.6)	224 (17.0)	223 (16.9)	33 (2.5)	1318 (100)
e. Cardiovascular	277 (21.1)	508 (38.6)	245 (18.6)	229 (17.4)	56 (4.3)	1315 (100)
f. Digestive	126 (9.6)	436 (33.2)	382 (29.1)	304 (23.1)	66 (5.0)	1314 (100)
g. Genitourinary	204 (15.6)	538 (41.0)	318 (24.3)	213 (16.2)	38 (2.9)	1311 (100)
h. Gynecological Conditions	222 (16.9)	566 (43.0)	322 (24.5)	177 (13.5)	28 (2.1)	1315 (100)
i. Hemic and Lymphatic	214 (16.3)	577 (44.0)	342 (26.1)	157 (12.0)	20 (1.5)	1310 (100)
j. Skin	178 (13.6)	491 (37.4)	323 (24.6)	261 (19.9)	61 (4.6)	1314 (100)
k. Endocrine	216 (16.6)	575 (44.2)	319 (24.5)	160 (12.3)	32 (2.5)	1302 (100)
l. Neurological and Convulsive Disorders	98 (7.5)	302 (23.0)	363 (27.7)	409 (31.2)	139 (10.6)	1311 (100)
m. Mental Disorders	158 (12.0)	258 (19.6)	277 (21.1)	367 (28.0)	253 (19.3)	1313 (100)
n. Dental and Oral Conditions	352 (27.0)	516 (39.6)	315 (24.2)	94 (7.2)	26 (2.0)	1303 (100)

¹⁹ Question 28 is a duplicate of a question in the 1988 GAO survey. Since that survey was done, the body systems used in the rating schedule to categorize disabilities were changed. The name of one category was changed from Systemic Diseases to Infectious Diseases, Immune Disorders, and Nutritional Deficiencies. Another category, Organs of Special Sense, was split into two categories, Auditory and Eye.

Appendix E

29. Based upon your experience in the past 12 months, approximately how many rating decisions required the use of analogous diagnostic codes for one or more claimed disabilities?

Response	No.	Percent
Less than 5 percent	139	10.4
5–10 percent	314	23.6
11–20 percent	358	26.9
21–30 percent	287	21.5
31–40 percent	122	9.2
41–50 percent	71	5.3
More than 50 percent	42	3.2
Total	1333	100

30. Based upon your experience in the past 12 months, to what extent does the necessity to use analogous diagnostic codes result in inconsistent decisions among raters?

Response	No.	Percent
Little or no extent	310	23.4
Some extent	583	44.0
Moderate extent	292	22.0
Great extent	108	8.2
Very great extent	32	2.4
Total	1325	100

Appendix E

31. When you are rating disability claims, how important are the following objectives TO YOU? Rank the importance of each objective on a scale from 1 to 10, with 1 being NOT IMPORTANT and 10 being EXTREMELY IMPORTANT.

Objective	Response										
	1	2	3	4	5	6	7	8	9	10	TOTAL
	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)
a. Avoiding errors that might be identified by STAR reviewers	48 (3.6)	20 (1.5)	22 (1.6)	19 (1.4)	75 (5.6)	23 (1.7)	54 (4.0)	167 (12.5)	144 (10.8)	763 (57.2)	1335 (100)
b. Complying fully with all pertinent laws, regulations, and VA policies and procedures	6 (0.4)	1 (0.1)	0 (0.0)	1 (0.1)	1 (0.1)	8 (0.6)	19 (1.4)	65 (4.9)	166 (12.4)	1071 (80.0)	1338 (100)
c. Ensuring I have sufficient information about the claims before making a decision	7 (0.5)	0 (0.0)	0 (0.0)	1 (0.1)	14 (1.0)	22 (1.6)	39 (2.9)	120 (9.0)	244 (18.2)	891 (66.6)	1338 (100)
d. Getting the concurrence of other reviewers	216 (16.2)	157 (11.8)	136 (10.2)	83 (6.2)	194 (14.6)	125 (9.4)	116 (8.7)	156 (11.7)	70 (5.3)	80 (6.0)	1333 (100)
e. Granting veterans the highest ratings allowed by the rating schedule (the highest I can defend)	10 (0.7)	0 (0.0)	2 (0.1)	2 (0.1)	18 (1.3)	16 (1.2)	39 (2.9)	92 (6.9)	172 (12.9)	984 (73.7)	1335 (100)
f. Granting veterans the lowest ratings allowed by the rating schedule (the lowest I can defend)	997 (75.0)	117 (8.8)	55 (4.1)	18 (1.4)	42 (3.2)	23 (1.7)	9 (0.7)	11 (0.8)	8 (0.6)	49 (3.7)	1329 (100)
g. Improving the timeliness of ratings	41 (3.1)	25 (1.9)	25 (1.9)	32 (2.4)	118 (8.8)	113 (8.5)	149 (11.2)	238 (17.8)	177 (13.3)	416 (31.2)	1334 (100)

