

## INCREASING RATES OF COMPENSATION FOR SERVICE- CONNECTED DISABLED VETERANS

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AUGUST 3, 1962.—Ordered to be printed

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Mr. BYRD of Virginia, from the Committee on Finance, submitted the following

### R E P O R T

[To accompany H.R. 10743]

The Committee on Finance, to whom was referred the bill (H.R. 10743) to amend title 38, United States Code, to provide increase in rates of disability compensation, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill as amended do pass.

#### EXPLANATION OF THE BILL

This bill seeks to provide increases in the rates of service-connected disability compensation to reflect the changes which have occurred in the cost of living since the last compensation increase in 1957 as well as to more adequately compensate the seriously disabled veterans. In other words, it would increase the monthly rates payable to veterans of all wars and peacetime service who have a service-connected disability rated between 10 and 100 percent or who are entitled to receive compensation at one of the higher statutory award rates, which presently run to a maximum of \$450 or as much as \$600 monthly if the veteran is entitled to the \$450 rate, needs regular aid and attendance and is not being cared for in a Veterans' Administration hospital.

The rates provided in this legislation are indicated on the table which appears below. Attention is also invited to the second table appearing on page 3, which shows a history of compensation increases which have taken place since July 1, 1933.

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### Cost estimate

Degree and paragraph	Wartime cases	Peacetime cases	Current wartime rates	H. R. 10743 as reported	H. R. 10743, percent increase over current rates	Cost of H. R. 10743 as reported
10(a).....	761,000	53,700	\$19	\$20	5.3	\$9,776,000
20(b).....	281,900	16,900	36	38	5.6	6,969,000
30(c).....	251,700	17,600	55	58	5.5	9,481,000
40(d).....	153,800	7,600	73	77	5.5	7,747,000
50(e).....	102,100	5,700	100	107	7.0	8,986,000
60(f).....	79,600	4,600	120	128	6.7	7,963,000
70(g).....	40,500	2,400	140	149	6.4	4,576,000
80(h).....	25,300	1,100	160	170	6.3	3,142,000
90(i).....	7,400	200	179	191	6.7	1,090,000
100(j).....	74,700	10,400	225	250	11.1	24,996,000
(l).....	3,390	330	309	340	10.0	1,360,000
(m).....	2,370	270	359	390	8.6	963,000
(n).....	390	30	401	440	9.7	194,000
(o).....	150	60	450	525	16.7	175,000
(p).....	2,570	210	450	525	16.7	2,464,000
(o)+(r).....	4,240	800	150 (+450)	200 (+525)	20.8	7,320,000
(s).....	3,430	500	265	290	9.4	1,149,000
Total.....	1,794,440	122,300				98,264,000

(k) Anatomical loss, or loss of use of a creative organ, or 1 foot, or 1 hand, or both buttocks, or blindness of 1 eye, having only light perception, rates (a) to (j) increased monthly by \$47 additional to basic compensation paid monthly for veteran with these disabilities (this \$47 rate unchanged.)

Anatomical loss, or loss of use of a creative organ, or 1 foot, or 1 hand, or both buttocks, or blindness of 1 eye, having only light perception, in addition to requirement for any of rates in (l) to (n), rate increased monthly for each loss or loss of use by \$47 additional to basic compensation paid monthly for veteran with these disabilities (this \$47 rate unchanged.)

(l) Anatomical loss, or loss of use of both hands, or both feet, or 1 hand and 1 foot, or blind both eyes with 5/200 visual acuity or less, or is permanently bedridden or so helpless as to be in need of regular aid and attendance, monthly compensation.

(m) Anatomical loss, or loss of use of 2 extremities at a level, or with complications, preventing natural elbow or knee action with prosthesis in place or has suffered blindness in both eyes having only light perception, or has suffered blindness in both eyes, rendering him so helpless as to be in need of regular aid and attendance, monthly compensation.

