## Section A. Decision Authorization

#### Overview

|  |  |
| --- | --- |
| In This Section | This section contains the following topics: |

|  |  |
| --- | --- |
| Topic | Topic Name |
| 1 | Original and Reopened Claim Consideration |
| 2 | General Information on Processing Decisions |
| 3 | General Information on Denials |
| 4 | Denials Based on a Claimant’s Failure to Furnish Requested Evidence |
| 5 | Special Denial Procedures |

#### 1. Original and Reopened Claim Consideration

|  |  |
| --- | --- |
| Introduction | This topic contains general information about the award and denial of original and reopened claims, including   * final stage in adjudicating a claim * responsibility for awarding or denying benefits * requirement to reduce or withhold payments, and * reviewing a reopened claim. |

|  |  |
| --- | --- |
| Change Date | April 6, 2015 |

|  |  |
| --- | --- |
| a. Final Stage in Adjudicating a Claim | The final stage in adjudicating a claim, after all evidence has been collected and reviewed (to include Federal tax information (FTI)), and a rating decision prepared (if necessary), is to   * award benefits, when entitlement exists, and/or * deny benefits when entitlement does not exist.   ***Reference***: For more information about FTI, see M21-1, Part X, Chapter 9. |

|  |  |
| --- | --- |
| b. Responsibility for Awarding or Denying Benefits | A single claim typically involves multiple issues the Department of Veterans Affairs (VA) must resolve. Veterans Service Representatives (VSRs) are responsible for ensuring VA makes a decision to award or deny entitlement to benefits for each issue a claimant raises.  The VSR must   * address all issues based on * eligibility criteria, and * any rating decision, and * inform the claimant of the decision on each issue.   ***Notes***:   * Many adjudication actions will be a combination of awarding and denying entitlement. * The end product (EP) that is controlling the claim must remain pending until VA resolves each of the issues the claimant raised in that claim. |

|  |  |
| --- | --- |
| c. Requirement to Reduce or Withhold Payments | Even if VA assigns a compensable disability rating to a service-connected disability, VA may have to reduce or withhold payments if the Veteran received separation benefits or is receiving military retired pay.  If VA grants an original or increased claim for benefits and concurrently proposes to rate the claimant incompetent, VA   * pays the current, full monthly benefit to the claimant while withholding all *retroactive* benefits, and * releases all withheld benefits to the claimant or an appointed payee once VA makes a final decision on the claimant’s competency.   ***References***: For more information about reducing or withholding payments based on   * a Veteran’s receipt of * military retired pay, see [M21-1, Part III, Subpart v, 5.A](imi-internal:M21-1MRIII.v.5.A), or * separation benefits, see [M21-1, Part III, Subpart v, 4.B](imi-internal:M21-1MRIII.v.4.B), or * a determination of incompetency, see M21-1, Part III, Subpart v, 9.B.2. |

|  |  |
| --- | --- |
| d. Reviewing a Reopened Claim | For a reopened claim, the process for requesting information from a claimant and other sources is the same as it is for an original claim.  If basic eligibility criteria (such as Veteran status, or wartime and minimum active duty service requirements for pension claims) are met, the rating activity must review the following types of reopened claims:   * claims for benefits involving (a) specific disability(ies), and/or * claims in which benefits were previously discontinued due to a change in special eligibility, such as no longer being * permanently and totally disabled, or * in need of aid and attendance (A&A).   ***Important***: The rating activity does *not* need to review pension claims to make a disability determination when income or net worth bar pension entitlement.  ***Reference***: For more information about reopened claims, see [M21-1, Part III, Subpart ii, 2.E](imi-internal:M21-1MRIII.ii.2.E). |