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Objective	1	2	3	4	5	6	7	8	9	10	TOTAL
	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)
h. Meeting my daily production quota	35 (2.6)	16 (1.2)	15 (1.1)	11 (0.8)	70 (5.3)	49 (3.7)	58 (4.4)	161 (12.1)	155 (11.6)	764 (57.3)	1334 (100)
i. Minimizing the number of appeals	124 (9.3)	55 (4.1)	63 (4.7)	44 (3.3)	109 (8.2)	119 (9.0)	114 (8.6)	172 (12.9)	126 (9.5)	403 (30.3)	1329 (100)
j. Minimizing the number of complaints from veterans and their representatives	111 (8.3)	48 (3.6)	72 (5.4)	49 (3.7)	143 (10.7)	105 (7.9)	112 (8.4)	192 (14.4)	127 (9.5)	376 (28.2)	1335 (100)
k. Minimizing the number of decisions overturned on appeal	152 (11.4)	56 (4.2)	64 (4.8)	49 (3.7)	118 (8.9)	112 (8.4)	103 (7.7)	169 (12.7)	138 (10.4)	369 (27.7)	1330 (100)
l. Minimizing the number of decisions remanded on appeal	144 (10.8)	49 (3.7)	58 (4.4)	44 (3.3)	123 (9.3)	99 (7.5)	103 (7.8)	165 (12.4)	146 (11.0)	397 (29.9)	1328 (100)
m. Minimizing the number of reopened claims	272 (20.6)	83 (6.3)	95 (7.2)	60 (4.5)	163 (12.3)	118 (8.9)	102 (7.7)	139 (10.5)	84 (6.4)	206 (15.6)	1322 (100)
n. Rating as many claims each day as possible	89 (6.7)	38 (2.9)	50 (3.8)	37 (2.8)	115 (8.6)	95 (7.1)	125 (9.4)	215 (16.2)	143 (10.7)	424 (31.9)	1331 (100)
o. Reducing my backlog of pending work	63 (4.7)	21 (1.6)	35 (2.6)	25 (1.9)	94 (7.1)	108 (8.1)	131 (9.8)	227 (17.0)	171 (12.8)	457 (34.3)	1332 (100)
p. Saving the taxpayers money	453 (34.0)	114 (8.6)	87 (6.5)	57 (4.3)	142 (10.7)	85 (6.4)	63 (4.7)	76 (5.7)	62 (4.7)	193 (14.5)	1332 (100)

Appendix E

32. In your opinion, how important are the following objectives TO MANAGEMENT in your office? Rank the importance of each objective on a scale from 1 to 10, with 1 being NOT IMPORTANT and 10 being EXTREMELY IMPORTANT.

Objective	Response										
	1	2	3	4	5	6	7	8	9	10	TOTAL
	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)
a. Avoiding errors that might be identified by STAR reviewers	31 (2.3)	20 (1.5)	34 (2.6)	25 (1.9)	62 (4.7)	57 (4.3)	104 (7.8)	169 (12.7)	142 (10.7)	684 (51.5)	1328 (100)
b. Complying fully with all pertinent laws, regulations, and VA policies and procedures	43 (3.2)	44 (3.3)	41 (3.1)	44 (3.3)	89 (6.7)	77 (5.8)	112 (8.4)	190 (14.3)	150 (11.3)	538 (40.5)	1328 (100)
c. Ensuring RVSRs and DROs have sufficient information about the claims before making rating decisions	74 (5.6)	58 (4.4)	64 (4.8)	72 (5.4)	136 (10.3)	139 (10.5)	141 (10.6)	215 (16.2)	133 (10.0)	293 (22.1)	1325 (100)
d. Ensuring RVSRs and DROs meet their daily production quotas	32 (2.4)	12 (0.9)	12 (0.9)	15 (1.1)	48 (3.6)	58 (4.4)	89 (6.7)	153 (11.5)	131 (9.9)	775 (58.5)	1325 (100)
e. Granting veterans the highest ratings allowed by the rating schedule (the highest the RVSRs and DROs can defend)	53 (4.0)	15 (1.1)	28 (2.1)	28 (2.1)	103 (7.8)	94 (7.1)	114 (8.6)	204 (15.4)	158 (11.9)	527 (39.8)	1324 (100)
f. Granting veterans the lowest ratings allowed by the rating schedule (the lowest the RVSRs and DROs can defend)	794 (60.1)	102 (7.7)	83 (6.3)	49 (3.7)	105 (7.9)	56 (4.2)	27 (2.0)	31 (2.3)	16 (1.2)	59 (4.5)	1322 (100)
g. Improving the timeliness of ratings	11 (0.8)	6 (0.5)	7 (0.5)	9 (0.7)	24 (1.8)	28 (2.1)	76 (5.7)	128 (9.7)	161 (12.2)	875 (66.0)	1325 (100)

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Objective	1	2	3	4	5	6	7	8	9	10	TOTAL
	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)
h. Maximizing the number of rating decisions done each day	15 (1.1)	1 (0.1)	5 (0.4)	6 (0.5)	18 (1.4)	27 (2.1)	73 (5.5)	101 (7.7)	132 (10.0)	939 (71.3)	1317 (100)
i. Minimizing the number of appeals	84 (6.4)	45 (3.4)	46 (3.5)	52 (4.0)	102 (7.8)	95 (7.2)	117 (8.9)	164 (12.5)	119 (9.0)	492 (37.4)	1316 (100)
j. Minimizing the number of complaints from veterans and their representatives	63 (4.8)	39 (3.0)	57 (4.3)	45 (3.4)	113 (8.5)	106 (8.0)	134 (10.1)	194 (14.7)	126 (9.5)	445 (33.7)	1322 (100)
k. Minimizing the number of decisions overturned on appeal	97 (7.4)	56 (4.3)	66 (5.0)	49 (3.7)	127 (9.7)	114 (8.7)	126 (9.6)	157 (11.9)	113 (8.6)	411 (31.2)	1316 (100)
l. Minimizing the number of decisions remanded on appeal	65 (4.9)	41 (3.1)	49 (3.7)	43 (3.3)	108 (8.2)	88 (6.7)	113 (8.6)	175 (13.3)	140 (10.6)	495 (37.6)	1317 (100)
m. Minimizing the number of reopened claims	225 (17.0)	105 (7.9)	97 (7.3)	69 (5.2)	159 (12.0)	116 (8.8)	122 (9.2)	106 (8.0)	75 (5.7)	248 (18.8)	1322 (100)
n. Reducing the backlog of pending work	12 (0.9)	5 (0.4)	6 (0.5)	9 (0.7)	16 (1.2)	29 (2.2)	67 (5.1)	99 (7.5)	141 (10.7)	932 (70.8)	1316 (100)
o. Saving the taxpayers money	553 (41.9)	107 (8.1)	73 (5.5)	66 (5.0)	126 (9.6)	102 (7.7)	63 (4.8)	56 (4.3)	32 (2.4)	141 (10.7)	1319 (100)

33. How easy or difficult is it for YOU to meet your daily production standard?

Response	No.	Percent
Very easy	67	5.1
Generally easy	230	17.4
Neither easy nor difficult	405	30.6
Generally difficult	443	33.5
Very difficult	178	13.5
Total	1323	100

Appendix E

34. In recent months, questions have been raised in the media about the consistency of rating decisions and the way in which rating decisions are made. Please indicate your agreement or disagreement with the following statements.