(n) Anatomical loss of 2 extremities so near shoulder or hip as to prevent use of prosthetic appliance or suffered anatomical loss of both eyes, monthly compensation.

(o) Suffered disability under conditions which would entitle him to 2 or more rates in (l) to (n), no condition being considered twice, or suffered total deafness in combination with total blindness with 5/200 visual acuity or less, monthly compensation.

(p) In event disabled person's service-incurred disabilities exceed requirements for any of rates prescribed, Administrator, in his discretion, may allow next higher rate, or intermediate rate, but in no event in excess of \$450.

(q) Minimum rate for arrested tuberculosis. (This \$67 monthly rate is unchanged.)

(r) If entitled to compensation under (o), or the maximum rate under (p), and in need of regular aid and attendance, while not hospitalized at Government expense, additional monthly aid and attendance allowance.

(s) If totally disabled and (l) has additional disability independently rated at 60 per centum or more, or, (2) is permanently housebound.



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Since the last compensation increase in 1957 there has occurred a 6-percent increase in the cost of living. The bill, as reported by the committee, provides increases ranging from 5.3 percent to 11.1 percent in the disability compensation rates payable to veterans disabled 10 to 100 percent. For these veterans receiving or entitled to receive one of the statutory award rates other than (k) or (q), the increases range from 8.6 to 20.8 percent. The overall average increase provided by the bill is approximately 9.4 percent. All of the rates for service-connected compensation have been increased with the exceptions noted above of the statutory award rate of \$47 a month, which is in addition to the basic rates of compensation, and the \$67 a month rate for arrested tuberculosis. Inasmuch as all veterans who are entitled to receive the \$47 statutory rate will be benefited by the bill by an increase in the basic rate, the committee felt fully justified in taking the action indicated. (The exact percentage increase for each degree is shown on p. 2.)

The rate for arrested tuberculosis of \$67 a month remains unchanged since the committee believes this is a reasonable rate and the provisions affecting veterans who have service-connected cases of tuberculosis are unusually liberal under existing law. It should be pointed out in this connection that World War I veterans had a presumption of service connection if they contracted tuberculosis anytime prior to January 1, 1925—a period of approximately 7 years from the end of the war. World War II and Korean veterans have, in comparison, a 3-year period from the date of discharge in which they are presumed to have contracted the disease in the service. This, too, in view of modern medical practices, is very liberal. In addition, it should be pointed out that under section 356, title 38, United States Code, any veteran who has a service-connected case of tuberculosis, after he has reached a condition of complete arrest, is rated as totally disabled for a period of 2 years following such date of arrest and as 50 percent disabled for an additional period of 4 years, and 30 percent disabled for a further period of 5 years. Since the \$67 a month rate is more than the 30-percent rate of \$55, the veteran receives the \$67 rate in lieu thereof and this is a payment which is made for life. Also, it needs to be pointed out that at any time the veteran's condition results in a recurrence of tuberculosis, he is immediately rated as totally disabled and the whole reduction formula described above starts again as if it were a new case. This is pointed out to indicate that veterans in this category are already receiving liberal treatment and in sharp distinction to other diseases and disabilities.

The committee has adhered to the policy first started in the 82d Congress when Public Law 356 was enacted and granted to those veterans less than 50-percent disabled a 5-percent increase while increasing the rates for those 50 percent or more disabled by 15 percent. The committee in subsequent Congresses has adhered to this practice of paying the more seriously disabled veterans higher rates of compensation than those less seriously impaired. The President in his budget message gave support to this general idea, as is indicated by the report of the Veterans' Administration and the statement of the President which appear at the end of this report. The committee believes this policy to be sound.