#### 2. General Information on Processing Decisions

|  |  |
| --- | --- |
| Introduction | This topic contains general information on processing decisions, including   * responsibility for processing rating decisions * effective date of payment under 38 CFR 3.31, and * award processing responsibilities. |

|  |  |
| --- | --- |
| Change Date | April 6, 2015 |

|  |  |
| --- | --- |
| a. Responsibility for Processing Rating Decisions | Once Veterans service organizations (VSOs) have been given an opportunity to review completed rating decisions for which they hold valid power of attorney, the rating activity must route the rating decisions directly to authorization activity.  Authorization activity is responsible for processing rating decisions.  ***Reference***: For more information about VSO review of completed rating decisions, see M21-1, Part III, Subpart iv, 7.B.3. |

|  |  |
| --- | --- |
| b. Effective Date of Payment Under 38 CFR 3.31 | It is important to understand the difference between the effective date of *payment* and the effective date of *entitlement*.  Under [38 CFR 3.31](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=fe7b375263d5dc6cab7129ea8c4dd19b&ty=HTML&h=L&r=SECTION&n=se38.1.3_131), VA may not pay monetary benefits based on an original, reopened, or increased award of compensation, pension, or Dependency and Indemnity Compensation (DIC) for any period prior to the first day of the calendar month following the month in which the beneficiary became entitled to the benefit.  ***Example***:  ***Scenario***: The rating activity assigns an increased disability rating to a Veteran’s service-connected back disorder effective April 21, 2012. (This represents the effective date of *entitlement*.)  ***Result***: The effective date of the corresponding increase in the Veteran’s compensation is May 1, 2012. (This represents the effective date of *payment*.)  ***Exception***: Effective October 1, 2011, Section 605 of Public Law 111-275 amended [38 U.S.C. 5111](http://www.law.cornell.edu/uscode/html/uscode38/usc_sec_38_00005111----000-.html) to allow VA to pay disability compensation from the *date of entitlement* to said benefit to any Veteran who retires or separates from active duty due to a catastrophic disability. For VA purposes, "catastrophic disability" means a permanent, severely disabling injury, disorder, or disease that compromises the ability of the Veteran to carry out the activities of daily living to such a degree that he/she requires   * personal or mechanical assistance to leave home or bed, or * constant supervision to avoid physical harm to self or others. |

|  |  |
| --- | --- |
| c. Award Processing Responsibilities | The table below describes who is responsible for specific actions during the award process: |

|  |  |
| --- | --- |
| Who Is Responsible | Actions |
| VSR | * Conduct a cursory review of the rating decision, to include the code sheet, in an attempt to identify any obvious errors, such as failure to consider entitlement to Chapter 35 benefits when a total evaluation is granted and no future exam is required. * Enter additional data pertaining to the decision into the claims-processing system, as applicable. * Generate an award. * Prepare a decision notice for the claimant. * Route the award to a Senior VSR (SVSR).   ***Notes***:   * If the decision notice contains FTI, follow the instructions in M21-1, Part III, Subpart v, 2.B. * VSRs may ***not*** make entries on the RATING screen in the claims-processing system. VSRs should * access these screens only to validate data contained in individual rating decisions, and * notify the rating activity if they identify any inconsistencies. * The processing of a decision is commonly referred to as an “award” action, regardless of whether the decision * constitutes a grant or denial of benefits, or * results in an adjustment of benefits.   ***References***: For more information on   * decision notices, see * [M21-1, Part III, Subpart v, 2.B](imi-internal:M21-1MRIII.v.2.B), and * the [*PCGL User Guide*](http://vbaw.vba.va.gov/bl/21/publicat/Users/Index2.htm), or * processing awards in * the Veterans Service Network (VETSNET) Awards, see the [*VETSNET Awards User and Help Guides*](http://vbaw.vba.va.gov/bl/21/Systems/awards.htm)*,* or * the Veterans Benefits Management System (VBMS), see the [*VBMS-Awards User Guide*](http://vbaw.vba.va.gov/VBMS/Resources_Technical_Information.asp). |
| SVSR | * Review the award and decision notice for accuracy. (Return the award and decision notice to the VSR for correction if errors exist.) * Authorize the award. * Date the decision notice with the expected date of mailing. * Release the following for mailing to the claimant: * decision notice * copy of the rating decision (if applicable), and * any pertinent enclosures. * Return the claims folder to the files activity (if a physical claims folder was used in the award/authorization process).   ***Notes***:   * If the decision notice contains FTI, see M21-1, Part III, Subpart v, 2.B. * A third person, at the level of a Veterans Service Center Manager (VSCM), Pension Management Center Manager (PMCM), or a person designated by the VSCM or PMCM, must concur on any award having a net effect of a payment of at least $25,000.00. |