Statement	Response					
	Strongly Agree	Agree Somewhat	Neither Agree Nor Disagree	Disagree Somewhat	Strongly Disagree	TOTAL
	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)
a. When rating a disability claim, I start with the assumption that the veteran is applying for the highest possible rating for the claimed condition.	889 (66.4)	198 (14.8)	182 (13.6)	41 (3.1)	28 (2.1)	1338 (100)
b. When rating a disability claim, I start with the assumption that the veteran is applying for the lowest possible rating for the claimed condition.	12 (0.9)	7 (0.5)	147 (11.0)	113 (8.4)	1060 (79.2)	1339 (100)
c. When reviewing a compensation claim, I first determine whether the highest possible rating for the claimed condition can be granted and, if not, move down the rating schedule to determine whether the next highest rating can be granted.	552 (41.5)	246 (18.5)	301 (22.6)	122 (9.2)	109 (8.2)	1330 (100)
d. When reviewing a compensation claim, I first determine whether the lowest possible rating for the claimed condition can be granted and then move up the rating schedule to determine whether a higher rating can be granted.	138 (10.4)	141 (10.6)	253 (19.0)	180 (13.5)	621 (46.6)	1333 (100)

Appendix E

Statement	Response					
	Strongly Agree	Agree Somewhat	Neither Agree Nor Disagree	Disagree Somewhat	Strongly Disagree	TOTAL
	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)
e. When rating a disability claim, I apply a broad and liberal interpretation of the rating schedule.	672 (50.3)	396 (29.7)	170 (12.7)	64 (4.8)	33 (2.5)	1335 (100)
f. When rating a disability claim, I apply a narrow and conservative interpretation of the rating schedule.	34 (2.5)	52 (3.9)	168 (12.6)	243 (18.2)	840 (62.8)	1337 (100)
g. In my office, management encourages RVSRs to apply a broad and liberal interpretation of the rating schedule.	534 (40.0)	384 (28.8)	271 (20.3)	79 (5.9)	67 (5.0)	1335 (100)
h. In my office, management encourages RVSRs to apply a narrow and conservative interpretation of the rating schedule.	55 (4.1)	60 (4.5)	274 (20.5)	269 (20.1)	678 (50.8)	1336 (100)
i. In my office, RVSRs and DROs who grant lower disability ratings are likely to receive better performance appraisals and more awards than others.	53 (4.0)	30 (2.3)	368 (27.8)	124 (9.4)	750 (56.6)	1325 (100)

Statement	Response					
	Strongly Agree	Agree Somewhat	Neither Agree Nor Disagree	Disagree Somewhat	Strongly Disagree	TOTAL
	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)	No. (%)
j. In my office, RVSRs and DROs who grant higher disability ratings are likely to receive better performance appraisals and more awards than others.	113 (8.5)	91 (6.9)	483 (36.5)	129 (9.7)	509 (38.4)	1325 (100)
k. I have no difficulty meeting my production standard without sacrificing quality.	163 (12.3)	242 (18.2)	273 (20.6)	308 (23.2)	341 (25.7)	1327 (100)
l. If I make sure I have sufficient evidence for rating each case and thoroughly review the evidence, I have difficulty meeting my production standard.	400 (30.0)	354 (26.5)	258 (19.3)	168 (12.6)	154 (11.5)	1334 (100)

Appendix E

35. Based upon your experience, do RVSRs and DROs in your office grant a combined disability rating of 10 percent just to process the veteran’s claim quickly and reduce the backlog of work?

Response	No.	Percent
Yes	154	11.6
No	1170	88.4
Total	1324	100

36. In the last 2 to 3 months, have YOUR rating decisions been affected by published comparisons of compensation payments to veterans in different states?

Response	No.	Percent
Yes	41	3.1
No	1287	96.9
Total	1328	100

Each respondent who answered “Yes” to Question 36 was asked the following question:

36.1 How have your decisions been affected by published comparisons of compensation payments to veterans in different states?

Response	No.	Percent
I’ve been much more inclined to grant higher ratings to the veterans.	6	15.4
I’ve been somewhat more inclined to grant higher ratings to the veterans.	30	76.9
I’ve been somewhat more inclined to grant lower ratings to the veterans.	3	7.7
I’ve been much more inclined to grant lower ratings to the veterans.	0	0.0
Total	39	100

37. In the last 2 to 3 months, has management in your office encouraged the RVSRs and DROs to change their attitudes when rating disability claims?

Response	No.	Percent
Yes	311	23.5
No	1014	76.5
Total	1325	100

Appendix E

Each respondent who answered “Yes” to Question 37 was asked the following question:

37.1 In the last 2 to 3 months, how has management in your office suggested RVSRs and DROs change their attitudes when rating disability claims?