Section 2 of the bill provides that veterans who are receiving the statutory award of \$450 and also additional compensation of \$150 while not in a hospital, will have their compensation continued until

the first day of the second month which begins after they are hospitalized. Inasmuch as it costs the Veterans' Administration approximately \$25 a day to hospitalize each patient in a general, medical, and surgical hospital, and more for those veterans who are in the paraplegic class, it is obvious that the payment of this additional compensation, in lieu of furnishing hospital care, is, in effect, a saving to the Government. It seems reasonable to the committee and also good medical practice to permit these badly disabled service-connected cases to report to a hospital whenever they are in need of care without suffering a financial loss. Even at these rather liberal rates, many paralyzed veterans experience difficulty in making ends meet, since some require 24-hour care in their home and must pay out sizable amounts to individuals employed to take care of them.

Section 2 of the bill provides that this allowance will be discontinued from the first day of the second calendar month which begins after the day of the veteran's admission for hospitalization. If the veteran leaves the hospital against medical advice and is thereafter readmitted, the allowance during this period of hospitalization shall be discontinued from the date of such readmission for so long as that hospitalization continues. Informal advice has been received from the VA that there would be no great cost, administrative or otherwise, as a result of the enactment of this section.

Section 3 of the bill increases the presumptive period for multiple sclerosis from 3 to 7 years. The committee took this action based on information obtained from the National Institute of Health that it was the opinion of its scientific staff that 7 years was not an unreasonable period to recognize as the interval between onset and diagnosis in multiple sclerosis and the committee would be justified in enacting legislation providing for a 7-year presumptive period for this disease.

#### DEPARTMENTAL REPORTS

VETERANS' ADMINISTRATION,  
July 10, 1962.

Hon. HARRY F. BYRD,  
Chairman, Committee on Finance,  
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: We are pleased to respond to your request for a report on H.R. 10743, 87th Congress.

The first section of the bill is designed generally to increase the rates of service-connected disability compensation for wartime and peacetime veterans to reflect the changes which have occurred in the cost of living since the last compensation increase in 1957 as well as to more adequately compensate the seriously disabled veterans. Section 2 proposes to continue payment of the \$150 monthly aid and attendance allowance to eligible veterans, during their hospitalization at Government expense, until the first day of the second calendar month beginning after the date of admission for such hospitalization. Currently, the allowance is discontinued immediately upon such admission. Section 3 would extend from 3 to 7 years from the date of separation from active wartime service the period during which presumptive service connection may be granted for multiple sclerosis.

In his budget message of January 18, 1962, the President pointed out that the last increase in compensation rates for service-disabled veterans was granted in 1957 and reiterated his recommendation

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of last year that in order to offset rises in the cost of living since that time the Congress enact legislation providing higher rates of disability compensation, particularly for the severely disabled. The 1963 budget again provides \$64 million for this purpose.

The cost of living has increased 6.4 percent since 1957. H.R. 10743 as passed by the House of Representatives proposes increases ranging from 5.3 percent to 11.1 percent in the basic rates, and up to 20.8 percent in the higher statutory rates. The cost of these proposed increases would be approximately \$98 million in the first year. The Veterans' Administration firmly believes that an equitable and reasonable adjustment of the compensation rate structure is needed. While this bill does provide substantial increases for the more seriously disabled veterans, as the President recommended in his budget message, I feel that the cost of the measure in its present form is excessive. Accordingly, it is recommended that the increases proposed by the bill be scaled downward to reach an overall compensation rate structure substantially in keeping with the Administration's fiscal estimates in this area.

Section 2 of H.R. 10743 is identical with section 2 of H.R. 879, 87th Congress. The monthly aid and attendance allowance is currently payable to veterans entitled to the maximum statutory rate of compensation (now \$450 in wartime cases; \$525 proposed by H.R. 10743) and who need regular aid and attendance, for periods during which they are not hospitalized at Government expense. Accordingly, the law requires immediate discontinuance of the allowance in all cases upon admission. Section 2 of this bill proposes to defer the discontinuance of the aid and attendance allowance until the first day of the second calendar month which begins after the date of the veteran's admission to the hospital.

