



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# **CLEARING THE JAM: ADDRESSING THE BACKLOG OF DISABILITY BENEFIT CLAIMS AT VETERANS AFFAIRS CANADA**

**Report of the Standing Committee on Veterans Affairs**

**Bryan May, Chair**

**DECEMBER 2020  
43<sup>rd</sup> PARLIAMENT, 2<sup>nd</sup> SESSION**

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**Bryan May  
Chair**

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## **NOTICE TO READER**

### **Reports from committee presented to the House of Commons**

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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# **THE STANDING COMMITTEE ON VETERANS AFFAIRS**

has the honour to present its

## **FOURTH REPORT**

Pursuant to its mandate under Standing Order 108(2), the committee has studied the backlog of disability benefit claims at the Department of Veterans Affairs and has agreed to report the following:



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# LIST OF RECOMMENDATIONS

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*As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.*

## **Recommendation 1**

**That the government and department begin planning immediately for a potential influx of benefit applications delayed due to the COVID-19 pandemic. .... 8**

## **Recommendation 2**

**That Veterans Affairs Canada provide to the Committee a detailed explanation of the triage process between complex and non-complex cases. .... 9**

## **Recommendation 3**

**That Veterans Affairs Canada include unassigned applications in its backlog of disability benefit claims. .... 10**

## **Recommendation 4**

**That Veterans Affairs Canada submit to the Committee and publish on its website, every six months beginning 1 July 2021, a comprehensive report on the status of the backlog on disability benefit claims, including:**

- the number of new applications received;
- the proportion of new applications that are deemed complex;
- the number of decisions made;
- the total number of applications in the backlog, including:
  - unassigned applications;
  - incomplete applications;
  - complete applications pending for less than 16 weeks;

- complete applications pending for more than 16 weeks (backlog);
- the number of people waiting and the number of people whose applications are backlogged;
- the average and median wait time for RCMP and CAF veterans;
- the average and median wait time for men and women;
- the average and median wait time for anglophones and francophones. .... 10

**Recommendation 5**

**That Veterans Affairs Canada be required to provide all requested data and information to the Parliamentary Budget Officer in a timely manner whenever requested, provided the Officer does not make any requests that would violate cabinet confidence or divulge trade secrets. .... 16**

**Recommendation 6**

**That Veterans Affairs Canada implement the solution proposed by the Parliamentary Budget Officer to retain beyond 31 March 2022 the 160 temporary or reassigned employees funded through Budget 2018 as well as the 300 additional employees hired through temporary funding of \$192 million until the end of the 2021–2022 fiscal year..... 17**

**Recommendation 7**

**That Veterans Affairs Canada, when hiring from an internal pool of employees, works to prevent departmental deficiencies by ensuring that the positions of those moved elsewhere in the Department are filled promptly, and that the other sectors of the department begin planning immediately for an increased caseload in its service delivery as the veterans in the backlog move to case management..... 18**

**Recommendation 8**

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**Recommendation 12**

**That the Canadian Armed Forces encourage members, including recruits upon enlistment, to sign a letter in advance consenting to the transfer of information from their medical records to Veterans Affairs Canada. .... 25**

**Recommendation 13**

**That Veterans Affairs Canada continue to automatically approve applications for medical conditions presumptively attributed to service in the Canadian Armed Forces or the Royal Canadian Mounted Police, table to the Committee its list of such medical conditions, and continue to expand it through research in Canada and in allied countries..... 29**

**Recommendation 14**

**That Veterans Affairs Canada conduct a study on women-specific medical conditions related to service in the Canadian Armed Forces and Royal Canadian Mounted Police, and, when applicable, add them to the list of medical conditions presumptively connected to military service..... 29**

**Recommendation 15**

**That the Minister of Veterans Affairs amend the *Veterans Well-being Regulations* to allow for the automatic pre-approval of disability benefit**

**claims, and that Veterans Affairs Canada implement a pilot project to identify the risks and advantages of such automatic pre-approval of claims. .... 29**

**Recommendation 16**

**That Veterans Affairs Canada conduct an in-depth review of the Veterans Emergency Fund in the context of its use to support veterans waiting in the backlog and report back to the committee with their findings. .... 30**





# CLEARING THE JAM: ADDRESSING THE BACKLOG OF DISABILITY CLAIMS AT VETERANS AFFAIRS CANADA

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## INTRODUCTION

The current backlog of disability benefit claims was reported in a series of Canadian Press articles in 2017. According to the [first](#), published in January 2017, documents obtained through an access to information request revealed that only 52% of the 6,023 applications received between April and July 2016 were processed within the 16-week service standard established by Veterans Affairs Canada (VAC). [Another article](#) in December 2017 reported that approximately 29,000 applications were pending at the end of November 2017. The department acknowledged that it was struggling to keep up with the rapidly growing volume of applications and committed to the necessary action, such as allocating funding to hire temporary staff as announced in Budget 2018. Despite these efforts, followed by further hiring announcements, a September 2020 [report](#) from the Office of the Parliamentary Budget Officer (PBO) projected that these measures alone would be insufficient and that the temporary staff would need to be kept on in order to clear the backlog in the first quarter of 2023.

The federal government recognizes the magnitude of the problem and, as reiterated by the Minister of Veterans Affairs, the Hon. Lawrence MacAulay, VAC has made clearing the backlog a priority:

The backlog is 20,000 and it's unacceptable. We put a system in place to address this. We coordinated the staff. We hired 350 extra employees along with 180 employees who were in the department to make sure they are well trained to deal with the backlog. Now with the digitization and coordinating the staff we are having an effect. When we put the other 500 people in place we will start addressing the backlog much quicker.<sup>1</sup>

Given the extent of the problem, the Committee undertook a study on the backlog in the spring of 2020, but the COVID-19 pandemic interrupted its work. Work resumed in October. A total of 18 people testified at six meetings and five briefs were submitted. Committee members would like to sincerely thank them for their contributions.

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1 House of Commons, Standing Committee on Veterans Affairs [ACVA], *Evidence*, 12 November 2020, 1115 ([Hon. Lawrence MacAulay, Minister of Veterans Affairs](#)).



## BACKGROUND ON THE BACKLOG

According to VAC,<sup>2</sup> between 2015–2016 and 2019–2020, the number of applications received grew by 40%, from 45,000 to 63,100. During the same five-year period, the number of applications processed by the department rose by 35%, from 42,544 to 57,600. VAC also expects the number of applications to continue to grow in the coming years. Raymond McInnis, from the Royal Canadian Legion, supports the department’s statement that there has been a significant and unexpected increase in adjudicators’ workload: “I have been with the Legion for over nine years and I have never seen so many applications.”<sup>3</sup>

These figures include applications from former members of the Royal Canadian Mounted Police (RCMP) whose disability benefits are paid under the *Pension Act*, not the *Veterans Well-being Act*. Brian Sauvé, President of the National Police Federation, said that the number of applications from RCMP veterans is steadily increasing and that wait times for RCMP veterans are almost as long as those for CAF veterans.<sup>4</sup> This is confirmed by a study revealing that in 2017-2018, only 33% of first applications filed by RCMP veterans received a decision in 16 weeks or less.<sup>5</sup>

According to the PBO analysis, the number of pending applications was 20,693 in March 2017 and reached 49,216 in March 2020, an increase of 28,523 in three years. According to the department, a pending application is considered part of the backlog if it is complete, meaning that all necessary information has been provided, and if a decision has not been rendered after the 16-week service standard.

According to the PBO, this service standard was met for only 37% of the applications received in 2018–2019. Of the 49,216 applications still pending as of March 2020, 22,138 were in the backlog.

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2 Veterans Affairs Canada [VAC], [Timely disability benefits decisions: Strategic direction for improving wait times](#), 10 June 2020.

3 ACVA, *Evidence*, 18 November 2020, 1610 (Mr. Raymond McInnis, Director, Veterans Services, Dominion Command, Royal Canadian Legion).

4 ACVA, *Evidence*, 16 November 2020, 1625 (Mr. Brian Sauvé, President, National Police Federation).

5 Royal Canadian Mounted Police, [Evaluation of the Grant to Compensate Members of the RCMP for Injuries Received in the Performance of their Duties](#), graph 4.