Response	No.	Percent
Management has encouraged RVSRs and DROs to grant much higher ratings to the veterans.	52	17.0
Management has encouraged RVSRs and DROs to grant somewhat higher ratings to the veterans.	117	38.2
Management has encouraged RVSRs and DROs to grant somewhat lower ratings to the veterans.	2	0.7
Management has encouraged RVSRs and DROs to grant much lower ratings to the veterans.	0	0
Other (Please explain) ²⁰	135	44.1
Total	306	100

38. How would you assess staffing of the rating activity (RVSRs and DROs) in your office? Check one.

Response	No.	Percent
The rating activity has a much larger staff than needed to provide timely and high quality service.	9	0.7
The rating activity has a somewhat larger staff than needed to provide timely and high quality service.	44	3.3
The rating activity staff is about the right size.	415	31.0
The rating activity has a somewhat smaller staff than needed to provide timely and high quality service.	517	38.7
The rating activity has a much smaller staff than needed to provide timely and high quality service.	352	26.3
Total	1337	100

Please enter any additional comments here.

²⁰ Respondents whose answer to Question 37 was “Other” most often indicated that management encouraged RVSRs and DROs to interpret the criteria liberally and grant benefits if possible. Other common statements indicated that management encouraged RVSRs and DROs to avoid deferring issues and process more claims.

Survey Responses for Highest and Lowest Average Compensation Payment States

We compared the 151 responses of RVSRs and DROs from the 6 states with the highest average compensation payments and the 183 responses of RVSRs and DROs from the 6 states with the lowest payments. The results of the comparison are summarized in the following paragraphs.²¹

Demographics of Respondents. Respondents from the six states with the highest average compensation payments and respondents from the six states with the lowest payments are similar in length of experience, age, and veteran status, as shown below:

Table 38. Comparison of Experience, Age, and Veteran Status

Demographic Factor	Six High Payment States	Six Low Payment States
Average Years as RVSR or DRO	5.7	6.3
Average Years in VBA	14.5	15.7
Average Age	47.8	47.3
Percent with Veteran Status	43.0	45.6

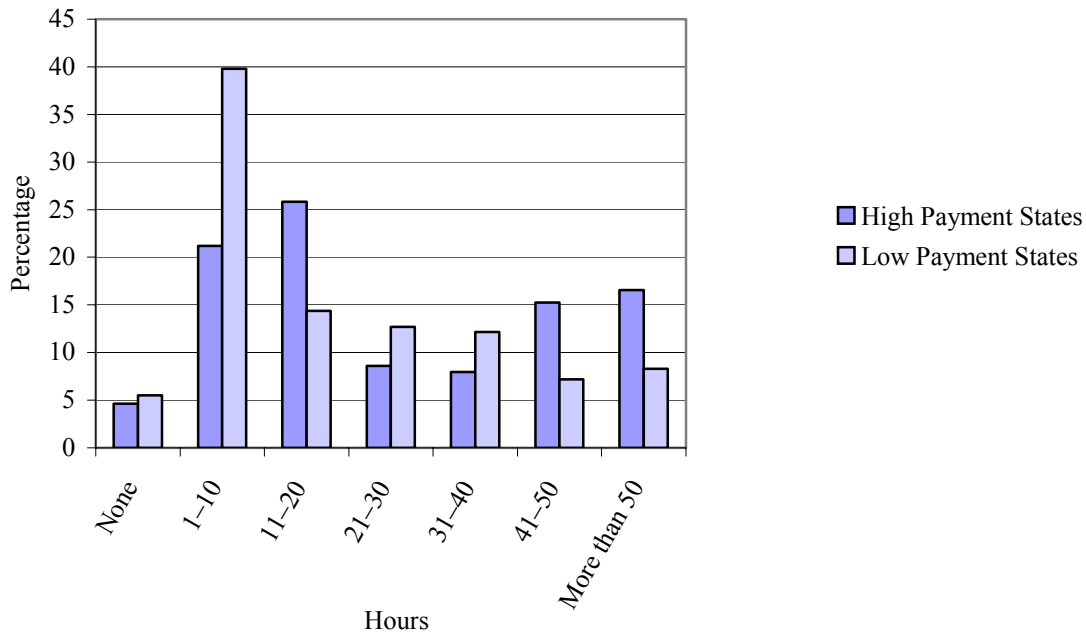
However, there are larger differences in the percentages of respondents with service-connected disabilities and in the periods of active duty.

- In states with the highest payments, 75 percent of the veterans working as RVSRs or DROs have service-connected disabilities, while in states with the lowest payments this figure is 46 percent.
- Veterans working as RVSRs or DROs in states with the highest payments are more likely to have served on active duty during peacetime or the Gulf War than veterans working as RVSRs or DROs in states with the lowest payments, who are more likely to have served during the Vietnam Era.

²¹ Numbers in the tables and figures may not add up to 100.0 percent because of rounding.

Training. Survey responses indicated that training of RVSRs and DROs has received higher priority in the six states with the highest average compensation payments than in the six states with the lowest payments. Figure 13 compares estimates of the amount of formal classroom instruction on rating policies and procedures received by RVSRs and DROs in the past 12 months.

Figure 9. Estimated Hours of Formal Classroom Instruction



Responses to other survey questions also indicated that RVSR and DRO training has received higher priority in states with the highest payments.

- Seventy-one percent of respondents from states with the highest payments have attended centralized RVSR training in a formal classroom environment, while only 57 percent of respondents from states with the lowest payments have attended this training.
- When asked how often their offices provide formal classroom instruction on rating policies and procedures, 35 percent of respondents from states with the highest payments said once a week, 42 percent said once a month, and 23 percent said once a quarter or less often. In contrast, only 15 percent of respondents from states with the lowest payments said their offices provide formal classroom instruction on rating policies and procedures once a week, 46 percent said once a month, and 39 percent said once a quarter or less often.

- When asked how often their rating teams spend time together reviewing and discussing changes in criteria, court decisions, and related issues, 35 percent of respondents from states with the highest payments said once a week, 35 percent said once a month, and 30 percent said once a quarter or less often. In contrast, only 14 percent of respondents from states with the lowest payments said their rating teams spend time together reviewing and discussing these issues once a week, 33 percent said once a month, and 53 percent said once a quarter or less often.