In our report to your committee on H.R. 879, dated June 28, 1961, we discussed in some detail the purpose of the aid and attendance allowance and the history of the provision as well as several factors tending to justify the proposed delay in discontinuance of this allowance. For the reasons mentioned in that report, the Veterans' Administration would not interpose any objection to your committee's favorable consideration of section 2 of H.R. 10743.

Section 3 of the bill, which is identical with section 3 of H.R. 879, would extend from 3 to 7 years from date of separation from active wartime service the period during which multiple sclerosis becoming manifest to a degree of 10 percent or more shall, subject to rebuttal, be considered as having been incurred in or aggravated by such service. All chronic diseases, except multiple sclerosis, tuberculosis (3 years), and Hansen's disease (3 years) are limited to a 1-year presumptive period in wartime cases.

The mentioned report to your committee on H.R. 879 pointed out that from a medical viewpoint the present provisions of the law and regulations on this subject are considered quite liberal, and ample provision is made for those diseases that have a long incubation period. In addition, there are administrative provisions whereby chronic diseases generally incurred within a reasonable time after the present presumptive period following military service can be and are handled on an individual basis where there is a likelihood that the condition or disease had its inception during military service. Accordingly, the Veterans' Administration opposed section 3 of H.R. 879, and for the

same reasons does not believe that there is justification for the enactment of section 3 of H.R. 10743.

It is estimated that the increased compensation rates proposed by the first section of the bill would affect some 1,916,700 cases the first year, at an additional cost for that year of approximately \$98 million. The cost aspects of this section are shown in more detail in the table on page 2 of House Report No. 1469, 87th Congress, to accompany H.R. 10743, copy enclosed. This additional cost should decrease slightly for each of the succeeding 4 years because of the slight decrease in the disability compensation rolls.

Data are not readily available concerning the cost aspects of section 2 of H.R. 10743. However, based on statistics indicating the number of veterans receiving the additional allowance under section 314(r), it is estimated that during the first year some 3,800 veterans will be potentially eligible to benefit from this proposal, if enacted; but we have no firm basis for estimating the number of those who might require hospitalization, the frequency of such episodes, or the length of stays. It is not possible to furnish an estimate of the cost of section 3 in view of the many unknown and variable factors involved.

If H.R. 10743 were amended in line with the foregoing comments, the Veterans' Administration would recommend favorable consideration of the measure.

Advice has been received from the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

J. S. GLEASON, Jr., *Administrator.*

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DEPARTMENT OF THE ARMY,  
*Washington, D.C., July 19, 1962.*

HON. HARRY FLOOD BYRD,  
*Chairman, Committee on Finance,*  
*U.S. Senate.*

DEAR MR. CHAIRMAN: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense on H.R. 10743, 87th Congress, an act to amend title 38, United States Code, to provide increase in rates of disability compensation, and for other purposes. The Department of the Army has been assigned responsibility for expressing the views of the Department of Defense on this act.

The title of the act generally states its purpose.

The Department of the Army on behalf of the Department of Defense has considered the above pending legislation. Inasmuch as H.R. 10743 affects laws administered solely by the Veterans' Administration, the Department of Defense respectfully defers to that agency for comment as to its effects and merits.

With respect to section 3 of H.R. 10743, it is understood by the Department of the Army that the presumptive period of 7 years for service connection of multiple sclerosis, as contemplated by this proposed legislation, is applicable only in the determination of eligibility for benefits administered by the Veterans' Administration but is not

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intended to have a bearing on or relation to the service determination of fitness or unfitness for military service or eligibility for physical disability retirement benefits as set forth in chapter 61, title 10, United States Code. Specifically, an award by the Veterans' Administration of compensation based upon the provisions of this proposal will not, in itself, constitute proper basis for consideration in determining whether military or naval records shall be corrected under the provisions of title 10, United States Code, section 1552, for the purpose of establishing eligibility for physical disability retirement benefits.

Enactment of this legislation will cause no apparent increase in budgetary requirements of the Department of Defense.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget advises that, from the standpoint of the administration's program, there is no objection to the presentation of this report for the consideration of the committee.