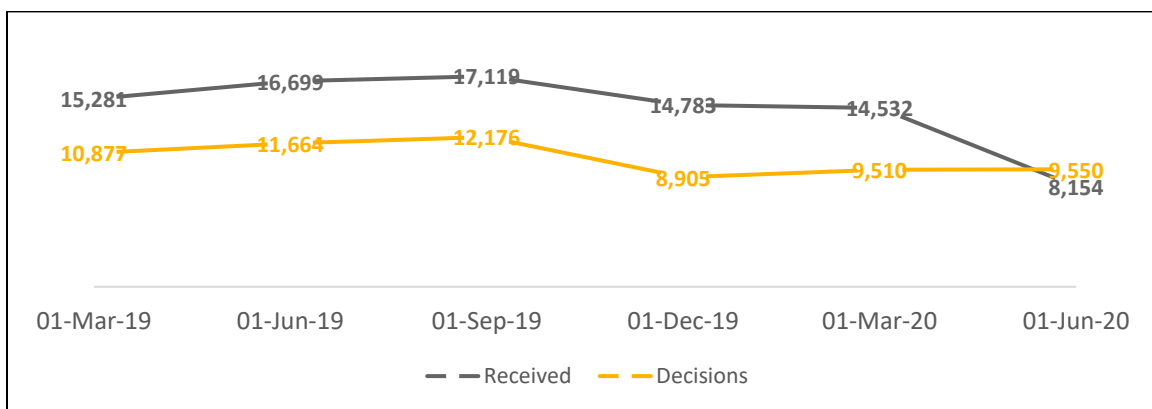
**Table 1—Evolution of the Backlog of Disability Benefit Claims at Veterans Affairs Canada**

Quarter Ending On:	Incomplete/ Awaiting Assignment	Wait Time Under 16 Weeks	Backlog	Total Pending	Number of Individuals
31-March-19	13,564	9,862	16,879	40,305	29,964
30-Sept-19	18,330	3,074	23,260	44,664	30,367
31-Dec-19	20,995	4,980	20,233	46,208	33,320
31-March-20	22,545	4,533	22,138	49,216	39,240
30-June-20	21,369	2,355	21,572	45,296	33,464

Source: Table prepared using data obtained from [Veterans Affairs Canada](#).

As of 30 June 2020, the backlog was 21,572 applications, and 17,537 people with complete applications had been waiting for a decision for over 16 weeks. When he appeared before the Committee on 27 October 2020, Steven Harris, Assistant Deputy Minister for Service Delivery at VAC, confirmed that the backlog was “down to under 19,000 over the course of the last number of months.”<sup>6</sup>

**Figure 1—Processing of Applications Received**



Source: Figure prepared using data obtained from [Veterans Affairs Canada](#).

The figure shows that, for each quarter between the first quarter of 2019 and the first quarter of 2020, the department received approximately 5,000 applications more than the number of decisions it made. For the quarter ending on 30 June 2020, the number

6 ACVA, *Evidence*, 27 October 2020, 1630 ([Mr. Steven Harris, Assistant Deputy Minister, Service Delivery, Department of Veterans Affairs](#)).



of decisions remained stable, but the number of applications received plummeted by 44%. In other words, the decrease in the backlog between 31 March 2020 and 30 June 2020 is due to a decrease in the number of applications during the pandemic while productivity was maintained.

Mr. Sauvé of the National Police Federation believes that the decrease is circumstantial and that the volume of applications will begin to increase again after the pandemic:

But I think what you will see is you will see an increase in retroactive applications down the road through Veterans Affairs because I think through COVID, people are just not paying attention or they just don't have the time, or they'd rather focus on family and things outside of work and things that have to deal with work. So when COVID is done, albeit share your optimism, I think you'll see people start to refocus on what their benefits are and what they can apply for as they go down that road.<sup>7</sup>

### **Recommendation 1**

**That the government and department begin planning immediately for a potential influx of benefit applications delayed due to the COVID-19 pandemic.**

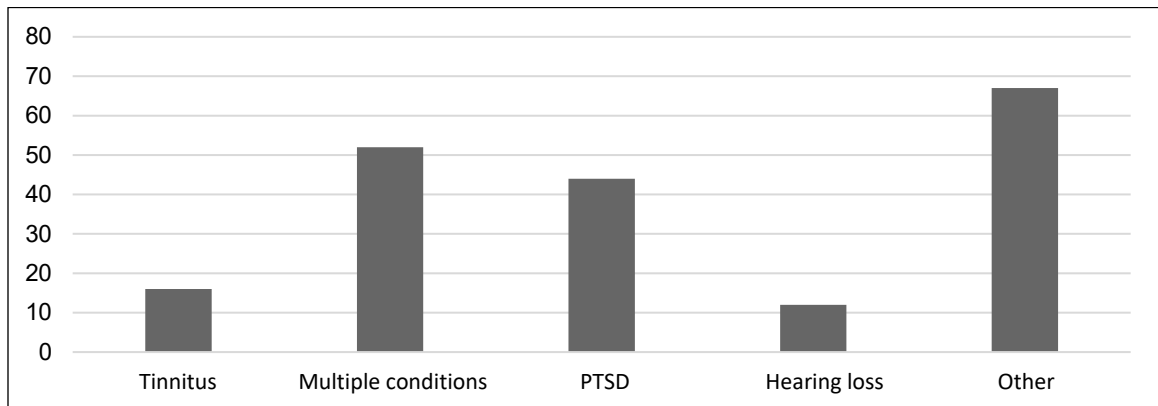
General (Retired) Walter Natynczyk, Deputy Minister at VAC, said that average wait times are between 28 and 30 weeks.<sup>8</sup> However, according to VAC's "Wait time tool", average wait times for first applications are generally two to three times longer than for reassessments and slightly longer than for departmental reviews. The type of medical condition also affects wait times. For applications related to hearing problems and post-traumatic stress disorder, VAC has significantly sped up processing times. For PTSD, the link to military service is almost always presumed. For hearing problems, the severity of the disability is relatively easy to establish, which is not always the case for mental health problems.

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7 ACVA, *Evidence*, 16 November 2020, 1650 (Mr. Brian Sauvé). See also: ACVA, *Evidence*, 16 November 2020, 1655 (Mr. Christopher McNeil, Chair, Veterans Review and Appeal Board).

8 ACVA, *Evidence*, 12 November 2020, 1120 (General [Retired] Walter Natynczyk, Deputy Minister, Department of Veterans Affairs).

**Figure 2—Average Wait Time (Weeks) for a First Application  
(as of 11 November 2020)**



Source: Figure prepared using data obtained from [Veterans Affairs Canada](#).

On a few occasions in this study, the distinctions to be made between complex and less complex cases were discussed, which implied that this distinction could have an impact on the department's ability to deal with the backlog. However, the triage system used by VAC was not explained and the Committee is therefore not in a position to make a judgment on this aspect of the issue. In order to address this deficiency, the Committee recommends that:

### **Recommendation 2**

**That Veterans Affairs Canada provide to the Committee a detailed explanation of the triage process between complex and non-complex cases.**

Mr. McInnis of the Royal Canadian Legion said that average wait times do not adequately reflect actual wait times. In his view, these wait times would be accurate if an adjudicator began processing the application the day it was received by the department. However, as of 30 June 2020, 9,200 applications had not yet been assigned, meaning that no adjudicator had had time to deal with them due to the backlog.<sup>9</sup> A significant proportion of these unassigned applications will eventually be added either to the number of incomplete applications or to the number of applications that have been in process for less than 16 weeks. However, to provide a more accurate picture of the actual backlog, these applications should be counted as part of the backlog, as excluding them implies that all of them will be processed in 16 weeks or less once they are

9 ACVA, *Evidence*, 18 November 2020, 1605 (Mr. Raymond McInnis).



deemed complete, when only 37% of applications receive a decision within that time frame. The Committee therefore recommends:

### **Recommendation 3**

**That Veterans Affairs Canada include unassigned applications in its backlog of disability benefit claims.**

Much of the discussion on the backlog focused on having reliable statistical data over time on the types of veterans likely to be affected more directly. The Committee therefore recommends:

### **Recommendation 4**

**That Veterans Affairs Canada submit to the Committee and publish on its website, every six months beginning 1 July 2021, a comprehensive report on the status of the backlog on disability benefit claims, including:**

- the number of new applications received;
- the proportion of new applications that are deemed complex;
- the number of decisions made;
- the total number of applications in the backlog, including:
  - unassigned applications;
  - incomplete applications;
  - complete applications pending for less than 16 weeks;
  - complete applications pending for more than 16 weeks (backlog);
- the number of people waiting and the number of people whose applications are backlogged;
- the average and median wait time for RCMP and CAF veterans;
- the average and median wait time for men and women;
- the average and median wait time for anglophones and francophones.