Claims Development. RVSRs and DROs from states with the highest payments and those from states with the lowest payments expressed similar levels of dissatisfaction with claims development.

- Forty-four percent of respondents from states with the highest payments and 39 percent of respondents from states with the lowest payments estimated that 30 percent or more of the claims sent to the rating teams in the past 12 months as ready to rate were not actually ready.
- An additional 45 percent of respondents from states with the highest payments and 48 percent of respondents from states with the lowest payments estimated that 10–29 percent of the claims sent to the rating teams in the past 12 months were not actually ready to rate.

Respondents from states with both the highest and the lowest payments indicated that some claims are rated without all the needed information. Twenty-one percent of respondents from states with the highest payments and 18 percent of respondents from states with the lowest payments estimated that, of the claims that were not ready to rate, more than 10 percent were rated without all the needed information.

Respondents from states with the highest payments have a more favorable opinion of C&P exams, whether performed by VA examiners or contract examiners, than respondents from states with the lowest payments.

- Fifty-two percent of RVSRs and DROs from states with the highest payments evaluated the quality of exams performed by VA examiners as good or very good. Forty-two percent of RVSRs and DROs from states with the lowest payments evaluated the quality of exams performed by VA examiners as good or very good.
- Fifty-three percent of RVSRs and DROs from states with the highest payments evaluated the quality of exams performed by contract examiners as good or very good, while only 37 percent of RVSRs and DROs from states with the lowest payments evaluated the quality of exams performed by contract examiners as good or very good.

Respondents from states with both the highest payments and the lowest payments believe more C&P exams should be returned to the examiners as insufficient for rating purposes. Responses from both groups showed a significant disparity between estimates of the percentage of exams that should have been returned and estimates of the percentage of exams that were actually returned.

- Thirty percent of respondents from states with the highest payments and 35 percent of respondents from states with the lowest payments estimated that 20 percent or more of C&P exams should have been returned as insufficient.
- Only 9 percent of respondents from states with the highest payments and 7 percent of respondents from the states with the lowest payments estimated that 20 percent or more of C&P exams were returned to the examiners as insufficient.

Application of Rating Schedule. RVSRs and DROs from states with the highest payments indicated they have less difficulty using the rating schedule to assign diagnostic codes and degrees of disability than RVSRs and DROs from states with the lowest payments, as shown below:

Ease of Translating Complete Medical Evidence to a Rating

Question: Consider your use of the VA Schedule for Rating Disabilities to determine disability ratings. Overall, how easy or difficult for you is translating complete medical evidence to a diagnostic code with degrees of disability (severe, moderately severe, etc.)? Check one.

Table 39. Ease of Translating Medical Evidence to a Rating

Response	High Payment States (in percent)	Low Payment States (in percent)
Very Easy	13.2	6.6
Generally Easy	43.7	41.4
Neither Easy Nor Difficult	31.8	35.4
Generally Difficult	10.6	15.5
Very Difficult	0.7	1.1

Responses to two questions concerning the likelihood that two or more different ratings could be supported for the same medical condition were inconclusive. Responses to the following question indicated RVSRs and DROs from states with the highest payments were more likely than respondents from states with the lowest payments to think that two or more different ratings for the same medical condition could be supported.

Likelihood of Different Ratings

Question: Consider the situation in which you are translating complete medical evidence to diagnostic codes with degrees of disability (severe, moderately severe, etc.). Overall, in your experience, how likely or

unlikely will the situation occur that you could support two or more different ratings for the same medical condition? Check one.

Table 40. Likelihood of Different Ratings

Response	High Payment States (in percent)	Low Payment States (in percent)
Very Likely	14.6	8.9
Somewhat Likely	39.1	39.4
As Likely As Not	19.9	27.8
Somewhat Unlikely	21.9	20.6
Very Unlikely	4.6	3.3

However, when we asked the same question about the individual body systems used in the rating schedule to categorize disabilities, we could not identify any pattern of differences between the responses of RVSRs and DROs from states with the highest payments and those from states with the lowest payments.

Respondents from states with both the highest and the lowest payments indicated that they have the least difficulty rating claims involving cardiovascular, respiratory, auditory, and eye conditions. Both groups consider claims involving neurological and convulsive disorders, dental and oral conditions, and mental disorders the most difficult to rate. Responses from both groups indicated it is most likely that two or more different ratings could be supported for claims involving musculoskeletal conditions, mental disorders, and neurological and convulsive disorders. Both groups indicated it is least likely that two or more different ratings could be supported for claims involving auditory and eye conditions, dental and oral conditions, and respiratory disorders.

Most respondents from states with the highest payments and from states with the lowest payments said that when rating a disability claim they assume the veteran is applying for the highest possible rating for the claimed disability and apply a broad and liberal interpretation of the rating schedule.

- Eighty-seven percent of respondents from states with the highest payments and 85 percent of respondents from states with the lowest payments strongly agreed or agreed somewhat with the statement that when rating a disability claim they start with the assumption that the veteran is applying for the highest possible rating.
- Eighty-three percent of respondents from states with the highest payments and 84 percent of respondents from states with the lowest payments strongly agreed or agreed somewhat with the statement that when rating a disability claim they apply a broad and liberal interpretation of the rating schedule.

Appendix F

Respondents from states with the highest payments and respondents from states with the lowest payments have similar objectives when rating claims. When asked to rank the importance of 16 potential objectives, both groups indicated that when rating disability claims their most important objectives are complying with applicable criteria, ensuring they have sufficient information before making decisions, and granting veterans the highest ratings allowed by the rating schedule. We also asked them to rank the importance of 15 comparable objectives to their managers. Both groups indicated they believe the most important objectives to their managers are reducing the backlog of pending work, improving the timeliness of ratings, and maximizing the number of ratings done each day.