**3. General Information on Denials**

|  |  |
| --- | --- |
| Introduction | This topic contains general information on denials, including   * definition of a denial * authority of VSRs to make entitlement decisions and deny benefits * authority of RVSRs to make entitlement decisions and deny benefits, and * informal claims and incomplete applications. |

|  |  |
| --- | --- |
| Change Date | April 6, 2015 |

|  |  |
| --- | --- |
| a. Definition: Denial | A decision is considered adenialif, after review of a claim or issue and all evidence associated with it, VA makes a formal decision to   * ***not*** award a benefit the claimant is seeking * confirm and continue a prior decision (This includes rating decisions that confirm and continue a disability rating following a routine future examination or hospitalization of a Veteran.), or * reduce or discontinue benefits.   ***Note***: The initial establishment of a noncompensable disability rating for a service-connected disability is *not* considered a denial. Although compensation is not payable for the disability (except, potentially, under [38 CFR 3.324](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=2016bb4e538b30fe7fac1760e7697ad6&ty=HTML&h=L&r=SECTION&n=se38.1.3_1324)), the noncompensable rating may entitle the Veteran to other VA benefits, such as medical care under [38 CFR 17.37(b)](http://www.ecfr.gov/cgi-bin/text-idx?SID=146fb93a9cd580c985d9f9bee1b49837&node=se38.1.17_137&rgn=div8) and [17.38](http://www.ecfr.gov/cgi-bin/text-idx?SID=146fb93a9cd580c985d9f9bee1b49837&node=se38.1.17_138&rgn=div8). |

|  |  |
| --- | --- |
| b. Authority of VSRs to Make Entitlement Decisions and Deny Benefits | VSRs have the authority to make entitlement decisions and, when supported by evidence, deny benefits if the issue involves   * a basic eligibility determination * an income or net worth determination * a change in the number or status of dependents, or * entitlement to A&A under [38 CFR 3.351(c)(2)](http://www.ecfr.gov/cgi-bin/text-idx?SID=146fb93a9cd580c985d9f9bee1b49837&node=se38.1.3_1351&rgn=div8), based on the claimant’s status as a patient in a nursing home.   ***Restrictions***: VSRs do *not* have the authority to   * determine whether service treatment records (STRs) support a claim for disability compensation, or * deny a claim for survivors’ benefits that involves the issue of service connection for the cause of death without a rating decision.   ***Note***: If basic eligibility is established and the claim requires consideration of any medical evidence, refer it to the rating activity for review. Claims of this nature require a formal, coded rating decision.  ***Exception***: For a list of claims a VSR may deny without a rating decision, see M21-1, Part III, Subpart ii, 7.2.  ***References***: For more information on   * rating activity responsibilities regarding claims for survivors’ benefits, see M21-1, Part IV, Subpart iii, 2 * award adjustments based on changes in income, see M21-1, Part V, Subpart iii, 1.H.1 * changes in the number or status of dependents, when the beneficiary is receiving * pension, see M21-1, Part V, Subpart iii, 1.F * parents’ DIC, see M21-1, Part V, Subpart iii, 1.D.6, or * disability compensation, see M21-1, Part III, Subpart iii, 5.F.5, 6, and 7, and * A&A entitlement under [38 CFR 3.351(c)(2)](http://www.ecfr.gov/cgi-bin/text-idx?SID=146fb93a9cd580c985d9f9bee1b49837&node=se38.1.3_1351&rgn=div8), see M21-1, Part V, Subpart iii, 2.B.2.a. |