These average wait times do not reflect the experiences of witnesses who appeared before the Committee, and experienced much longer wait times. Some veterans felt they had to navigate blindly through a sea of procedures. The perception that emerged from the majority of the testimony heard was well summarized in the brief submitted by the National Association of Federal Retirees:

Currently, veterans caught in the backlog are expected to shoulder the financial burdens associated with service-related illnesses or injuries, or to wait to access needed resources, until such time as their claim is approved. That is a significant risk for individuals who do not know if or when their claim will be approved. This also assumes veterans have another source of income while waiting on approval, at a time when they may be most vulnerable.<sup>10</sup>

For example, in his testimony, Charles Scott described his misunderstanding of rules and policies that may seem arbitrary to the uninitiated. He said:

The current system of three benefits regimes, coupled with constantly changing policies and procedures, presents major barriers to veterans accessing benefits and services. This frequently exacerbates the veterans' injuries and illnesses and leads to them abandoning their claims.<sup>11</sup>

Scott Maxwell shared the devastating impact wait times have had on veterans' family members:

Through our programming supporting those people—couples, spouses and children of our injured veterans—it's important to note that added stresses and pressures of disability claim wait times are compounding the impacts and effects of operational stress injuries, such as PTSD, on both the individual members and their families.<sup>12</sup>

This evidence clearly highlights the significant stress that such uncertainty places on veterans and their families. In this regard, the moving letter from Ms. Christine Shepherd speaks volumes. This wife of a wounded veteran describes in no uncertain terms the absurd path and incomprehension her family members have endured in the face of rules that they have been told are in place to help them:

My husband got injured during his service, he was proud to serve he believed that he was making a difference. His service cost him his health (both physical and mental). Veteran's Affairs is "dumping" all of their responsibilities on families. Although I am proud and happy to support and help Jeffrey with all of this health issues, I feel alone,

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10 National Association of Federal Retirees, [Brief](#), p. 1.

11 ACVA, *Evidence*, 12 November 2020, 1220 (Mr. Charles Scott, As an individual).

12 ACVA, *Evidence*, 18 November 2020, 1625 (Mr. Scott Maxwell, Executive Director, Wounded Warriors Canada).



let down, hurt and angry that our government would treat their own veterans with such disrespect and make them feel like their service never made a difference!<sup>13</sup>

Such testimonies are unfortunately too numerous to be treated as anecdotal, and the Committee acknowledges they must continue to be addressed.

## **REASONS FOR THE BACKLOG**

According to VAC, the increase in the volume of applications is due to many factors, including:

- New benefits and changes to existing benefits;
- heightened awareness about VAC's services and benefits;
- the growing demand for mental health services; and
- the increase in medically releasing veterans.

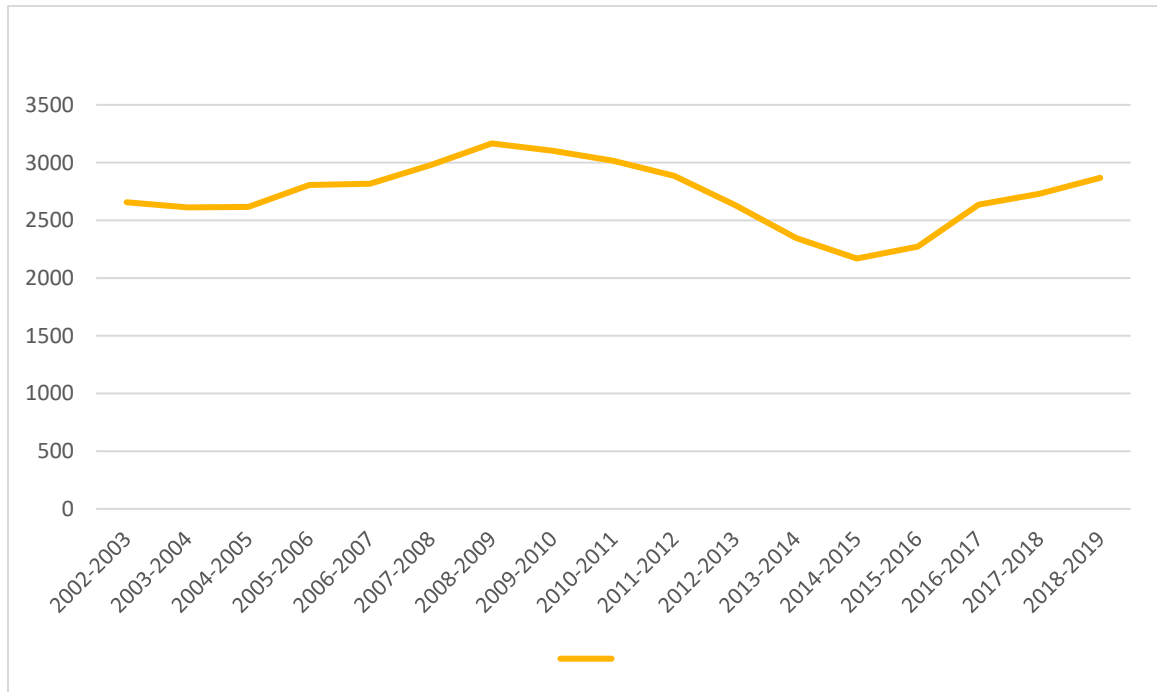
Staff reductions between 2010 and 2016 were also cited as a possible cause of the backlog. Between 1994–1995 and 2004–2005, excluding employees at Ste. Anne de Bellevue Hospital, the number of full-time equivalents (FTEs) remained stable at approximately 2,600, but then began to increase due to the implementation of the New Veterans Charter, whose programs came into effect on 1 April 2006. The number of FTEs increased to about 3,200 in 2009–2010 and then decreased to about 2,300 in 2015–2016, reaching about 2,900 by the end of 2018–2019.

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13 Christine Shepherd, Letter to the Committee, p. 5.



**Figure 3—Full-Time Equivalents, Veterans Affairs Canada**



Note: Compiled from VAC information. Excludes the estimated 738 employees at Ste. Anne’s Hospital, whose numbers have been assumed constant.

The actual effect of staff reductions on backlog growth is difficult to establish. If the link between the two were direct, the backlog would increase as the number of FTEs decreased, and conversely as the FTEs increased. The backlog was just over 7,000 at the end of 2014, after five consecutive years of FTE reductions.<sup>14</sup> Despite subsequent hires, the backlog reached 11,500 in October 2016,<sup>15</sup> and approximately 14,000 by the end of 2018. If we assume that the backlog grew a year or two after the employee reductions, then the backlog should have been reduced starting in 2017–2018, when instead it began to grow at a faster pace.

In his testimony in October 2016, Gary Walbourne, then Ombudsman for National Defence and the Canadian Forces, said:

14 ACVA, *Evidence*, 6 December 2018, 1710 (Mr. Michel Doiron, Assistant Deputy Minister, Service Delivery, Department of Veterans Affairs).

15 ACVA, *Evidence*, 6 October 2016, 1535 (Mr. Gary Walbourne, Ombudsman, National Defence and Canadian Forces Ombudsman).



As you may know, I spent nearly four years as deputy veterans ombudsman. I can tell you there has always been a backlog at Veterans Affairs Canada, and the size varies over the year. It still numbers in the thousands.<sup>16</sup>

It is much easier to establish a direct link between the increase in the number of applications received and the increase in the backlog.