Production Standards. Survey responses show that RVSRs and DROs from states with the highest payments and those from states with the lowest payments share concerns about their production standards.

- Forty-four percent of respondents from states with the highest payments and 48 percent of respondents from states with the lowest payments said it is generally difficult or very difficult to meet their daily production standards. Twenty-eight percent of respondents from states with the highest payments and 23 percent of respondents from states with the lowest payments said it is generally easy or very easy.
- Forty-five percent of respondents from states with the highest payments and 46 percent of respondents from states with the lowest payments strongly disagreed or disagreed somewhat with the statement that they have no difficulty meeting their production standards without sacrificing quality. Thirty-two percent of respondents from states with the highest payments and 31 percent of respondents from states with the lowest payments strongly agreed or agreed somewhat with that statement.
- Fifty-four percent of respondents from states with the highest payments and 56 percent of respondents from states with the lowest payments strongly agreed or agreed somewhat with the statement that they have difficulty meeting their production standards if they make sure they have sufficient evidence for rating each case and thoroughly review the evidence. Twenty-five percent of respondents from states with the highest payments and 22 percent of respondents from states with the lowest payments disagreed somewhat or strongly disagreed with that statement.

Staffing. Respondents from states with both the highest and the lowest payments believe VAROs have insufficient rating staff. Fifty-four percent of respondents from states with the highest payments and 60 percent of respondents from states with the lowest payments indicated that the rating activities in their offices have somewhat smaller or much smaller staffs than needed to provide timely and high quality service. Seven percent of respondents from states with the highest payments and 2 percent of respondents from states with the lowest payments indicated that the rating activities in their offices have

somewhat larger or much larger staffs than needed. The remaining respondents indicated that the rating activities in their offices have staffs of about the right size.

Impact of Recent Publicity. Large majorities of respondents from states with the highest payments and from states with the lowest payments denied that their rating decisions have been affected by published comparisons of compensation payments to veterans in different states. However, respondents from states with the highest payments were less likely than respondents from states with the lowest payments to indicate that their rating decisions have been affected by published comparisons of compensation payments and much less likely to indicate that managers have encouraged them to change their attitudes when rating disability claims.

- Only 3 percent of respondents from states with the highest payments and 9 percent of respondents from states with the lowest payments said their rating decisions in the last 2 to 3 months have been affected by published comparisons of compensation payments to veterans in different states. Of the 22 respondents (5 from states with the highest payments and 17 from states with the lowest payments) who indicated their decisions have been affected, 3 indicated they have been much more inclined to grant veterans higher ratings, and 18 indicated they have been somewhat more inclined to grant higher ratings. One respondent (from one of the states with the highest payments) indicated he or she has been somewhat more inclined to grant lower ratings.
- Fifteen percent of respondents from states with the highest payments and 49 percent of respondents from states with the lowest payments said that, in the last 2 to 3 months, management in their offices has encouraged them to change their attitudes when rating disability claims. Of the 110 respondents who indicated management has encouraged them to change their attitudes when rating claims (23 from states with the highest payments and 87 from states with the lowest payments), 15 said management has encouraged RVSRs and DROs to grant much higher ratings, 46 said management has encouraged them to grant somewhat higher ratings, and the remaining 49 respondents made a wide variety of comments.

Income Verification Match Results for Veterans with Individual Unemployability by State—FY 2004

State	Veterans Receiving Compensation		Veterans with IU Rating			
	Average Annual Payment	Number	Number	IVM Referrals	Percent Referrals	IVM Referrals with Income > \$50,000
50-State Totals	\$8,378	2,493,576	196,916	8,486	4.30%	289
New Mexico	\$12,004	25,258	5,076	325	6.40%	7
Maine	\$11,626	18,751	3,199	131	4.10%	1
Arkansas	\$10,968	31,473	4,024	147	3.70%	4
West Virginia	\$10,866	20,681	2,741	108	3.90%	5
Oklahoma	\$10,697	51,213	6,632	282	4.30%	3
Oregon	\$10,277	35,449	3,439	159	4.60%	7
Vermont	\$9,649	6,894	686	21	3.10%	0
Arizona	\$9,308	50,224	4,898	199	4.10%	4
North Carolina	\$9,281	90,745	7,980	412	5.20%	9
Kentucky	\$9,194	37,657	3,207	111	3.50%	3
Louisiana	\$9,114	37,475	3,673	168	4.60%	5
Mississippi	\$8,949	25,620	1,882	38	2.00%	2
Texas	\$8,928	208,986	20,534	971	4.70%	27
Rhode Island	\$8,893	17,301	1,748	69	3.90%	3
Montana	\$8,871	12,444	1,244	47	3.80%	2
Nevada	\$8,771	20,620	1,846	82	4.40%	2
Tennessee	\$8,698	54,108	3,532	137	3.90%	3
Florida	\$8,658	179,850	15,971	422	2.60%	11
Nebraska	\$8,623	23,143	2,038	132	6.50%	5
Idaho	\$8,604	14,185	1,277	44	3.40%	1
South Dakota	\$8,548	9,823	808	39	4.80%	3
Washington	\$8,531	85,094	7,327	351	4.80%	13
Hawaii	\$8,491	15,895	1,232	46	3.70%	0
South Carolina	\$8,459	44,708	3,054	122	4.00%	0
Minnesota	\$8,321	39,990	3,195	151	4.70%	5
Wisconsin	\$8,297	44,102	3,194	166	5.20%	3
Missouri	\$8,232	49,126	4,616	164	3.60%	7
New Hampshire	\$8,168	13,470	1,062	41	3.90%	4
Alabama	\$8,165	54,247	3,859	165	4.30%	2
North Dakota	\$8,143	10,655	744	44	5.90%	1
Alaska	\$8,138	11,648	641	44	6.90%	6
California	\$8,099	229,915	18,211	919	5.00%	46
Maryland	\$7,944	36,808	1,233	79	6.40%	5
Colorado	\$7,944	49,580	1,928	70	3.60%	2
Utah	\$7,906	14,748	837	35	4.20%	1
Pennsylvania	\$7,898	101,755	7,502	293	3.90%	6
Iowa	\$7,797	20,642	1,447	74	5.10%	0
Wyoming	\$7,778	5,871	308	10	3.20%	0
Georgia	\$7,775	84,118	5,108	182	3.60%	11
Virginia	\$7,716	81,297	4,508	188	4.20%	10
Kansas	\$7,579	24,213	1,354	54	4.00%	2

