

As Veteran Disability Exam Contracts Approach Rebidding Season, Sources Say Veterans Still Face Unnecessary Denials, Delays Due to Low-Quality C&P Exams

Compensation and pension (C&P) exams conducted by private Department of Veterans Administration (VA) contractors continue to suffer from issues with quality, leading to improper disability claim denials, delays in veterans' care, and burdensome appeals, veterans' attorneys and advocates told *The Capitol Forum*.

With several major VA contracts for C&P exams, which are a key part of the disability claims process for veterans, scheduled to expire at the end of 2026, federal contractors, including Leidos (LDOS) and Maximus (MMS), are gearing up for a rebidding session later this year.

Sources said that it's not clear that the Trump administration or Congress will make any changes to C&P exam oversight or contracting in the near future, either in response to concerns about quality or due to cost-cutting measures.

"I don't think that the privatization model is going to go away," Derek Debus, a military and criminal defense attorney who works on veterans' benefits issues at Stone Rose Law, told *The Capitol Forum*. "That being said, if we have to have private contractors, we should have some pretty rigorous oversight to ensure that they're delivering on the thing that we're paying them for."

In the opinion of Andrew Gross, a veterans' benefits attorney at Guidon Legal, "The C&P mill is a complicated problem, and I have seen absolutely no evidence that the VA is even close to wanting to solve it. Instead, they focus on 'veteran fraud,' even though the real fraud is the billions of dollars going to these contractors with zero oversight."

C&P exams are often used to determine a "nexus" for a veteran's disability claim—that is, a medical opinion connecting a veteran's condition or injury to their military service. These exams can also be used to establish a disability rating, which helps determine the level of VA health coverage for which a veteran is qualified.

Attorneys and advocates raised concerns about the qualification and training of contracted C&P examiners and said examiners don't read veterans' entire claims files. They described C&P exams as often being rushed and difficult to schedule, and several attorneys said they see the same copy-and-paste medical opinions from contractors on repeat.

"From what I understand, they basically get paid per examination and per opinion, which to me incentivizes staffing as many appointments as you can in a day, rushing through the exams as

quickly as you can, and then relying on copy-and-paste reasoning for your medical opinions,” Debus said.

“The actual examiner that performs the exam, they're signing off on the exam reports saying that they've reviewed the entire veteran's claims file,” Rick Rousseau, an attorney who represents veterans and service members at Rousseau Legal Services, told *The Capitol Forum*. “We know that's not happening. I review veteran's claims files on a daily basis, and they can be five to 10,000 pages long, and these guys are racking and stacking exams every 30 minutes.”

C&P exams used to be conducted entirely by in-house VA doctors, but the VA started contracting out C&P exams in the late 1990s. Privatization accelerated in the late 2010s, in no small part due to the first Trump administration's efforts, as *The American Prospect* [reported](#) in 2024. Today, about [90 percent](#) of claims are conducted by private contractors.

The Honoring Our PACT Act, passed by former President Biden in 2022, opened the door for more C&P exams. The law expanded the number of “presumptive” conditions—injuries or illnesses that are automatically considered to be connected to service—related to toxic exposure from Agent Orange and waste incineration sites called burn pits. More veterans are now eligible for Toxic Exposure Risk Activity (TERA) exams to evaluate the severity of these conditions.

“I have a couple of veterans that have developed psoriatic arthritis as a result of being around the burn pits, and they are sent to a VA contract examiner,” Wesley McCauley, a VA accredited representative and founder of United Veteran's Disability, told *The Capitol Forum*. “They'll say, ‘Well, he doesn't have psoriatic arthritis because we did an X-ray on him and it was negative.’ Well, that's not the diagnostic criteria for psoriatic arthritis [...] what we're seeing is a lot of examinations that are just based on lack of training.”

Last July, the VA Office of Inspector General published [findings](#) that the “VBA [Veterans Benefits Agency] did not take required corrective actions on at least an estimated 25 percent of veterans' denied claims related to burn pit exposure” following a 2022 OIG report.

Quinn Slaven, press secretary at the VA, told *The Capitol Forum* in a statement, “VA has a duty to assist Veterans with obtaining available medical records and documentation to support their claim, which can include a medical examination or opinion at a VA facility or with a contracted compensation and pension (C&P) medical examiner. VA maintains oversight to ensure high quality exams, training compliance, and valid and unrestricted credentials of the examiners.”