When he appeared before the Committee in December 2018, Michel Doiron, then Assistant Deputy Minister at VAC, said that “the big game-changer was when the Earnings Loss Benefit went from 75% to 90%” of pre-release income.<sup>17</sup> When it was introduced in 2006, the Earnings Loss Benefit was primarily intended for veterans who had not been medically released and who experienced problems, particularly mental health problems, after leaving the Canadian Armed Forces (CAF). Because they were not medically released, they were not eligible for the CAF Service Income Security Insurance Plan (SISIP) disability benefits that guaranteed 75% of their salary. For that reason, the Earnings Loss Benefit was also set at 75% of military salary, and was paid as long as a veteran participated in a rehabilitation program. In October 2016, when the Earnings Loss Benefit (renamed the Income Replacement Benefit) was increased to 90% of military salary, SISIP benefits remained at 75%. Therefore, veterans who were receiving CAF disability insurance benefits and wanted to receive the increase to 90% had to demonstrate that their medical release was related to their military service and that they had rehabilitation needs. Since it is Veterans Affairs Canada’s responsibility to determine whether or not a health problem is attributable to military service, this has resulted in a significant increase in the volume of disability claims and the demand for rehabilitation services. The number of beneficiaries tripled in the two fiscal years following the increase to 90%.

Mr. McInnis explained that part of the increase was also due to the February 2018 change in “partial” policy.<sup>18</sup> Under this policy, VAC could find a medical condition to be only partially attributable to military service, for example where a pre-existing condition would have been aggravated by service, and award a proportion ranging from 1/5 to 4/5. Mr. McNeil explained how this change might have affected the backlog:

[T]here was no fairness in the system, and two veterans similarly situated could end up with two different amounts of disability. So [the department] implemented a policy that essentially said that if you have partial entitlement, everybody will be awarded four-fifths or five-fifths. Obviously, that opened the door to a whole bunch of people who

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16 Ibid.

17 ACVA, *Evidence*, 6 December 2018, 1715 (Mr. Michel Doiron).

18 ACVA, *Evidence*, 12 March 2020, 0900 (Mr. Raymond McInnis).

had been previously awarded at one-fifth, say, to come forward and say, “I want the benefit of the new, more favourable adjudicator”, and there’s simply no provision needed on basic principles of fairness or in law to deny them that opportunity to bring it forward.<sup>19</sup>

Consequently, all these cases are being re-evaluated.

These examples of the Income Replacement Benefit and the partial eligibility policy show that it was mainly program changes that led to an increase in the number of new applications that initially caused the backlog problem.

## DEPARTMENTAL PLAN

On 10 June 2020, VAC issued [Timely disability benefits decisions: Strategic direction for improving wait times](#), in which the department presents a strategy based on four lines of effort to address the backlog. These four lines will be supported by specific action plans, the details of which are still being worked out.

### Line 1: Increasing Public Service Capacity

Budget 2018 provided \$42.8 million to hire temporary staff and reassign some employees to process applications. Including the reassigned and temporary staff, about 160 additional employees have been assigned to process applications since 2018.

The government has subsequently committed an additional \$192 million in 2020–2021 and 2021–2022. This will result in the hiring of 300 new full-time employees over a two-year period. This group will be starting to process less complex applications “no later than January 2021.”<sup>20</sup>

With these two measures, the department hopes that “by March 2022 ... [there will be] fewer Veterans waiting beyond the 16-week service standard.”<sup>21</sup> According to the PBO, this target means that “with these additional resources, the department will reduce the backlog by about 10,000 applications by March 2022.” Since the backlog was about 22,000 when PBO made its estimates, the backlog would be about 12,000 by March 2022. Had these resources not been added, the backlog would have grown to 140,000 applications by March 2022.

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19 ACVA, *Evidence*, 12 March 2020, 1015 (Mr. Christopher McNeil).

20 Ibid.

21 Ibid.



VAC estimates are more optimistic. According to Mr. Harris, the aim is to get to a backlog of under 5,000 by March 2022.<sup>22</sup> In his view, the differences between the PBO and VAC estimates could be explained by productivity gains and by the fact that the analysis in the PBO report included a number of individuals who were not involved in decision-making for benefit claims, resulting in the PBO using a lower average productivity per employee to make its estimates.<sup>23</sup>

Parliamentary Budget Officer Yves Giroux responded to these criticisms, stating that the data in his report was provided by the department, and that the conclusions should therefore be the same, unless changes were made without the PBO's knowledge.<sup>24</sup> He added that his report took into consideration the other measures implemented by the department (lines 2, 3 and 4 below) when making his estimates.<sup>25</sup>

### **Recommendation 5**

**That Veterans Affairs Canada be required to provide all requested data and information to the Parliamentary Budget Officer in a timely manner whenever requested, provided the Officer does not make any requests that would violate cabinet confidence or divulge trade secrets.**

If the temporary staff hired since 2018 were retained beyond 2021–2022, the PBO estimates that the backlog could be cleared in the first quarter of 2023 and that the additional investment required would be \$103 million through the end of 2024–2025. A second PBO scenario found that, if an additional investment of \$159 million were made in 2020–2021, the backlog could be cleared within 12 months<sup>26</sup>.

VAC agreed with the PBO's main findings. General Natynczyk said, "we agree with the report and that we need to have additional staff horsepower to assist us here over the next while."<sup>27</sup>

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22 ACVA, *Evidence*, 27 October 2020, 1630 ([Mr. Steven Harris](#)).

23 ACVA, *Evidence*, 27 October 2020, 1655 ([Mr. Steven Harris](#)).

24 ACVA, *Evidence*, 12 November 2020, 1255 (Mr. Yves Giroux, Parliamentary Budget Officer, Office of the Parliamentary Budget Officer).

25 ACVA, *Evidence*, 12 November 2020, 1300 (Mr. Yves Giroux).

26 Office of the Parliamentary Budget Officer, [Disability Benefit Processing at Veterans Affairs Canada](#), 28 September 2020, p. 6.

27 ACVA, *Evidence*, 27 October 2020, 1605 (Gen Walter Natynczyk).

Like several other witnesses, Doreen Weatherbie, who represents members of the health professionals union who deal with complex cases at VAC, expressed concern about temporary hiring:

The planned hiring identified in the report is temporary. While the analysis clearly shows that those resources will barely bring the workforce up to a sustainable level, only after the new hires have a couple of years' experience can we expect to see a significant dent start to be made in the backlog, at which time the current plan would dismiss all of the newly trained resources.<sup>28</sup>

There seems to be a direct link between the backlog, the volume of applications that the department has to process, and the number of decisions it is able to make each month. This last factor relates directly to the number of adjudicators capable of making such decisions. As will be discussed below, this does not mean that more fundamental changes to VAC's processes should not be considered. Until such reforms can be implemented, however, the best way to address the backlog in the short to medium term is to have the number of staff required to adjudicate more decisions than there are new applications. According to Mr. Scott Maxwell, of Wounded Warriors Canada:

It's frustrating to know the problem, the scale, scope and size of a problem that large, and then hear words such as "temporary". This is not a temporary problem. It has been happening for years. We need to put the resources in place. If we can do it and it can be fixed, why wouldn't we?<sup>29</sup>

The Committee therefore recommends:

### **Recommendation 6**

**That Veterans Affairs Canada implement the solution proposed by the Parliamentary Budget Officer to retain beyond 31 March 2022 the 160 temporary or reassigned employees funded through Budget 2018 as well as the 300 additional employees hired through temporary funding of \$192 million until the end of the 2021–2022 fiscal year.**

Ms. Virginia Vaillancourt, National President, Union of Veterans' Affairs Employees noted that, despite a promise to hire 300 new full-time employees, some of them are hired from within VAC, leading to potential deficiencies elsewhere in the department:

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28 ACVA, *Evidence*, 12 November 2020, 1235 (Ms. Doreen Weatherbie President, Members, Professional Institute of the Public Service of Canada).

29 ACVA, *Evidence*, 18 November 2020, 1715 (Mr. Scott Maxwell, Executive Director, Wounded Warriors Canada).



As much as the department is saying they're bringing in 300 new employees to work on the backlog of the disabilities, some people who are being hired in those positions are coming from other areas within the department, which is going to leave a backlog in those areas and a depletion of those employees there. As I said, my concern is that it's a whack- a-mole problem. We're trying to fix one area, but instead we're creating additional problems in other areas there.<sup>30</sup>

With that in mind, the committee recommends:

### **Recommendation 7**

**That Veterans Affairs Canada, when hiring from an internal pool of employees, works to prevent departmental deficiencies by ensuring that the positions of those moved elsewhere in the Department are filled promptly, and that the other sectors of the department begin planning immediately for an increased caseload in its service delivery as the veterans in the backlog move to case management.**

### **Line 2: Integration**

This line looks at various ways to increase the efficiency of the teams responsible for processing claims. The measures identified are coordinated by the VAC Innovation Hub. Since June 2020, a pilot project has shown an 11% improvement in productivity<sup>31</sup>.