Appendix G

State	Veterans Receiving Compensation		Veterans with IU Rating			
	Average Annual Payment	Number	Number	IVM Referrals	Percent Referrals	IVM Referrals with Income > \$50,000
Massachusetts	\$7,529	53,584	3,934	169	4.30%	10
Delaware	\$7,453	7,584	297	13	4.40%	0
New York	\$7,348	119,963	7,352	318	4.30%	17
Indiana	\$7,287	42,855	2,448	106	4.30%	3
Michigan	\$7,241	64,204	3,882	186	4.80%	8
Connecticut	\$7,204	21,005	1,046	47	4.50%	3
Ohio	\$7,039	85,527	4,585	160	3.50%	4
New Jersey	\$7,028	46,903	2,471	111	4.50%	7
Illinois	\$6,961	62,169	3,106	134	4.30%	6

Summary of Monetary Benefits in Accordance with IG Act Amendments

<u>Recommendation</u>	<u>Explanation of Benefit(s)</u>	<u>Better Use of Funds</u>
3	Inconsistent PTSD Claim Development Increases the Risk of Improper Payments.	
	Total	\$19.78 billion ²²

²² Since the average age of veterans whose cases we reviewed was 56 and the average life expectancy of a 56-year-old male is 79 years, the potential PTSD benefits paid without adequate assurance would be an estimated \$19.78 billion (23 years x \$860.2 million annually).

Under Secretary for Benefits Comments

**Department of
Veterans Affairs**

Memorandum

Date: May 13, 2005
From: Under Secretary for Benefits
Subject: **Review of State Variances in VA Disability Compensation Payments**
To: Inspector General

1. The Veterans Benefits Administration is most appreciative of the efforts of you and your staff in conducting this comprehensive study of the state-to-state variance in the average annual disability compensation payments to veterans.
2. Your findings affirm our belief that there is no single causal factor or simple combination of factors underlying the regional disparity issue and, accordingly, there is no simple remedy. We note that among the factors that were found to influence the payment variability are legislated pay increases, an antiquated pay schedule, veterans service organization representation, period of service, military status (enlisted, officer, retiree, etc.), age, numbers of dependents, and numbers of disabilities. As was indicated in the report, these factors and demographics are outside the control of our decision-makers.
3. Your review also found, not unexpectedly, distinctions in the consistency of disability evaluations on objective vs. subjective categories of claims, and that the rating criteria for some disabilities are more difficult for our decision-makers to consistently apply. Of particular concern to VBA are your findings that our regional office employees are not consistently interpreting and applying criteria for developing and granting PTSD claims and that medical examinations to support our decisions are not consistently conducted. VBA is absolutely committed to improving the quality and consistency of our benefits decisions, and we will take prompt and aggressive action on your recommendations to correct these deficiencies. We have made significant improvements in the quality of our decisions in recent years, and we continue to believe that as we improve quality, consistency is also improving. Your findings in this area underscore the importance of the fundamental principles under which VBA has operated over the past three years:

- Consistent business structures and practices must be established and implemented throughout our benefits delivery system.
 - Centrally managed oversight of our benefits delivery operations is essential to achieving and maintaining improved quality and consistency.
 - Centrally developed and directed training must be provided to ensure our employees have the skills and expertise necessary to make fair and consistent decisions.
4. While disparities continue to occur, your analysis that isolated recent years' rating outcomes shows that additional training and management attention and initiative can change past patterns. Most notably, the Chicago Regional Office moved from 44th in average payments to veterans new to the VA compensation rolls in 1999 to 23rd in 2004. This affirms our belief that our people are working hard and are committed to granting all the benefits they can legally allow.
5. There is an inherent difficulty in achieving the desired level of consistency when operating from 57 separate geographically dispersed offices, as VBA is currently structured. The Government Accountability Office, the National Academy of Public Administration, and others have separately observed this difficulty in earlier studies related to the consistency of our disability evaluations. We believe that this factor, as well as the obvious economic factors, demands that we look at opportunities for operational consolidation of additional aspects of the compensation program.
6. We fully agree that it is critical that we continue to strive to better understand the underlying causes of the variance, and that we identify and correct any processing inconsistencies that may be contributing to the variance. We have attached our response to each of the recommendations provided in your report. More detailed implementation plans will be provided. We note that the recommendation on lump-sum payments, while certainly worthy of consideration, raises much larger issues of public policy that will require extensive analysis, review and consensus building with stakeholders and public policy makers.
7. Thank you for your in-depth review of this most complex issue.

(original signed by:)
Daniel L. Cooper

Attachment

**VETERANS BENEFITS ADMINISTRATION
RESPONSE TO RECOMMENDATIONS**

Recommendation 1: Conduct a scientifically sound study using statistical models, such as a multi-variant regression analysis, of the major influences on compensation payments to develop baseline data and metrics for monitoring and managing variances, and use this information to develop and implement procedures for detecting and preventing unacceptable payment patterns.

Concur. VBA will work closely with the Office of Policy, Planning and Preparedness to develop a statement of work to engage contractual expertise to conduct this study. The initial task order was signed on May 13, 2005.