Sincerely yours,

CYRUS R. VANCE,  
*Secretary of the Army.*

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
*Washington, D.C., July 6, 1962.*

HON. HARRY F. BYRD,  
*Chairman, Committee on Finance, U.S. Senate,  
Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request for a report on H.R. 10743, a bill to amend title 38, United States Code, to provide increase in rates of disability compensation, and for other purposes.

H.R. 10743 would increase the rates of service-connected disability for wartime veterans and peacetime ex-servicemen in amounts ranging from 5.3 percent to 20.8 percent depending on the degree and nature of the disability; it would continue payment of the \$150 monthly aid and attendance allowance to eligible veterans until the second month of hospitalization, and it would extend from 3 to 7 years the presumption of service connection for multiple sclerosis.

While the administration supports the proposal to increase rates of disability compensation, we believe the increases provided in H.R. 10743 are excessive. In a report to your committee on June 28, 1961, with respect to H.R. 879, the Bureau stated that increases in rates of compensation for those disabled to the degree of 10, 20, or 30 percent be limited to the rates recommended by the President in a draft of legislation transmitted to the Congress on April 27, 1961, and that section 3 extending the period of presumption for multiple sclerosis be deleted from the bill. If that bill were so amended, it would be in accord with the program of the President.

In view of the foregoing observation, the Bureau of the Budget would not favor enactment of H.R. 10743 in its present form.

Sincerely yours,

PHILLIP S. HUGHES,  
*Assistant Director for Legislative Reference.*



## CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italic; existing law in which no change is proposed is shown in roman):

## TITLE 38 OF THE UNITED STATES CODE

CHAPTER 11—COMPENSATION FOR SERVICE-CONNECTED  
DISABILITY OR DEATH

\* \* \* \* \*

## Subchapter II—Wartime Disability Compensation

**§ 310. Basic entitlement**

For disability resulting from personal injury suffered or disease contracted in line of duty, or for aggravation of a preexisting injury suffered or disease contracted in line of duty, in the active military, naval, or air service, during a period of war, the United States will pay to any veteran thus disabled and who was discharged or released under conditions other than dishonorable from the period of service in which said injury or disease was incurred, or preexisting injury or disease was aggravated, compensation as provided in this subchapter, but no compensation shall be paid if the disability is the result of the veteran's own willful misconduct.

**§ 311. Presumption of sound condition**

For the purposes of section 310 of this title, every veteran shall be taken to have been in sound condition when examined, accepted, and enrolled for service, except as to defects, infirmities, or disorders noted at the time of the examination, acceptance, and enrollment, or where clear and unmistakable evidence demonstrates that the injury or disease existed before acceptance and enrollment and was not aggravated by such service.

**§ 312. Presumptions relating to certain diseases**

For the purposes of section 310 of this title, and subject to the provisions of section 313 of this title, in the case of any veteran who served for ninety days or more during a period of war—

(1) a chronic disease becoming manifest to a degree of 10 per centum or more within one year from the date of separation from such service;

(2) a tropical disease, and the resultant disorders or disease originating because of therapy, administered in connection with such diseases, or as a preventative thereof, becoming manifest to a degree of 10 per centum or more within one year from the date of separation from such service, or at a time when standard or accepted treatises indicate that the incubation period thereof commenced during such service;

(3) active tuberculosis disease developing a 10 per centum degree of disability or more within three years from the date of separation from such service;

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(4) multiple sclerosis developing a 10 per centum degree of disability or more within ~~three~~ *seven* years from the date of separation from such service;

(5) Hansen's disease developing a 10 per centum degree of disability or more within three years from the date of separation from such service;

shall be considered to have been incurred in or aggravated by such service, notwithstanding there is no record of evidence of such disease during the period of service.