### **Line 3: Process Innovation**

This line identifies measures to help cut wait times for decisions. According to the department, this resulted in 40% of decisions being rendered through a “streamlined” process in 2018–2019.

The department’s efforts in the previous two areas are important, and members of the Committee wish to underscore this by endorsing Mr. McInnis’ comment:

We understand the backlog is huge and we do applaud the department for trying to streamline the decision process with veteran benefits teams, limiting the transfer of files and providing the authority to the teams to make the decisions rather than requiring medical advisory consultation. They can also triage claims for disability benefits to expedite applications for veterans at higher risk. We are also supportive of the

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30 ACVA, *Evidence*, 18 November 2020, 1655 (Ms. Virginia Vaillancourt, National President, Union of Veterans’ Affairs Employees).

31 Veterans Affairs Canada, [\*Timely disability benefits decisions: Strategic direction for improving wait times\*](#), 10 June 2020, p. 6.

department in combining conditions that historically have been a consequence of the initial condition, as long as there is a confirmed diagnosis for it.<sup>32</sup>

These efforts have certainly prevented the backlog from growing out of control, and the Committee will continue to support all initiatives that will help veterans get timely decisions.

#### **Line 4: Digital Solutions**

This line optimizes use of the “My VAC Account” portal to help digitize the evidence required to render decisions involving claims for common conditions, as well as allow the digital transmission of information by health care professionals.

In 2019–2020, almost half of applications were submitted in paper format, but the pandemic has decreased this percentage to roughly 30%.<sup>33</sup>

General Natynczyk commented, “we continue to advance in accordance with the plan we shared with members of the committee to honour our objective to achieve the service standard and clear the backlog.”<sup>34</sup>

### **PROCESSING OF CLAIMS FROM FRANCOPHONE AND FEMALE VETERANS**

In a [September 2018 report](#), the Veterans Ombudsman noted that applications submitted to VAC by French speakers took longer to process than those submitted by English speakers.<sup>35</sup> According to an analysis of a random sample of 300 applications in 2016–2017, francophones obtained a decision after 45 weeks on average, while anglophones obtained one after an average of 24 weeks. When the same files were compared using the median file (50% of files have a longer processing time and 50% have a shorter processing time), the processing time increased to 52 weeks for French speakers, compared with 19 weeks for English speakers. Most applications submitted in French took over 48 weeks to process, compared with 20 weeks for most English applications.

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32 ACVA, *Evidence*, 18 November 2020, 1610, (Mr. Raymond McInnis).

33 ACVA, *Evidence*, 27 October 2020, 1705 (Gen Walter Natynczyk).

34 ACVA, *Evidence*, 27 October 2020, 1600 (Gen Walter Natynczyk).

35 Veterans Ombudsman, *Meeting Expectations: Timely and Transparent Decisions for Canada’s Ill and Injured Veterans*, September 2018, p. 15, note 12.



VAC analyzed all initial disability benefit claims submitted in 2016–2017 and, based on a different calculation method, found less pronounced differences: 28 weeks on average for francophones and 21 weeks for anglophones and a median of 26 weeks for the former and 18 weeks for the latter.<sup>36</sup> Mr. Doiron said that this difference is due to the low number of bilingual adjudicators, but that the situation is being resolved.<sup>37</sup>

According to Mr. Harris, It is important to recruit staff whose mother tongue is French for certain positions requiring a knowledge of medical vocabulary:

It is true that the processing of claims submitted by French speakers has been delayed for a while now. We've taken steps to increase our French-speaking staff to ensure decisions are rendered in the same amount of time for all the claims we receive.

As we speak, nearly 28% of our decision-making staff are either native French speakers or bilingual. That includes recent hires, and we are still hiring. I'll certainly be talking about that later. We want to make sure we have more decision-makers whose mother tongue is French. We are working hard to build as large of a francophone team as possible<sup>38</sup>.

Ms. Weatherbie noted that not all medical adjudicators were in Charlottetown :

We have quite a few in the Quebec area because they govern some of the French issues. We also have them in Ottawa. We have them out west. Especially now with COVID, we're hiring. In this virtual world, they can be at home and looking after files<sup>39</sup>.

According to Mr. Harris, parity between English and French speakers should be achieved by the end of 2021.<sup>40</sup> To ensure that this objective is met, the Committee recommends:

### **Recommendation 8**

**That Veterans Affairs Canada increase its hiring efforts for bilingual and francophone adjudicators, across Canada including Quebec.**

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36 Ibid.

37 ACVA, *Evidence*, 27 February 2020, 1000 (Mr. Michel Doiron).

38 ACVA, *Evidence*, 27 October 2020, 1620 (Mr. Steven Harris).

39 ACVA, *Evidence*, 12 November 2020, 1345 (Ms. Doreen Weatherbie President, Members, Professional Institute of the Public Service of Canada).

40 ACVA, *Evidence*, 27 October 2020, 1620 (Mr. Steven Harris).



With respect to the longer delays for women claimants, the Ombudsman's study revealed more systemic problems. According to Mr. Doiron:

In the past, we didn't fully understand the consequences that wearing the equipment could have on a woman's body [...] Oftentimes, the cases are more complex. I won't go through all of them, but I'll give you one example. Last week, I was at a briefing, and it came as a surprise to hear that there were cases involving impacts on reproductive organs. Men can experience those problems as well. For instance, it's pretty clear how post-traumatic stress syndrome could lead to impotence. Women, however, are affected differently, and those effects aren't well known <sup>41</sup>.

In its brief, the National Association of Federal Retirees laments the lack of attention the Committee has paid to this issue and calls for strong action by the Department. <sup>42</sup> Simon Coakeley recounted cases of female veterans who had to wait two years for a decision:

VAC should know why the delays are happening in processing women veterans' claims and should have a targeted plan to fix those issues on an urgent basis. While the department has undertaken a GBA+ strategy, systemic biases and research gaps need to be closed. The sex- and gender-specific issues and needs of women veterans must be equitably addressed within the department by the federal government. Specific measurable goals and accountability are essential to rebuilding trust in the system. <sup>43</sup>

Knowing that in the coming years, 20 % of new VAC clients are expected to be female veterans, the Committee recommends:

### **Recommendation 9**

**That Veterans Affairs Canada develop a plan to address the anticipated increase in the number of women veterans in the coming years.**

## **THE DECISION TO ATTRIBUTE A DISABILITY TO MILITARY SERVICE**

As part of its [2018 study](#) on transition, the Committee considered the recommendation of Gary Walbourne, then Ombudsman for National Defence and the Canadian Armed Forces, to transfer responsibility for attributing causes of disability to military service from VAC to the CAF:

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41 ACVA, *Evidence*, 27 February 2020, 1020 (Mr. Michel Doiron).

42 National Association of Federal Retirees, [Brief](#), p. 5.

43 ACVA, *Evidence*, 12 November 2020, 1230 (Mr. Simon Coakeley, Chief Executive Officer, National Association of Federal Retirees).



[T]he Canadian Armed Forces knows when, where, and how you have become ill or injured. The Canadian Armed Forces should tell Veterans Affairs Canada that the illness or injury is attributable to their service, and this determination be accepted. This recommendation would significantly decrease wait times for veteran services and benefits. I made this recommendation in 2016, and Veterans Affairs Canada and the Canadian Armed Forces keep passing the hot potato back and forth, creating some very fanciful excuses as to why it cannot or should not be done. The only thing they seem to agree on is maintaining the status quo at all costs. That is a problem of bureaucracy; it serves itself.<sup>44</sup>

Mr. Walbourne reiterated his comments in his November 2020 testimony. He said:

The ultimate goal, in my opinion, would be to have an online application that can approve benefits and services using the declaration of attribution of service that has been released by the Canadian Armed Forces as the ticket to approve that application.<sup>45</sup>

Despite the disagreements expressed by both the CAF and VAC, the Committee had nevertheless recommended that this responsibility be transferred to the CAF. In its response to the Committee's report, the Government responded:

Although the Government does not agree with this recommendation, VAC and the CAF are exploring mechanisms to improve the speed and quality of information being shared between departments. This will assist in simplifying and accelerating the process of attributing a disability to CAF service.

