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# ***Significant Improvements to Servicemembers' Group Life Insurance Traumatic Injury Protection (TSGLI) Program***

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## **The TSGLI Year-One Review**

TSGLI coverage became effective on December 1, 2005 for all participants in the Servicemembers' Group Life Insurance (SGLI) program. As the original program was being implemented, VA announced it would initiate a Year One Review of TSGLI. This review would be undertaken to assure that the TSGLI program was meeting its intended purpose, that all appropriate conditions were being covered and that the program was operating efficiently and effectively. VA wanted to insure that the TSGLI program was fulfilling its mission to provide short-term financial assistance to severely injured service members and their families and to improve the administration of the program.

VA, in cooperation with DoD, undertook a complete evaluation of the losses covered by the TSGLI program as well as the definitions of eligibility. They met with and requested information from a variety of medical experts, performed independent research, made site visits to medical treatment facilities, had discussions with advocacy groups and case managers, received input from the claims processors in the branches of service, and conducted a comprehensive analysis of over 200 completed cases. Since TSGLI was broadly modeled after Accidental Death and Dismemberment (AD&D) benefits in the commercial insurance industry, VA also examined industry trends relating to AD&D benefits over the last two years.

## **Program Design Enhancements**

The TSGLI legislation mandated coverage of certain specific losses: the total and permanent loss of sight, speech or hearing, amputation of hand or foot, loss of thumb and index finger, quadriplegia, paraplegia, or hemiplegia, burns, coma, or the inability to carry out the activities of daily living resulting from traumatic injury to the brain. The legislation also authorized the Secretary of Veterans Affairs, in collaboration with the Secretary of Defense, to prescribe additional losses.

The following program design changes, all of which were brought to the Team's attention by medical professionals and other stakeholders who are involved with the TSGLI program, were made part of the TSGLI regulation changes, which became effective on November 26, 2008.

## **Expansion of Covered Losses**

### **1) Loss of Sight**

Loss of Sight lasting 120 days or more is considered as "permanent", qualifying the service member for the same payment rate as for permanent loss of sight (\$100,000 for both eyes, \$50,000 for one eye).

### **2) Uniplegia**

Uniplegia (complete and total paralysis of one limb) has been added to the schedule of losses with payment at \$50,000.

### **3) Amputation of the Hand**

The definition of amputation of the hand has been expanded to include loss of four fingers (on the same hand) or loss of thumb, with payment remaining at \$50,000 for one affected hand and \$100,000 for both hands.

### **4) Amputation of the Foot**

The definition of amputation of the foot has been expanded to include loss of all toes, with the payment remaining at \$50,000 for one affected foot and \$100,000 for both feet.

### **5) Loss of Four Toes**

A new category has been created for loss of four toes (on the same foot and not including the big toe) with payment at \$25,000 for one affected foot and \$50,000 for both feet.

### **6) Loss of Big Toe**

A new category has been created for the loss of the big toe, with payment at \$25,000 for one affected foot and \$50,000 for both feet.

### **7) Limb Salvage**

Coverage has been expanded to include limb salvage (multiple surgeries intended to save a limb rather than amputate) with payment equivalent to amputation.

### **8) Burns**

The burn standard, currently 3rd degree (full thickness) burns to at least 30% of face or body, has been expanded to include 2nd degree (partial thickness) burns to at least 20% of the face or body.

### **9) Hospitalization as a Proxy for ADL Loss**

Continuous 15-day inpatient hospital care is deemed a proxy for the first ADL eligibility period for OTI (Other Traumatic Injury) and TBI (Traumatic Brain Injury) claims.

### **10) Facial Reconstruction**

Facial Reconstruction, required as a result of traumatic avulsion of the face or jaw that causes discontinuity defects, has been added to the schedule of losses, with payment levels of \$25,000 to \$75,000, depending upon the severity of the injury.

## **Claims Assistance, Outreach and Administrative Efficiency Enhancements**

### **1) Case Management Model**

A case management approach for TSGLI claims as recommended by the Team is being implemented at the major Military Treatment Facilities. This model utilizes dedicated on-site staff to control and shepherd a patient's claim through all aspects of the claims process.