|  |  |
| --- | --- |
| c. Authority of RVSRs to Make Entitlement Decisions and Deny Benefits | RVSRs have the authority to make entitlement decisions and, when supported by evidence, deny benefits if the issue involves   * disability ratings * special monthly pension (SMP), which includes * A&A under [38 CFR 3.351(b)](http://www.ecfr.gov/cgi-bin/text-idx?SID=146fb93a9cd580c985d9f9bee1b49837&node=se38.1.3_1351&rgn=div8), and * housebound benefits under [38 CFR 3.351(d)](http://www.ecfr.gov/cgi-bin/text-idx?SID=146fb93a9cd580c985d9f9bee1b49837&node=se38.1.3_1351&rgn=div8) * individual unemployability * hospitalization and/or surgical treatment, and * sufficiency of examination and hospital reports.   ***References***: For more information on   * disability ratings, SMP, and ratings based on hospitalization and/or surgery, see [M21-1, Part III, Subpart ii, 2.F](imi-internal:M21-1MRIII.ii.2.F) * individual unemployability, see M21-1, Part IV, Subpart ii, 2.F.1, and * sufficiency of examination reports, see M21-1, Part III, Subpart iv, 3.D.1. |

|  |  |
| --- | --- |
| d. Informal Claims and Incomplete Applications | Do *not* process a denial if   * a claimant has failed to formalize an informal claim, as defined in M21-1, Part III, Subpart ii, 2.C.1.a, or * after all necessary development, a claimant has failed to submit a substantially complete application, as defined in M21-1, Part I, 1.B.1.a. |

#### 4. Denials Based on a Claimant’s Failure to Furnish Requested Evidence

|  |  |
| --- | --- |
| Introduction | This topic contains information on denials that are based on a claimant’s failure to furnish requested evidence, including   * handling a claimant’s failure to submit evidence VA requested * handling a claimant’s failure to report for a VA examination, and * handling an abandoned claim. |

|  |  |
| --- | --- |
| Change Date | April 6, 2015 |

|  |  |
| --- | --- |
| a. Handling a Claimant’s Failure to Submit Evidence VA Requested | If a claimant fails to submit evidence within a time period VA specified,   * refer his/her claim to the rating activity (if a rating decision is required) * process a denial (or award benefits, if other evidence of record supports a grant or partial grant of the benefits the claimant is seeking), and * prepare a decision notice.   ***Important***:   * If VA denies any portion of a claim because the claimant failed to submit evidence VA requested, the decision notice must * state this fact * explain that other evidence of record does not support the claim, and * inform the claimant he/she must furnish the evidence VA requested within one year of the date of the decision notice in order to remain entitled to benefits from the original date of claim, if VA later establishes entitlement. * Prepare a new decision notice if VA previously denied a claim based on a claimant’s failure to submit evidence, then VA subsequently * makes another determination of non-entitlement based on additional evidence the claimant furnished within one year of the date of the previous notice of denial, or * denies the claim solely on legal grounds.   ***References***: For more information on   * time limits for responding to VA requests for evidence, see * M21-1, Part III, Subpart iii.1.B.2, and * [38 CFR 3.109](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=5e06613b8fc112c42f049d1366e2f5d6&ty=HTML&h=L&r=SECTION&n=se38.1.3_1109), or * preparing a decision notice, see [M21-1, Part III, Subpart v, 2.B](imi-internal:M21-1MRIII.v.2.B). |

|  |  |
| --- | --- |
| b. Handling a Claimant’s Failure to Report for a VA Examination | The table below describes the process for handling cases in which a claimant fails to report for a VA examination without good cause. |