The decision regarding attribution to service is not a medical function; it is an independent administrative function that takes into account not only medical information, but also the findings from investigations and career information such as deployment and posting timelines that are not managed by healthcare providers in the CAF.

VAC has the mandate, personnel and experience to carry out the adjudication process and will continue to be required to maintain this capability to process applications from both members and Veterans. The vast majority of Veterans who apply for disability benefits do so after their release. Only approximately 25% of CAF members who apply for disability benefits do so prior to their release and the Government is working hard to ensure these applications are processed expeditiously and benefits are in place prior to release. Maintaining VAC as unilaterally responsible for the decision to attribute the cause or the aggravation of an injury or illness to military service for all Veterans would ensure consistency of decision-making and avoid duplication of services.

The importance of the physician/patient trust cannot be understated. Creating a system within the CAF to attribute the cause or aggravation of an injury or illness to military

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44 ACVA, *Evidence*, 13 February 2018, 1105 (Mr. Gary Walbourne).

45 ACVA, *Evidence*, 12 November 2020, 1250 (Mr. Gary Walbourne, As an individual).

service would severely challenge the doctor–patient relationship and the integrity of physicians and health care providers in the CAF.

Moreover, in compliance with licensing body policies, treating physicians are not allowed to make a determination of fault or causality to eliminate potential conflict of interest and safeguard the doctor–patient trust. These determinations are made by third party examiners, who provide objective conclusions. As such, military physicians and civilian physicians working for the CAF have the right to refuse any direction that is contrary to their licensing body policies since ignoring these policies would place their license to practice at risk.<sup>46</sup>

In the context of this discussion on attribution to service, Mr. Doiron, then Assistant Deputy Minister at VAC, had criticized the CAF for not insisting enough that unit commanders complete the Report of Injury, Disease or Illness ([form CF 98](#)) when an incident occurred. He stated that the decision to attribute a health problem to military service should remain the responsibility of VAC, but that the medical diagnosis itself should be made by CAF physicians by completing the CF 98 form, which would greatly facilitate VAC’s work.<sup>47</sup> In its response to the Committee’s report, the Government announced that “[t]his duty will be further reinforced within an upcoming directive from the Chief of the Defence Staff.”<sup>48</sup>

Christopher McNeil, Chair of the Veterans Review and Appeal Board, was keen to put the real importance of form CF-98 into perspective. Since it is usually completed by the injured member’s superior, and that superior is not a medical doctor, it cannot be used to confirm a diagnosis. It can, however, greatly facilitate the attribution to military service.<sup>49</sup> It is therefore recommended that:

### **Recommendation 10**

**That the Canadian Armed Forces ensure that all injuries are recorded in a completed CF 98 to help Veterans Affairs Canada better assess disabilities and medical conditions.**

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46 VAC, [Government Response to the Standing Committee on Veterans Affairs’ Ninth Report – A Seamless Transition to Civilian Life for All Veterans: It’s Time for Action](#).

47 ACVA, *Evidence*, 20 March 2018, 1250 (Mr. Michel Doiron).

48 VAC, [Government Response to the Standing Committee on Veterans Affairs’ Ninth Report – A Seamless Transition to Civilian Life for All Veterans: It’s Time for Action](#).

49 ACVA, *Evidence*, 16 November 2020, 1640 (Mr. Christopher McNeil).



According to Brock Heilman of the Department of National Defence, the transfer of information has greatly improved to the point where VAC could conceivably have access to veterans' electronic health records as quickly as if CAF staff were accessing them:

Our electronic health record, known as Canadian Forces Health Information System, is available in our clinics as well as on deployed operations and aboard Navy ships. [...] CFHIS is also a useful tool in sharing medical information with VAC. As you know, over the past couple of years, the CAF has worked very closely with VAC to create the technical, privacy, and logistical conditions to allow VAC adjudicators direct access to CFHIS files for CAF personnel who have applied for VAC benefits.<sup>50</sup>

Recently, well last year, we actually extended for the first time ever Canadian Forces health information system directly onto the desk tops of six VAC adjudicators in Charlottetown, so they would be able to directly access a member's medical history. What that did was it took away the requirement for us to go digging in our electronic system for health information to send to VAC.<sup>51</sup>

Mr. McInnis called the pilot study promising,<sup>52</sup> but until it is expanded to all VAC adjudicators, delays in transferring medical information remain a problem and are compounded by the pandemic, which prevents military personnel from accessing records on bases. He says these delays are now estimated to be as long as a year. With VAC only starting to count the weeks of its service standard from the day that records are complete, such delays in the transfer of medical information add to an already unacceptable backlog.

These delays even affect military personnel while they are still on duty. For example, Robert Thomson, who served in the military for 30 years and who is in the process of being medically released, has been waiting for a decision for more than a year.<sup>53</sup> This highlights the sometimes difficult relationship that has developed between military doctors and VAC adjudicators. According to Mr. McNeil, that relationship appears to have improved recently:

...historically CF doctors were reluctant to sort of give any opinions or diagnoses, particularly as it related to VAC applications. Now I have experienced in the last year and a half that changing. You see a lot more CF or CAF documents where they are assessing

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50 ACVA, *Evidence*, 16 November 2020, 1615 (Mr. Brock Heilman, Chief Informatics Officer, Canadian Forces Health Services Group, Department of National Defence).

51 ACVA, *Evidence*, 16 November 2020, 1630 (Mr. Brock Heilman).

52 ACVA, *Evidence*, 18 November 2020, 1700, (Mr. Raymond McInnis).

53 ACVA, *Evidence*, 16 November 2020, 1610 (Mr. Robert Thomson, As an individual).

people or giving a diagnosis. So, I have certainly seen a more loosening of that trend in the past year and a half to two years.<sup>54</sup>

Jacques Bouchard of the Veterans Review and Appeal Board also stressed the importance of encouraging military personnel to facilitate the transfer of information between the CAF and VAC, for example by offering to sign a letter consenting to the transfer while they are still serving.<sup>55</sup>

Noting that one of the challenges resulting in longer delays is the difficulty obtaining a medical diagnosis confirming the nature of the disability for which VAC must determine eligibility, the Committee recommends:

#### **Recommendation 11**

**That the Canadian Armed Forces automatically provide Veterans Affairs Canada with the diagnosis that supported the decision to medically release a member, at least six months prior to release and with the member's consent.**

#### **Recommendation 12**

**That the Canadian Armed Forces encourage members, including recruits upon enlistment, to sign a letter in advance consenting to the transfer of information from their medical records to Veterans Affairs Canada.**

### **PREAPPROVAL OF APPLICATIONS**

Some veterans' organizations, including the National Council of Veteran Associations, recommend preapproving all applications that are currently part of the backlog and implementing a compliance review process that is less onerous than the current claims process.<sup>56</sup>

It is important to note that there are two definitions of automatic approval. The first involves speeding up the claims approval process for certain health problems highly likely to have been caused by military service.

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54 ACVA, *Evidence*, 16 November 2020, 1635 (Mr. Christopher McNeil).

55 ACVA, *Evidence*, 16 November 2020, 1725 (Mr. Jacques Bouchard, Deputy Chair, Veterans Review and Appeal Board).

56 See Brian Forbes, "Veterans Affairs' backlog and wait-times 'a perfect storm,'" *Hill Times*, 14 October 2020.



In this first case, it is a matter of presuming that the diagnosed health problem is linked to military service:

We don't call it automatic approval. We call it more presumptive because with automatic approval people think they're going to say they're hurt and we're going to say yes. We do have to be a little careful because they need a disability diagnosis. A doctor needs to say they have a disability, a permanent condition, and they need to have served. We need to confirm their service and that their injury is service-related to some extent...