Current contracting landscape. A Leidos subsidiary, QTC Health Services, has captured the largest share of disability examination awards from the VA—\$5.2 billion since 2018, according to [GovTribe](#). Maximus’ Veterans’ Evaluation Services (VES) has taken \$3.8 billion in awards since then, and UnitedHealthcare’s (UNH) Optum Serve, another major C&P contractor, has taken \$3.7 billion.

QTC, VES, Optum Serve, and Loyal Source Government Services, a player in the C&P exam contracting space since 2022, were all granted C&P exam contracts that started January 1, 2025 and will end on December 31, 2026.

The awards, based on geographic region, are worth [\\$3.5 billion](#), [\\$3 billion](#), [\\$3.4 billion](#), and [\\$2.4 billion](#), respectively. The companies all have multiple VA contracts expiring under these parent contracts at the end of the year.

Both Leidos and Maximus have told investors they expect to recompete for their C&P contracts later in 2026.

A recompete and bid will come “somewhere in the summer,” Leidos CEO Thomas Bell said in a February 17 investor call. “As we announced Health as being one of our growth pillars, we have no intention to cede this market space despite [...] the entry of the fourth vendor and the possibility of a work share reallocation.”

Bell said the VBA will be looking for three things: “They want to see costs come down. They want to see the number of veterans that get services go up and they want to see the efficiency and effectiveness of those exams be less mistake-prone.”

On a February 5 earnings call, Maximus CFO and Treasurer David Mutryn said the company’s “current contracts have a period of performance through December 31, 2026 [...] Presumably, the RFP and everything will come out between now and then. We remain confident in our performance under the current contract and that remains to be the timing.”

Maximus CEO Bruce Caswell told investors, “We don't want you to have the impression that we are kind of just waiting for the rebid to come out. We actually have been very, very busy with technology investments that can improve the veteran experience, reinvesting back into that program for government to make it a better veteran experience enable us to have the capacity that we believe will be required under the rebid, while maintaining high quality levels.”

In the last quarter of 2025, Leidos, Maximus and UnitedHealth Group lobbied Congress on issues including disability exams and processing, veterans' services, VA funding, Department of Government Efficiency (DOGE) efforts and changes to federal staffing and contracting, according to the Senate lobbying disclosure site.

The companies don't break out individual earnings from C&P exams. Leidos' Health & Civil segment, which includes veterans' services, generated \$5.05 billion in revenues in 2025, 30% of the company's total revenues, according to Leidos' [10-K](#). Maximus' U.S. Federal Service Segment accounted for 56% of revenues in 2025, the company [reported](#).

In line with sources' claims that large contractors use per-exam payment structures, the [VES website](#) tells providers they can be "paid for each exam and grow [their] revenue" and online physician assistant forums suggest that QTC contractors are also paid a per-exam rate. QTC's medical evaluation agreement [site](#) says "QTC will pay Contractor the price specified in this Agreement."

"If you think about it, what is the incentive of the contractors to do a better job?" McCauley said, arguing that per-exam payments could incentivize denials. "Because there's already been that initial denial, the contractor, they're going to get to keep their fee, but they're going to have to do another exam."

UnitedHealth Group and Loyal Source Government Services did not respond to requests for comment. Maximus declined to comment.

Leidos' QTC shared the following statement: "Leidos QTC Health Services is committed to delivering high-quality, timely, and objective medical disability examinations in support of the Department of Veterans Affairs (VA) and the veterans it serves. Our examiners are licensed, credentialed medical professionals who are trained in accordance with VA requirements, with additional training informed by our decades of experience supporting this mission.

"Our work is guided by VA-directed protocols and supported by robust quality assurance processes, including ongoing VA oversight and review. We continuously invest in training and process improvements to promote consistency, accuracy and reliability across every exam.

"We remain focused on ensuring veterans receive thorough, individualized evaluations and on working in close partnership with VA to support a fair and efficient claims process."