### **2) TSGLI Claimants Who Are Incompetent to Pursue a Claim**

VA has included a provision in the revised TSGLI regulation that would authorize a Military Trustee under the authority of 37 U.S.C. § 602 to file claims and receive TSGLI payments on behalf of incompetent members.

### **3) Improved Claim Form**

A new TSGLI claim form has been introduced. The form was revised based on feedback from claimants, case managers, medical professionals, TSGLI processing offices, and usability testing results. The new claim form is available on the VA Insurance website under “Traumatic SGLI” at <http://www.insurance.va.gov/sgliSite/TSGLI/TSGLI.htm>.

### **4) Schedule of Losses**

A simplified presentation of the Schedule of Losses has been developed and made available on the VA Insurance website at <http://www.insurance.va.gov/sgliSite/TSGLI/TSGLI.htm>.

### **5) TSGLI and Combat-related Injury and Rehabilitation Pay (CIP).**

In May 2008, CIP was replaced by the Pay and Allowance Continuation (PAC) program. PAC authorizes the continuation of pay and allowances for up to one year to service members who incur a wound, injury or illness in the line of duty while serving in a combat operation or combat zone and are hospitalized for treatment. The Review Team had received anecdotal evidence that interaction with CIP was one factor in the lengthy delays in initiating TSGLI claims, since receipt of TSGLI was a triggering event for the termination of CIP. Many CIP-eligible members delayed applying for TSGLI as long as possible to allow CIP to continue. One of the improvements that the PAC program has over the CIP program is that it de-links a member’s entitlement from TSGLI.

## **Eligibility and Effective Date of Changes**

VA published regulations implementing the program changes effective *November 26, 2008*.

### **Entitlement Dates**

All new and revised losses are retroactive to the earliest eligibility date of the TSGLI program, October 7, 2001.

*Losses due to traumatic events from October 7, 2001 through November 30, 2005* must have been incurred in Operations Enduring Freedom (OEF) or Operation Iraqi Freedom (OIF) which means:

- during deployment outside of the United States on orders in support of OEF or OIF
- or**
- while serving in a geographic location that qualified the service member for the Combat Zone Tax Exclusion under the Internal Revenue Service Code.

*Note: If this criteria is met, it does not matter whether the service member had SGLI coverage during this retroactive period.*

*For losses due to traumatic events incurred from December 1, 2005 to the present, the loss can occur anywhere, regardless of OEF/OIF status, as long as the member was covered by SGLI at the time of the traumatic event.*

## **New Applications**

If service members or veterans wish to file a claim based on the new or revised losses, their branch of service TSGLI office will be able to provide them with claim filing guidance, appropriate claim forms, and claims processing information regarding the new, existing, and revised losses. The branches of service will determine eligibility based on the program additions and changes. Contact information for the branch of service TSGLI offices is available on the VA insurance website at <http://www.insurance.va.gov/sgliSite/TSGLI/TSGLI.htm>.

## **Previously Filed Claims (Denied Claims and Claims where less than \$100,000 Paid)**

If the service member or veteran previously filed a claim, their branch of service TSGLI office will determine their eligibility for any new TSGLI benefits based on the program changes. Based on guidance provided by VA, *the branch of service TSGLI offices will automatically reconsider all previously denied claims and all claims in which less than \$100,000 has been paid to determine if new benefits under the revised program provisions are payable.*

In either situation, if service members or veterans are determined eligible for a benefit, they will be contacted to confirm their current address and banking information without any action on their part.

In addition, VA is conducting data mining from the Joint Patient Tracking and Veterans Tracking Applications (JPTA/VTA) to identify veterans who may have suffered one or more of the new losses or who have losses under the former criteria but never filed a claim.

To expedite the process, service members or veterans who believe they could qualify under the new program changes should contact their branch of service TSGLI office to ensure that:

1. Their previous claim is being reviewed for a new eligibility determination
2. All the required information is of record; and
3. Their current contact and banking information is up to date.

## **Additional VA Assistance to the Branches of Service in support of TSGLI Program Enhancements**

VA provided extensive training to the branch of service TSGLI staff, medical professionals, patient care coordinators and other stakeholders regarding the program changes. VA also prepared a detailed Procedures Guide for use by the branches, worked closely with them to develop outreach letters and procedures, and is closely monitoring the branches' progress in identifying and paying those who are eligible under the new criteria.