I talk about presumptive as opposed to automatic, because in people's mind if you say "automatic", they say things like they jumped out of a plane, hurt their knee and they should get a DA. Yes, okay, we agree that it's service-related but to what extent? We still need to make that determination.<sup>57</sup>

An expansion of this "presumptive relation to military service" was included in the mandate letter of the Minister of Veterans Affairs. According to General Natynczyk, "automatic approvals of claims are in that mandate. You will see the mandate commitment is to look at automatic approvals for the most common injuries and illnesses, such as mental health and musculoskeletal injuries."<sup>58</sup>

The second definition is much broader and does not depend on the nature of the health problem stated in the application. This definition implies approval of all initial applications and verification of supporting evidence at a later date, similar to how tax returns are processed. According to Mr. Harris, such a measure would require a legislative amendment: "The legislation requires us to go through the stages of the adjudication piece, so we must make the service attribution and the assessment related to that. There is not an opportunity at this stage to make any kind of pre-approval, according to our legislation."<sup>59</sup>

The *Veterans Well-being Act* states:

**63** The Governor in Council may make regulations:

- a) respecting the rules of evidence and evidentiary presumptions relating to applications for a critical injury benefit, pain and suffering compensation or a death benefit;

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57 ACVA, *Evidence*, 27 February 2020, 1000 (Mr. Michel Doiron).

58 ACVA, *Evidence*, 27 October 2020, 1715 (Gen Walter Natynczyk).

59 ACVA, *Evidence*, 27 October 2020, 1720 ([Mr. Steven Harris](#)).

The regulations made under this paragraph state:

**49** An application for pain and suffering compensation shall include:

- a) medical reports or other records that document the member's or veteran's injury or disease, diagnosis, disability and increase in the extent of the disability;

Section 49 of the regulations therefore appears to compel the department to consider an application to have been submitted only if it is accompanied by all the necessary medical information. However, section 63 of the Act appears to delegate to the government the power to amend the regulations without having to go through a bill. This would allow the minister to amend the regulations unilaterally.

In its brief, the National Council of Veteran Associations argues that this regulatory burden in no way provides justification against implementing the automatic pre-approval process it espouses.<sup>60</sup> Mr. Walbourne also supports pre-approval:

I just think we're going at this from the wrong end. We're end-loading all the money. Why don't we front-load the money, do the process before the member leaves, have it in hand, set up a CRA model, and then Veterans Affairs can do the right work of auditing, make sure the member has enough, they're in the right lane, and all the things that they need. I think we've got the cart in front of the horse here.<sup>61</sup>

This solution assumes that military members have the opportunity to apply for disability benefits before leaving the CAF. It would therefore not be applicable in the event that a health problem develops or is discovered after release but would still allow for a faster process in many situations. It echoes a recommendation made repeatedly by the Committee, the Veterans Ombudsman, and several veterans' associations: to keep a member in the CAF as long as his or her application for disability benefits and other VAC services are being adjudicated. Mr. Maxwell emphasized the reduced psychological burden that such a change would bring:

As much as we can do before somebody releases is something we've talked about for years now. Imagine a day if all the claims could be adjudicated. The veteran, at that time, would understand what's coming and every avenue as part of the transition to civilian life throughout the release process. Once they were, for those whom we're

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60 National Council of Veteran Associations, [Brief to the Committee](#), November 2020, p. 6.

61 ACVA, *Evidence*, 12 November 2020, 1220 (Mr. Gary Walbourne).



supporting, medically released, everything would be crystal clear in front of them, not only for themselves, but again, for their family members.<sup>62</sup>

According to Brigadier-General Mark Misener, this recommendation is part of the transition trial at Borden.<sup>63</sup>

Implementing a pre-approval process involves two major hurdles. First, for an application to be assigned so a decision can be made, a confirmed medical diagnosis is needed. Unlike a tax return, a diagnosis requires input from a medical professional. This requirement can add to the time needed to put together a complete file. Given that the 16-week service standard begins only once the file is complete, this requirement should not have a significant effect on the backlog, but it may increase the total number of files pending. The second hurdle is related to the first. If an application is accepted before a medical diagnosis has been confirmed, it is difficult for VAC adjudicators to determine the temporary amount to be paid to the veteran while awaiting the necessary confirmations.

For example, the pain and suffering compensation lump sum amount can vary between \$19,000 and \$381,000, depending on the extent of the disability and the percentage attributable to military service. It would be risky to set an approximate amount and then ask veterans to reimburse the amount paid out if their application were denied. The preferred solution of the National Council of Veterans Associations would be to set an approximate temporary amount, to be paid out monthly. The National Association of Federal Retirees, for its part, recommends testing it through a pilot project in order to avoid overburdening employees.<sup>64</sup>

Currently, if a veteran chooses to receive this benefit in monthly payments for life, the maximum monthly amount for a 100% disability is \$1,172. If VAC chose to automatically pay 50% of this monthly amount, \$586, to all veterans submitting their first application with information that appears to be credible at first glance, the risk would be low for both the department and the applicant. The monthly sum would continue to be paid until a decision is made, and this amount would then be subtracted from the lump sum amount, if the veteran selects that option.

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62 ACVA, *Evidence*, 18 November 2020, 1635 (Mr. Scott Maxwell).

63 ACVA, *Evidence*, 12 March 2020, 1035 (BGen Mark Misener, Commander, Canadian Armed Forces Transition Group, Department of National Defence).

64 National Association of Federal Retirees, [Brief](#), p. 4.



Committee members wish to support all initiatives that will help reduce the time veterans have to wait to receive the benefits and services to which they are entitled. The Committee therefore recommends:

### **Recommendation 13**

**That Veterans Affairs Canada continue to automatically approve applications for medical conditions presumptively attributed to service in the Canadian Armed Forces or the Royal Canadian Mounted Police, table to the Committee its list of such medical conditions, and continue to expand it through research in Canada and in allied countries.**

### **Recommendation 14**

**That Veterans Affairs Canada conduct a study on women-specific medical conditions related to service in the Canadian Armed Forces and Royal Canadian Mounted Police, and, when applicable, add them to the list of medical conditions presumptively connected to military service.**

### **Recommendation 15**

**That the Minister of Veterans Affairs amend the *Veterans Well-being Regulations* to allow for the automatic pre-approval of disability benefit claims, and that Veterans Affairs Canada implement a pilot project to identify the risks and advantages of such automatic pre-approval of claims.**

## **MEASURES IMPLEMENTED DURING THE COVID-19 PANDEMIC**

VAC had to rely on veterans' groups to obtain information on the effects the pandemic could have on veterans and the measures needed to ensure all veterans continue to have access to programs and services. To this end, General Natynczyk stated that, at VAC "through legislation and regulation, we will support veterans in need who have suffered an injury as a result of service. We've adapted a number of our document requirements in this regard."<sup>65</sup> These measures, implemented before the pandemic, ensure that processing of claims submitted by veterans can start even if they could not see a doctor. He continued, "We have actually expanded access and the authority in the veterans emergency fund during the pandemic, so [Mr. Harris'] staff can now approve up to \$10,000 based upon a veteran's need, even before a claim is submitted. It can be up to

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65 ACVA, *Evidence*, 27 October 2020, 1605 (General [Retired] Walter Natynczyk).



\$10,000 in extenuating circumstances.”<sup>66</sup> During his testimony, Mr. Robert Thomson said he had never heard of the Veterans Emergency Fund<sup>67</sup>. To ensure that veterans who might need it have access to the fund, the Committee recommends:

### **Recommendation 16**

**That Veterans Affairs Canada conduct an in-depth review of the Veterans Emergency Fund in the context of its use to support veterans waiting in the backlog and report back to the committee with their findings.**

According to Mr. Harris, exceptions were also made in cases where veterans needed urgent or palliative care.<sup>68</sup>

## **CONCLUSION**

Based on the evidence heard in this study, the backlog in processing disability claims is largely unpredictable. It would be pointless to blame anyone for its growth since the department began to notice an unusual increase in the number of applications it received. In retrospect, it would be easy to argue that Veterans Affairs Canada should have known that the expansion of its programs would result in such a sudden increase in demand, or that, without knowing how long the surge would last, it should have maintained higher staffing levels.

On the other hand, what all Committee members agree on is that the current situation is unacceptable and that the main solution in the short to medium term is sustained hiring. The federal government has already allocated significant financial resources, demonstrating the seriousness of its commitment to addressing the problem. However, the Parliamentary Budget Officer’s analyses suggest that, if these resources are not renewed, they will be insufficient to end the backlog by spring 2023.

There is still hope that the volume of new applications will fall, helping to clear the backlog more quickly, but this is unlikely. There is every indication that the opposite will occur, and that the decrease in the number of new applications since last spring is related to the pandemic — and that as soon as Canadians’ lives return to some semblance of normalcy, the number of applications will increase.