### § 313. Presumptions rebuttable

(a) Where there is affirmative evidence to the contrary, or evidence to establish that an intercurrent injury or disease which is a recognized cause of any of the diseases within the purview of section 312 of this title, has been suffered between the date of separation from service and the onset of any such diseases, or the disability is due to the veteran's own willful misconduct, service connection pursuant to section 312 of this title will not be in order.

(b) Nothing in section 312 of this title or subsection (a) of this section shall be construed to prevent the granting of service-connection for any disease or disorder otherwise shown by sound judgment to have been incurred in or aggravated by active military, naval, or air service.

### § 314. Rates of wartime disability compensation

For the purposes of section 310 of this title—

(a) if and while the disability is rated 10 per centum the monthly compensation shall be ~~[\$19]~~ *\$20*;

(b) if and while the disability is rated 20 per centum the monthly compensation shall be ~~[\$36]~~ *\$38*;

(c) if and while the disability is rated 30 per centum the monthly compensation shall be ~~[\$55]~~ *\$58*;

(d) if and while the disability is rated 40 per centum the monthly compensation shall be ~~[\$73]~~ *\$77*;

(e) if and while the disability is rated 50 per centum the monthly compensation shall be ~~[\$100]~~ *\$107*;

(f) if and while the disability is rated 60 per centum the monthly compensation shall be ~~[\$120]~~ *\$128*;

(g) if and while the disability is rated 70 per centum the monthly compensation shall be ~~[\$140]~~ *\$149*;

(h) if and while the disability is rated 80 per centum the monthly compensation shall be ~~[\$160]~~ *\$170*;

(i) if and while the disability is rated 90 per centum the monthly compensation shall be ~~[\$179]~~ *\$191*;

(j) if and while the disability is rated as total the monthly compensation shall be ~~[\$225]~~ *\$250*;

(k) if the veteran, as the result of service-connected disability, has suffered the anatomical loss or loss of use of a creative organ, or one foot, or one hand, or both buttocks, or blindness of one eye, having only light perception, the rate of compensation therefor shall be \$47 per month independent of any other compensation provided in subsections (a) through (j) of this section; and in the event of anatomical loss or loss of use of a creative organ, or one foot, or one hand, or both buttocks, or blindness of one eye, having only light perception, in addition to the

requirement for any of the rates specified in subsections (l) through (n) of this section, the rate of compensation shall be increased by \$47 per month for each such loss or loss of use, but in no event to exceed ~~[\$450]~~ \$525 per month;

(l) if the veteran, as the result of service-connected disability, has suffered the anatomical loss or loss of use of both hands, or both feet, or of one hand and one foot, or is blind in both eyes, with 5/200 visual acuity or less, or is permanently bedridden or so helpless as to be in need of regular aid and attendance, the monthly compensation shall be ~~[\$309]~~ \$340;

(m) If the veteran, as the result of service-connected disability, has suffered the anatomical loss or loss of use of two extremities at a level, or with complications, preventing natural elbow or knee action with prosthesis in place, or has suffered blindness in both eyes having only light perception, or has suffered blindness in both eyes, rendering him so helpless as to be in need of regular aid and attendance, the monthly compensation shall be ~~[\$359]~~ \$390;

(n) if the veteran, as the result of service-connected disability, has suffered the anatomical loss of two extremities so near the shoulder or hip as to prevent the use of a prosthetic appliance or has suffered the anatomical loss of both eyes, the monthly compensation shall be ~~[\$401]~~ \$440;

(o) if the veteran, as the result of service-connected disability, has suffered disability under conditions which would entitle him to two or more of the rates provided in one or more subsections (l) through (n) of this section, no condition being considered twice in the determination, or has suffered total deafness in combination with total blindness with 5/200 visual acuity or less, the monthly compensation shall be ~~[\$450]~~ \$525;

(p) in the event the veteran's service-connected disabilities exceed the requirements for any of the rates prescribed in this section, the Administrator, in his discretion, may allow the next higher rate or an intermediate rate, but in no event in excess of ~~[\$450]~~ \$525; and

(q) If the veteran is shown to have had a service-connected disability resulting from an active tuberculous disease, which disease in the judgment of the Administrator has reached a condition of complete arrest, the monthly compensation shall be not less than \$67.