Attorneys, advocates describe poor C&P exam quality leading to denials and appeals. Several veterans' benefits attorneys and advocates told *The Capitol Forum* that C&P exams often seem to be bogged down by staff that aren't properly trained or qualified.

"The problem that I typically see in these exams is that they're going to examiners that aren't necessarily qualified," Debus said. "So, by that, I mean an 86-year-old man with Parkinson's might get sent to a gynecological nurse practitioner for a complex Parkinson's exam, because the threshold for VA to qualify these people is very, very low."

Sources also described seeing the same "copy-and-paste" medical language coming out of C&P exams, an issue that they said pops up across contractors and regions.

"I feel like they're picking rationales from dropdown menus or something, because there's very little actual discussion," Gross said. "Let's say take a veteran with PTSD—we will say that migraines, the person's headaches, are caused or exacerbated by the person's PTSD, and we'll get an exam result back and they'll say, 'Well, no one really knows what causes migraines, but we do know that they're caused sometimes caused by stress and/or lack of sleep.'"

Then, the claim "comes back to the VA, and the VA employee has no incentive to go, 'Wait a minute, this exam is nonsense,' so they rubber stamp it and push it out the door," Gross said.

"What I've seen a lot is blanket copy-and-paste rationales," McCauley said. "What are we paying these contractors for, to literally just copy and paste rationales that's not specific to this particular veteran?"

McCauley added that he's seen medical opinions based on what he described as "generalities."

"I'll give you an example—I've got a female veteran that's got cervical cancer,' McCauley said. "She was exposed to jet fuel during service. She had an episode where a tank literally just leaked all over her, right? And we keep getting exams back that say, 'Oh, a post-service event is more likely—it could be due to her age, it could be due to smoking.'"

It also doesn't seem that C&P examiners are reading a veteran's full claim file when making medical decisions, sources said.

"Our veterans regularly come back to us and tell us that when they go for an exam, the examiner is telling them all they have access to is what was tabbed," Rousseau said. "By time the exam gets

down to the local VA examiner that's doing the examination, maybe somebody has only pulled out certain things for them to look at.”

According to McCauley, “I know for a fact they don't have access to all of [a vet’s medical records].” He said a veteran’s medical record is already “tabbed” by a VA claims processor by the time it gets to the contract examiner.

Gross agreed that “the C&P examiner does not get the entire claims file.” Plus, in sending exam requests to contractors, the VA doesn’t “take any kind of holistic approach,” Gross said.

“Instead of asking the examiner broadly, ‘Hey, is there any way this sleep apnea could be related to service? And if so, how? And is it as likely as it is not that it is because of this?’ they ask, ‘Did this person's right knee cause sleep apnea?’” Gross said. “I think from the outset, the system is horrifically designed and then you add on another layer of absolutely no oversight.”

McCauley said veterans may also suffer from scheduling constraints imposed by contractors. Contractors try to schedule veterans for C&P exams on short notice, he said, and then when the veterans can't make it in on time, the contractor sends the scheduling order back to the VA—sometimes resulting in a 20- or a 30-day delay before the claims processor requests a new exam.

The Veterans Claims Assistance [Act](#) of 2000 establishes that the VA has a “duty to assist” veterans during the claims process. Rulemaking states that the appeals process must be [non-adversarial](#) to the veteran, and that veterans should be given the [benefit of the doubt](#) in disability exams.

“The veteran system is supposed to be non-adversarial by statute, but in practice it may be more adversarial than what people want to believe,” Eric Gang, an attorney who represents veterans in claims appeals, told *The Capitol Forum*.

Sources also pointed to court rulings, like *McLendon v. Nicholson*, which have found that evidence in disability examinations should be used in favor of the veterans.

“The court has told the VA that [certain types of medical opinions are] inadequate, but the VA doesn't train their raters sufficiently, or doesn't oversee their raters sufficiently, such that those medical opinions are being caught and returned,” Debus said.

Unnecessary appeals “could be avoided if we just held the contractor's feet to the fire and made sure that they were giving us adequate medical opinions and not using the same copy-and-paste language,” Debus said.

Sources said that under President Trump, C&P exams do appear to be moving more quickly—the VA [claimed](#) to have reduced the backlog of exams to below 100,000 for the first time since 2020. But “it's the quality piece that's the hit or miss,” Rousseau said.