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66 ACVA, *Evidence*, 27 October 2020, 1720 (General [Retired] Walter Natynczyk).

67 ACVA, *Evidence*, 16 November 2020, 1650 (Mr. Robert Thomson, As an individual).

68 ACVA, *Evidence*, 27 October 2020, 1605 ([Steven Harris](#)).

That is why one of the recommendations is to implement the solution put forward by the Parliamentary Budget Officer: to retain the 160 temporary or reassigned employees resulting from measures in Budget 2018 and to retain the 300 additional employees for whom significant but temporary funding was provided until 31 March 2022.

While this measure is necessary, it alone does not address the deeper challenges that Veterans Affairs Canada has faced for too long and that have been exacerbated by the backlog. The growing complexity of the rules has ended up creating a burden in the operations of the department which makes it increasingly challenging for civil servants to meet the needs and expectations of Canadian veterans who deserve better.

In order to deal with the current backlog, the Committee recommends that the temporary employees who were hired or reassigned to deal with the backlog be kept beyond the initial deadline of March 2022. To prevent the backlog from reappearing when the number of applications unexpectedly starts to increase again, the Committee recommends that an automatic provisional approval procedure be tested as a pilot project for any application for disability benefits that is well-founded at first sight. The very high likelihood that these applications will eventually be at least partially approved ensures that the risk to Canadian taxpayers is minimal.

Adopting these measures would exhibit good faith in dealing with the existing backlog and uphold the fundamental principle that has guided all Canadian veterans' compensation programs since World War I: the benefit of the doubt. Committee members want to reaffirm this principle and reassure veterans and their families that their well-being is the sole and unique purpose of Veterans Affairs Canada.



## APPENDIX A LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee's [webpage for this study](#).

Organizations and Individuals	Date	Meeting
<b>Department of Veterans Affairs</b> Steven Harris, Assistant Deputy Minister Service Delivery Gen (Ret'd) Walter Natynczyk, Deputy Minister	2020/10/27	2
<b>As an individual</b> Charles Scott Gary Walbourne	2020/11/12	4
<b>National Association of Federal Retirees</b> Simon Coakeley, Chief Executive Officer	2020/11/12	4
<b>Office of the Parliamentary Budget Officer</b> Yves Giroux, Parliamentary Budget Officer	2020/11/12	4
<b>Professional Institute of the Public Service of Canada</b> Paul Hartigan, Manager Atlantic Region Doreen Weatherbie, President Members	2020/11/12	4
<b>As an individual</b> Robert Thomson	2020/11/16	5
<b>Department of National Defence</b> Brock Heilman, Chief Informatics Officer Canadian Forces Health Services Group	2020/11/16	5
<b>National Police Federation</b> Brian Sauv�, President	2020/11/16	5

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>Veterans Review and Appeal Board</b> Jacques A. Bouchard, Deputy Chair Christopher J. McNeil, Chair	2020/11/16	5
<b>Royal Canadian Legion</b> Steven Clark, National Executive Director Raymond McInnis, Director Veterans Services, Dominion Command Chad Wagner, Provincial Executive Director Saskatchewan Command	2020/11/18	6
<b>Union of Veterans' Affairs Employees</b> Mike Martin, Communications Virginia Vaillancourt, National President	2020/11/18	6
<b>Wounded Warriors Canada</b> Scott Maxwell, Executive Director	2020/11/18	6

## APPENDIX B LIST OF WITNESSES

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The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee's [webpage for this study](#).

### 43<sup>rd</sup> parliament – 1<sup>st</sup> session

Organizations and Individuals	Date	Meeting
<b>Department of Veterans Affairs</b> Rick Christopher, Director General Centralized Operations  Michel Doiron, Assistant Deputy Minister Service Delivery  Steven Harris, Assistant Deputy Minister Strategic Policy and Commemoration  Sara Lantz, Acting Assistant Deputy Minister Chief Financial Officer and Corporate Services Branch  Gen (Ret'd) Walter Natynczyk, Deputy Minister	2020/02/27	
<b>Department of National Defence</b> Andrew Downes, Surgeon General, Commander Canadian Forces Health Services Group  Brock Heilman, Chief Informatics Officer Canadian Forces Health Services Group  Mark Misener, Commander Canadian Armed Forces Transition Group	2020/03/12	5
<b>Royal Canadian Legion</b> Steven Clark, National Executive Director Raymond McInnis, Director Veterans Services, Dominion Command	2020/03/12	5
<b>Union of Veterans' Affairs Employees</b> Mike Martin, Communications Virginia Vaillancourt, National President	2020/03/12	5

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<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>Veterans Review and Appeal Board</b> Jacques A. Bouchard, Deputy Chair Christopher J. McNeil, Chair	2020/03/12	5



## APPENDIX C LIST OF BRIEFS

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The following is an alphabetical list of organizations and individuals who submitted briefs to the committee related to this report. For more information, please consult the committee's [webpage for this study](#).

**National Association of Federal Retirees**

**National Council of Veteran Associations in Canada**

**National Police Federation**

**Scott, Charles**

**Union of Veterans' Affairs Employees**



## REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 3 and 5](#)) from the 43<sup>rd</sup> Parliament, 1<sup>st</sup> Session and ([Meetings Nos. 2, 4 to 6, 9 and 10](#)) from the 43<sup>rd</sup> Parliament, 2<sup>nd</sup> Session is tabled.

Respectfully submitted,

Brian May  
Chair



## Supplementary Report of the New Democratic Party (NDP)

The backlog of disability benefit claims at Veterans Affairs Canada has been a known issue since 2016. Since then, veterans and their families have been reassured time and time again that the Minister and senior staff at Veterans Affairs Canada (VAC) are working on solving the problem.

Despite those assurances little progress has been made. The Committee heard repeated testimony of the deep frustration and neglect felt by veterans at the lengthy delays in the processing of their applications. The backlog continues to grow out of control while the government continues to postpone the implementation of policy solutions. This does not inspire confidence in the government's ability to eliminate the backlog and make supports rapidly available to veterans who desperately need them.

The Parliamentary Budget Office (PBO) was clear in its [report](#); to prevent the backlog in disability benefit claims at VAC from worsening, the temporary hires from June 2020 need to be made permanent. It is completely unreasonable to assume that improvements in VAC's processing times alone will be able to fill a 300-employee gap, yet the Minister would not commit to making these hires permanent at this time<sup>1</sup>.

Yves Giroux, Parliamentary Budget Officer, responded to the suggestion from VAC department officials that his report is unhelpful and does not take all information into account:

"The report we drafted and provided to you and to parliamentarians takes into consideration improvements that were mentioned, such as digitization of files. It takes into consideration what we were told by Veterans Affairs were improvements that they made. It's a bit surprising for me, personally, to hear that there are further improvements the department is undertaking, which will further reduce the backlog, without my office and me having been informed of that while we were drafting the report." <sup>2</sup>

Virginia Vaillancourt, President of the Union of Veterans Affairs Employees, expressed concern about these temporary announcements:

"... we welcome the additional resources that are coming, directed towards this problem, but there are two basic flaws with this particular plan.

...it is proposing another temporary solution to a permanent problem. We have been through this process of putting in temporary or surge resources to address problems in one area and hoping to reduce the pressure on the system."<sup>3</sup>

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<sup>1</sup> House of Commons, Standing Committee on Veterans Affairs [ACVA], *Evidence*, 12 November 2020, 1130, Hon. Lawrence Macaulay, Minister of Veterans Affairs

<sup>2</sup> House of Commons, Standing Committee on Veterans Affairs [ACVA], *Evidence*, 12 November 2020, 1315, Yves Giroux, Parliamentary Budget Officer

<sup>3</sup> House of Commons, Standing Committee on Veterans Affairs [ACVA], *Evidence*, 18 November 2020, 1620, Virginia Vaillancourt, Union of Veterans Affairs Employees

The NDP believes that the people who served and continue to serve this country deserve timely supports from their government after suffering mental or physical injuries in the line of duty. No veteran should experience undue suffering or be inflicted with sanctuary trauma by the very department that exists to serve them. Assurances are not enough; veterans need and deserve swift action.

**NDP Recommendation:**

That the government, Minister and VAC fully implement all the Parliamentary Budget Office recommendations as quickly as possible.