

Progress Made but VA Decisions on Veterans' Claims Continue to Be Based, in Part, on Outdated Criteria

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What GAO Found

In 2009, the Department of Veterans Affairs (VA) began a comprehensive effort to revise its disability rating schedule, which is criteria VA uses to determine veterans' eligibility for disability compensation. This effort involves updating two sets of information. The first set—medical information—includes disabilities veterans may have, organized into 15 body systems. The second set—earnings loss—is the average decrease in expected earnings caused by those disabilities.

- Medical information.** As of December 2025, according to VA officials, VA has updated medical information for 11 of the 15 body systems and planned to complete updates for the remaining four systems in fiscal year 2026—10 years after its originally planned completion date.
- Earnings loss information.** Since May 2023, VA has been testing how to produce data from its earnings loss studies and update the rating schedule with this information. Past VA and external studies have evaluated the average loss of earnings for veterans with service-connected disabilities and suggest that certain veterans were not being equitably compensated (e.g., those with mental health conditions may be undercompensated). However, as of January 2026, VA has not updated its rating schedule with earnings loss information from any of its studies. Consequently, ratings determinations for all earnings loss calculations remain based on information from 1945.

Since 2019, VA has taken steps to demonstrate progress on this high-risk area. For example, in 2024 VA issued an action plan that identified the root causes of the challenges it faces in updating the rating schedule, the actions it plans to take to address them, and metrics and milestones to monitor progress. VA has fully met three of the five criteria for disability rating schedule updates to be removed from GAO's High-Risk List: Leadership Commitment, Action Plan, and Monitoring.

To have this area removed from the list, VA must continue to meet these three criteria and fully meet two more: Capacity and Demonstrated Progress. VA has not fully defined the resources needed for, nor demonstrated adequate progress in, updating its medical and earnings loss information.

Department of Veterans Affairs (VA) Progress Addressing Criteria for Removing Disability Rating Schedule Update from GAO High-Risk List

LEADERSHIP COMMITMENT	CAPACITY	ACTION PLAN	MONITORING	DEMONSTRATED PROGRESS
				
Met	Partially met	Met	Met	Partially met

Source: GAO. | GAO-26-108844

VA must be able to accurately compensate veterans commensurately with the impact of their service-connected disabilities. Without a rating schedule that fully reflects present-day medicine and changes in the labor market since 1945, VA may overcompensate some veterans while undercompensating others.

Why GAO Did This Study

Veterans with injuries or illnesses incurred or aggravated during their military service may receive monthly disability payments from VA.

VA administers one of the largest disability compensation programs in the nation. The department reported providing \$195 billion in compensation to over 6.9 million veterans and their families in fiscal year 2025. Yet determinations of veterans' eligibility for disability compensation are partially based on criteria that have not been updated in over 80 years.

Partly due to the need to update the disability compensation criteria comprehensively, VA's management of the disability compensation program has been on GAO's High-Risk List since 2003.

GAO was asked to testify on VA's efforts to update its eligibility criteria for disability compensation. This testimony summarizes the status of VA's efforts and steps VA must take for the disability compensation program to be removed from the High-Risk List.

This GAO testimony is based on findings from selected GAO reports issued from 2012 to 2025, particularly GAO's High-Risk List updates. Information about the scope and methodology is available in the underlying reports.