(r) If any veteran, otherwise entitled to the compensation authorized under subsection (o), or the maximum rate authorized under subsection (p), is in need of regular aid and attendance, he shall be paid, in addition to such compensation, a monthly aid and attendance allowance at the rate of ~~[\$150]~~ \$200 per month [for all periods during which he is not hospitalized at Government expense], *subject to the limitations of section 3203(f) of this title.* For the purposes of section 334 of this title, such allowance shall be considered as additional compensation payable for disability.

(s) If the veteran has a service-connected disability rated as total, and (1) has additional service-connected disability or disabilities independently ratable at 60 per centum or more, or, (2) by reason of his service-connected disability or disabilities, is permanently housebound, then the monthly compensation shall

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be ~~[\$265]~~ \$290. For the purpose of this subsection, the requirement of "permanently housebound" will be considered to have been met when the veteran is substantially confined to his house (ward or clinical areas, if institutionalized) or immediate premises due to a service-connected disability or disabilities which it is reasonably certain will remain throughout his lifetime.

\* \* \* \* \*

### § 3203. Hospitalized veterans and estates of incompetent institutionalized veterans

(a)(1) Where any veteran having neither wife, child, nor dependent parent is being furnished hospital treatment, institutional or domiciliary care by the Veterans' Administration any compensation or retirement pay otherwise payable shall continue without reduction until the first day of the seventh calendar month following the month of admission of such veteran for treatment or care. If treatment or care extends beyond that period, the compensation or retirement pay, if \$30 per month or less, shall continue without reduction, but if greater than \$30 per month, the compensation or retirement pay shall not exceed 50 per centum of the amount otherwise payable or \$30 per month, whichever is the greater. If such veteran is discharged from such treatment or care upon certification by the officer in charge of the hospital, institution, or home, that maximum benefits have been received or that release is approved, he shall be paid in a lump sum such additional amount as would equal the total sum by which his compensation or retirement pay has been reduced under this section. If treatment or care is terminated by the veteran against medical advice or as the result of disciplinary action the amount by which any compensation or retirement pay is reduced hereunder, shall be paid to him at the expiration of six months after such termination or, in the event of his prior death, as provided in paragraph (2) of this subsection; and the compensation or retirement pay of any veteran leaving against medical advice or as the result of disciplinary action shall upon a succeeding readmission for treatment or care, be subject to reduction, as herein provided, from the date of such readmission, but if such subsequent treatment or care is continued until discharged therefrom upon certification, by the officer in charge of the hospital, institution, or home in which treatment or care was furnished, that maximum benefits have been received or that release is approved, the veteran shall be paid in a lump sum such additional amount as would equal the total sum by which his compensation or retirement pay has been reduced under this section after such readmission.

(2)(A) In the event of the death of any veteran subject to the provisions of this section, while receiving hospital treatment, institutional or domiciliary care, or before payment of any lump sum authorized herein, such lump sum shall be paid in the following order of precedence: First, to the spouse; second, if the decedent left no spouse, or if the spouse is dead at time of settlement, then to the children (without regard to their age or marital status) in equal parts; third, if no spouse or child, then to the father and mother in equal parts; fourth, if either the father or mother is dead, then to the one surviving; fifth, if there is no spouse, child, father, or mother at the time of settlement, then to the brothers and sisters in equal parts. If there are no persons in the classes named to whom payment may be made under this paragraph, no payment shall be made, except there may be paid only so

much of the lump sum as may be necessary to reimburse a person who bore the expenses of last sickness or burial, but no part of the lump sum shall be used to reimburse any political subdivision of the United States for expenses incurred in the last sickness or burial of such veteran.