Recommendation 2: Coordinate with the Veterans Disability Commission to ensure all potential issues concerning the need to clarify and revise the Schedule for Rating Disabilities are reviewed, analyzed, and addressed.

Concur. VBA is prepared to provide the Disability Benefits Commission whatever information or assistance is needed to fulfill its statutory charge. The Disability Benefits Commission held its first public meetings May 9-10, 2005, during which the Director of the Compensation and Pension Service briefed the Commission on disability compensation trends and developments. VBA will work with the Office of Policy, Planning and Preparedness to ensure that the Commission has the required information and support to review, analyze and address all potential issues concerning the need to clarify and revise the Schedule for Rating Disabilities.

Recommendation 3: Conduct reviews of rating practices for certain disabilities, such as PTSD, individual unemployability, and other 100 percent ratings to ensure consistency and accuracy nationwide. At a minimum, these reviews should consist of data analysis, claims file reviews, and on-site evaluation of rating and management practices.

Concur. We fully agree that the ratings of claims in these categories are major drivers of the variance in today's rating activities. The Compensation and Pension Service will initiate a review of all PTSD (IU and 100 percent schedular) claims granted from FY 99 through FY 04 in all 50 states. The need to review PTSD cases adjudicated prior to FY 99 will be assessed upon the completion of this review. In addition, all other 100 percent schedular and IU cases and other selected diagnostic codes will be reviewed through the Compensation and Pension Service's regularly scheduled oversight visits to VBA regional offices. These reviews will pay particular attention to development sufficiency, appropriateness of evaluation assigned, and relevant management practices.

Recommendation 4: Expand the national quality assurance program by including evaluations of PTSD rating decisions for consistency by regional office, and to ensure sufficient evidence to support the rating is fully developed and documented, such as verifying the stressor event.

Concur. In addition to the ongoing PTSD reviews conducted during the Compensation and Pension Service oversight visits discussed in response to recommendation 3, we will conduct a special quality review of PTSD cases nationwide to identify areas of inconsistency in evidentiary development and disability evaluation. Based on the results of this review, we will develop additional procedural guidance and training for our decision makers and make appropriate systematic and regulatory changes to improve the consistency and accuracy of our decisions.

We will also analyze rating and claims data from VBA claims processing systems on an ongoing basis to identify any unusual patterns or variance by regional office or diagnostic code for further consistency review. To support these consistency reviews, the Compensation and Pension Service is developing new review protocols to monitor and review variation within particular diagnostic codes. Specific protocols will be developed to support variability reviews of PTSD and individual unemployability ratings.

Additionally, we will increase our quality reviews of these sensitive cases at the local level.

Recommendation 5: Coordinate with the Veterans Health Administration to improve the quality of medical examinations provided by VA health care and contract clinicians, and ensure medical and rating staff are familiar with approved medical examination report templates and that the templates are consistently used.

Concur. We will continue to work with the Veterans Health Administration to improve the quality of medical examinations performed to support disability compensation evaluations. We will work with the CPEP Office to ensure that all automated examination report templates thoroughly and accurately solicit the medical evidence needed to consistently evaluate the disability. We will also work with VHA to establish a formal approval process for the templates and to obtain agreement on the mandatory use of approved templates.

Recommendation 6: In view of growing demand, the need for quality and timely decisions, and the ongoing training requirements, reevaluate human resources and ensure the VBA field organization is adequately staffed and equipped to meet mission requirements.

Concur. We will carefully review VBA's budget formulation and resource allocation methodologies. We will refine and make appropriate changes to our methodologies to ensure VBA's resource needs are accurately projected and the field organization is appropriately staffed and funded. While it is critically important that the field organization be staffed and equipped to meet our high expectations for service delivery, we will also work to ensure the adequacy of the resources devoted to investment in information technology, training, and oversight – all essential components for achievement of our quality and consistency goals.

Recommendation 7: Consider establishing a lump-sum payment option in lieu of recurring monthly payments for veterans with disability ratings of 20 percent or less.

Concur. VBA will review prior VA studies and proposals related to lump sum payment options. We will prepare a paper describing the history of consideration of lump-sum payments and provide potential options for further study. It is expected that the Disability Benefits Commission will also consider this public policy issue.

Recommendation 8: Undertake a more detailed analysis to identify differences in claims submission patterns to determine if certain veteran sub-populations, such as World War II, Korean Conflict, or veterans living in specific locales, have been underserved, and perform outreach based on the results of the analysis to ensure all veterans have equal access to VA benefits.

Concur. A study to address this recommendation has been initiated. The Office of Policy, Planning and Preparedness is conducting a one-year research study to determine servicemember and veteran awareness of and access to VA benefits and services. This study was directed by the FY 05 Omnibus Appropriation Bill (S.2468, Section 805) and has four major components. The first component will describe current VA outreach and awareness programs. The second component will develop definitions and output and outcome measures for outreach and awareness. The third component includes the administration of a national survey of up to 13 veteran cohort groups. The final part of the study includes findings and recommendations for improving VA outreach and awareness.

VBA will use the results of this study and other information and data related to claims submission patterns by period of service and specific locales to identify any significant differences. VBA will then initiate outreach and focused campaigns specifically directed at any population of veterans potentially underserved.

OIG Contact and Staff Acknowledgments

OIG Contact	Michael L. Staley (202) 565-4625
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Acknowledgments	Thomas L. Cargill, Jr. Mark S. Collins Nicholas H. Dahl Marcia E. Drawdy Michael E. Guier Timothy Halpin Freddie Howell, Jr. Earl Key James R. Hudson Jay M. Johnson Yolonda L. Johnson Russ Lewis David Sumrall Jason Schuenemann William H. Withrow, Jr. Kent X. Wrathall
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 Barack Obama
 U.S. House of Representatives:
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 Donald Manzullo
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 William Lipinski
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