ADDENDUM FOR THE RECORD TO THE
STATEMENT OF
STEVE SMITHSON, DEPUTY DIRECTOR FOR CLAIMS SERVICES
VETERANS AFFAIRS AND REHABILITATION DIVISION
THE AMERICAN LEGION
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE
ON
BENEFITS–RELATED LEGISLATIVE INTITIATIVES

JUNE 23, 2005

Mr. Chairman and Members of the Committee:

The American Legion appreciates this opportunity to express our views on the following bills that were not timely available to us prior to the Committee hearing held on June 23, 2005. We applaud the Committee for holding hearings on these vital issues.

S. 1235, "Adjustable Rate Mortgages"

Section 3.

This section amends Section 3707 of Title 38, United States Code, to allow VA to determine the annual adjustment of increase or decrease on interest rates on adjustable mortgages.

The American Legion has always been a strong supporter of the Department of Veterans Affairs' Home Loan Guaranty program, which offers veterans a centralized, affordable and accessible method of purchasing homes in return for their services to this nation. Therefore, The American Legion supports this legislation which will, with this technical change, lower the cost of VA guaranteed mortgages.

S.1252, "The Disabled Veterans Insurance Improvement Act of 2005"

S.1252 increases the maximum overall coverage in the SDVI program to $50,000, with four-fifths of this being under the supplemental portion and basic coverage remaining the same. Currently, the SDVI program has a current overall maximum allowed life insurance coverage of $30,000, divided between the obsolete basic insurance amount of $10,000, and a strictly qualified supplemental insurance maximum of $20,000.

The American Legion does not oppose this bill; however, it is our belief that this type of enhancement would have value to only a small portion of the disabled veterans insured in the program. Premiums on supplemental SDVI must be paid in all cases. SDVI premiums continue to be set as per the 1941 Commissioners Standard Ordinary Basic Table of Mortality and not a

more current one such as the 1980 table. The effect of such a change would be a significantly lower premium structure for the disabled veteran. For most seriously disabled insureds, the premium cost of supplemental insurance is too high even at the present $20,000 level, so they forego a much-needed benefit to the later detriment of their beneficiaries.

Providing a program enhancement that allows some to purchase additional insurance when most cannot afford what is already currently available does not provide what our disabled veterans need: a coverage maximum of $50,000 between the basic and supplemental portions of the SDVI program, for example, $25,000 each or $30,000 for basic coverage with the supplemental remaining as it now is. Such enhancement would permit the disability premium waiver provision of basic SDVI coverage to become much more of a realistic benefit to these service-disabled insureds and serve to more adequately and properly meet the needs of these veterans who often suffer from a high degree of disabilities from their military service to the nation.

S. 1259, "The Veteran Employment and Transition Services Act"

Section 3. Veteran-to-veteran pre-separation counseling

The Act will allow representatives of military and veterans service organizations and representatives of military and veterans services agencies of states to provide pre-separation counseling and services to members of the armed forces who are scheduled, or are in the process of being scheduled, for discharge, release from active duty or retirement. The American Legion supports this legislation that will enhance the quality of the current Transition Assistance Program by ensuring service members are given a pre-separation briefing and by allowing veterans service organizations and representatives of veteran groups to participate in the process.

Section 4. Separation Counseling and Transition Assistance

The American Legion is in strong support of this legislation that requires that all separating, active-duty service members, including those from the Reserves and the National Guard, be given an opportunity to participate in Transition Assistance Program training not more than 180 days prior to their separation or retirement from the armed forces. The American Legion supports the measures to make the program mandatory and the implementation of performance measures for commanding officers to ensure that their service members attend the session. Numerous TAP counselors have voiced their frustrations to Legion representatives about commanding officers who refuse to allow their service members to attend TAP; however these same commanders "will be the first ones sitting in my TAP classroom when it is their turn to separate from the Armed Forces."

S. 1271, "The Prisoner of War Benefits Act of 2005."

This bill would repeal the current requirement in Title 38 U.S.C. that an individual had to have been detained or interned for a period of not less than 30 days in order to be entitled to presumptive service connection for certain prisoner-of–war (POW) diseases. It would also expand the list of POW diseases presumed to be service-connected, currently set forth in Title 38 USC section 1112(b), to include heart disease, stroke, diabetes type 2 and osteoporosis. The

legislation would also specifically authorize the Secretary of Veterans Affairs to create regulations adding or deleting diseases enumerated in section 1112(b), on the basis of sound medical and scientific evidence, to include recommendations from VA's Advisory Committee on Former Prisoners of War.

The issue of the welfare and well being of those veterans who have endured the hardship and trauma of being held as a POW has long been one of the major concerns of The American Legion. To ensure that the government of the United States fulfills its obligation to these brave men and women, The American Legion has actively supported improvements in benefits provided to these individuals and their survivors and we are pleased to support the addition of the four conditions, specified in this bill, to the list of those currently presumed to be service-connected. It is hoped this legislation will provide the impetus for action to further broaden the list of presumptive diseases and disabilities, which former POWs are known to suffer from. Toward this end, we are encouraged that the bill recognizes and emphasizes the important role played by VA's Advisory Committee on Former Prisoners of War. This group of esteemed individuals, many of who are themselves former POWs, provide the necessary mechanism and forum to evaluate scientific and medical studies on former POWs to make appropriate recommendations to the Secretary regarding needed changes in VA's outreach, benefits, and medical care program for this community of veterans.

Additionally, The American Legion has long supported the elimination of the arbitrary 30-day requirement for internment. Studies have shown there can be long lasting adverse health effects resulting from even a relatively short period of confinement as a prisoner of war. Such findings are especially important considering the nature of today's warfare and the rather short period of confinement most American POWs have faced during the post Vietnam era.

This legislation represents a solid step toward ensuring former POWs receive the compensation and medical care to which they are clearly entitled. However, in addition to those diseases that would be presumed service-connected, The American Legion recommends that the list also include chronic pulmonary disease, where there is a history of forced labor in mines during captivity, and generalized osteoarthritis, as differentiated from the currently listed disability of post-traumatic osteoarthritis.