(B) No payment shall be made under the last two sentences of section 3202(d) of this title or under this paragraph (2) unless claim therefor is filed with the Veterans' Administration within five years after the death of the veteran, except that, if any person so entitled under the last two sentences of section 3202(d) of this title or under this paragraph is under legal disability at the time of death of the veteran, such five-year period of limitation shall run from the termination or removal of the legal disability.

(b)(1) Where any veteran having neither wife, child, nor dependent parent is being furnished hospital treatment, institutional or domiciliary care by the Veterans' Administration, and is rated by the Veterans' Administration in accordance with regulations as being incompetent by reason of mental illness, the compensation or retirement pay of such veteran shall be subject to the provisions of subsection (a) of this section; however, no payment of a lump sum herein authorized shall be made to the veteran until after the expiration of six months following a finding of competency and in the event of the veteran's death before payment of such lump sum no part thereof shall be payable.

(2) In any case in which such an incompetent veteran having neither wife nor child is being furnished hospital treatment, institutional or domiciliary care without charge or otherwise by the United States, or any political subdivision thereof, and his estate from any source equals or exceeds \$1,500, further payments of pension, compensation, or emergency officers' retirement pay shall not be made until the estate is reduced to \$500. The amount which would be payable but for this paragraph shall be paid to the veteran as provided for the lump sum in paragraph (1) of this subsection, but in the event of the veterans' death before payment of such lump sum no part thereof shall be payable.

(3) Where any benefit is discontinued by reason of paragraph (2) of this subsection the Administrator may nevertheless apportion and pay to the dependent parents of the veteran on the basis of need all or any part of the benefit which would otherwise be payable to or for such incompetent veteran. Paragraph (2) of this subsection shall not prevent the payment, out of any remaining amounts discontinued under that paragraph, on account of any veteran of so much of his pension, compensation, or retirement pay as equals the amount charged to the veteran for his current care and maintenance in the institution in which treatment or care is furnished him, but not more than the amount determined by the Administrator to be the proper charge as fixed by any applicable statute or valid administrative regulation.

(4) All or any part of the pension, compensation, or retirement pay payable on account of any incompetent veteran who is being furnished hospital treatment, institutional or domiciliary care may, in the discretion of the Administrator, be paid to the chief officer of the institution wherein the veteran is being furnished such treatment or care, to be properly accounted for by such chief officer and to be used for the benefit of the veteran.

#### 14 INCREASE COMPENSATION FOR SERVICE-CONNECTED DISABILITIES

(c) Any veteran subject to the provisions of subsection (a) or (b) shall be deemed to be single and without dependents in the absence of satisfactory evidence to the contrary. In no event shall increased compensation, pension, or retirement pay of such veteran be granted for any period more than one year before receipt of satisfactory evidence showing such veteran has a wife, child, or dependent parent.

(d)(1) Where any veteran is being furnished hospital treatment, institutional, or domiciliary care by the Veterans' Administration, no pension in excess of \$30 per month shall be paid to or for the veteran for any period after (a) the end of the second full calendar month following the month of admission for treatment or care or (b) readmission for treatment or care within six months following termination of a period of treatment or care of not less than two full calendar months.

(2) Where the payment of pension to any veteran is subject to the provisions of paragraph (1) of this subsection the Administrator may apportion and pay to his wife or children the balance of the pension which the veteran would receive but for such paragraph (1).

(e) Notwithstanding any other provision of this section or any other provision of law, no reduction shall be made in the pension, compensation, or retirement pay of any veteran for any part of the period during which he is furnished hospital treatment, or institutional or domiciliary care, for Hansen's disease, by the United States or any political subdivision thereof.

(f) *Where any veteran in receipt of an aid and attendance allowance described in section 314(r) of this title is hospitalized at Government expense, such allowance shall be discontinued from the first day of the second calendar month which begins after the date of his admission for such hospitalization for so long as such hospitalization continues. In case a veteran covered by this subsection leaves a hospital against medical advice and is thereafter readmitted to hospitalization, such allowance shall be discontinued from the date of such readmission for so long as such hospitalization continues.*