|  |  |  |
| --- | --- | --- |
| Stage | Who Is Responsible | Action |
| 1 | VSR | Refers the claim to the rating activity for consideration. |
| 2 | RVSR | If VA scheduled the examination in connection with an *original claim for disability compensation*, the RVSR decides the claim based on the evidence of record. Otherwise, the RVSR denies the claim ***without*** regard to other evidence of record. |
| 3 | Rating Activity | Routes the rating decision to authorization activity after the claimant’s VSO (if the claimant selected one) has had an opportunity to review it. |
| 4 | Authorization Activity | * Processes an award and/or denial(s), and * issues notification to the claimant.   ***Important***: If a denial is based on the claimant’s failure to report for an examination, the decision notice must   * inform the claimant that VA cannot favorably decide his/her claim without an examination, and * advise the claimant to * notify VA when he/she is ready to report for an examination, or * submit a properly executed disability benefits questionnaire (DBQ). |

|  |
| --- |
| ***References***: For more information about   * “good cause” for failing to report for an examination, see M21-1, Part III, Subpart iv, 8.E.1. * handling a claimant’s failure to report for an examination * in connection with an original or reopened claim, see * [38 CFR 3.655(b)](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=5b03ad0a92e9fbc436e25178205484ca&ty=HTML&h=L&r=SECTION&n=se38.1.3_1655), and * [*Turk v. Peake*](http://vbaw.vba.va.gov/bl/21/Advisory/CAVCDAD.htm#bmt), or * of disabilities to which VA has already assigned a disability rating, see * M21-1, Part IV, Subpart ii, 3.B.1, and * [38 CFR 3.655(b) and (c)](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=5b03ad0a92e9fbc436e25178205484ca&ty=HTML&h=L&r=SECTION&n=se38.1.3_1655). |

|  |  |
| --- | --- |
| c. Handling an Abandoned Claim | If the claimant fails to provide evidence within one year of VA’s request ***and*** VA has not decided the claim as of the expiration of the one-year period the claim will be deemed abandoned.  ***Important***: It is not necessary to advise a claimant of his/her appellate rights for an abandoned claim.  ***Reference***: For additional information about abandoned claims, see [38 CFR 3.158](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=e5f61bb105819546d8cd6047fc7e57c2&ty=HTML&h=L&r=SECTION&n=se38.1.3_1158). |

#### 5. Special Denial Procedures

|  |  |
| --- | --- |
| Introduction | This topic contains information on special denial procedures, including   * changing the basis of a previous denial * denying service connection for the cause of death in burial claims, and * references to other special denial procedures. |

|  |  |
| --- | --- |
| Change Date | April 6, 2015 |

|  |  |
| --- | --- |
| a. Changing the Basis of a Previous Denial | If VA reviews or reconsiders a claim it previously denied and decides to change the basis of the denial, it must reprocess the denial according to the instructions in M21-1, Part III, Subpart v, 2.A.2.c. |

|  |  |
| --- | --- |
| b. Denying Service Connection for the Cause of Death in Burial Claims | If the rating activity denies service connection for the cause of death in an ***original*** burial claim, process the denial through the Benefits Delivery Network (BDN). Otherwise, process the denial by   * clearing the EP that is controlling the claim, and * preparing a decision notice in PCGL.   ***Reference***: For more information on preparing a decision notice, see [M21-1, Part III, Subpart v.2.B](imi-internal:M21-1MRIII.v.2.B). |

|  |  |
| --- | --- |
| c. References to Other Special Denial Procedures | The table below contains references to other special denial procedures |

|  |  |
| --- | --- |
| For more information on … | See … |
| notifying a claimant that election of pension is not in his/her best interest | M21-1, Part V, Subpart iii.5.2.b. |
| notifying a claimant of a denial that is based on his/her income or net worth | * M21-1, Part V, Subpart iii, 1.A.3.a, or * M21-1, Part V, Subpart iii, 1.J.4. |
| notices to state public assistance agencies | M21-1, Part III, Subpart iii, 4.2. |
| preparing a death gratuity certification letter | M21-1, Part III, Subpart vi, 7.6. |
| denying a request for release of information or amendment of records | [*VA Handbook 6300.4, paragraphs 3.d and 3.f*](http://www1.va.gov/vapubs/viewPublication.asp?Pub_ID=701&FType=2). |
| denying claims from certain foreign residents | M21-1, Part III, Subpart vi, 3.B.3. |