In Gang's words, “For veterans that are trying to do this process on their own, it's a frustrating thing because they're powerless. The VA and the government control the doctors by having the resources to hire them and pay their salaries if they're outside contractors or if they're in-house doctors, respectively.”

Risks and political considerations for C&P exams, contracting. Some sources expressed doubt that the VA or Congress will take any action to improve the quality of C&P exams in the near future. Also, a shift away from privatization seems unlikely, sources said.

“I just see very little indication of movement on the part of the Trump administration,” Suzanne Gordon, senior policy analyst at the Veterans Healthcare Policy Institute, told *The Capitol Forum*. “And I don't see enough attention being placed on this on Capitol Hill.”

Even if the VA and Congress do not take action to address alleged quality issues and the push towards C&P exam privatization continues, existing contractors could see risk if additional entrants are added—or incumbents replaced—during the rebid process later this year.

Historically, the VA has shown itself to be willing to increase the number of C&P exam contractors in accordance with demand. The department added Loyal Source Government Services, boosting the number of major C&P exam contractors from three to four, in 2022 as demand rose following the PACT Act.

When it comes to oversight risk, there has been some interest in C&P exams on the Hill. For instance, Senator Elizabeth Warren (D-MA) sent a [letter](#) to the VA in light of “disturbing reports of inadequate and unprofessional treatment of Massachusetts veterans by private vendors during Department of Veterans Affairs (VA) compensation and pension (C&P) examinations” in April 2024. Legislators such as Sen. Richard [Blumenthal](#) (D-CT) and Sen. Jim [Banks](#) (R-IN) have in recent years proposed bills aimed at improving the efficiency and favorability of C&P exams.

But in McCauley's opinion, “I don't think it's quite caught the radar of Congress yet [...] the VA, they've only recently started outsourcing a lot of their exams.”

On the regulatory side, Rousseau said it's possible that the VA could pursue efforts to trim unnecessary exams, particularly in the wake of the PACT Act.

“It took a while for the VA to start doing [TERA exams] properly, and at times they order a TERA exam for something that doesn't make sense,” Rousseau said. “I think [one] of the things the VA will probably try to be doing is look at, where are we ordering unnecessary exams? Because [...] these contracts are quite large.”

VA Secretary Douglas A. Collins [said](#) in a December 2, 2025 cabinet meeting that the VA was looking to curb unnecessary C&P exams: “[For] disability claims, where they say, ‘Well, let me send you to a doctor to make sure,’ most of the time we have that already in the record, [and] we're working out where those could actually be changed, where we can just look at the record and not have to send them to a doctor,” Collins said.

The VA also appears to have taken interest in what the department describes as fraud in Disability Benefits Questionnaires (DBQs), medical forms that support veterans' disability claims. A VA official [said](#) in a House hearing in February that the government would launch a “tool” later this year to more closely review DBQs for signs of fraud.

The announcement faced backlash, and the agency later [told](#) military news outlet *Task & Purpose* that the tool would not be used to deny benefits and would instead focus on “organized fraud rings [...] posing as legitimate medical providers.” This may be a reference to third-party entities known to some as “claims sharks”—non-VA-accredited companies that purport to help veterans with disability claims but that critics describe as predatory.

“Right now it feels like we're sort of in a contraction, where the VA is slightly more concerned about fraud and therefore wanting to order more confirmatory examinations when there's, you know, suspicious medical evidence coming through,” Debus said. “That kind of turns that duty to assist into a duty to verify the private evidence, which doesn't really solve the problem of bad contractors.”

The VA also [proposed](#) changes to the disability rating system in February. The rule includes changes such as evaluating tinnitus “as a symptom of the underlying disease which causes it, rather than as a stand-alone disability.”

Broadly speaking, any regulatory move that reduces disability benefits for veterans “would be a tremendous loss of profit for these [C&P] companies,” Gordon said, although threats to VA benefits will always face political pushback.

For instance, in February, the VA immediately [halted](#) the enforcement of an interim final [rule](#) that would have tied veterans' disability compensation to "the actual level of functional impairment they experience," meaning the VA would factor in "ameliorative effects of medication" in making these decisions, in response to veterans' concerns.

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