

Terry Schow, President, National Association State Directors of Veterans Affairs

Testimony Script

NATIONAL ASSOCIATION OF STATE DIRECTORS
OF VETERANS AFFAIRS

Joint Hearing of the House and Senate
Veterans' Affairs Committees

March 18, 2010

Presented by

Mr. Terry Schow

President, National Association State Directors of
Veterans Affairs

Executive Director, Utah Department of Veterans Affairs

INTRODUCTION

Mr. Chairman and distinguished members of the committee, my name is Terry Schow, Executive Director of the Utah Department of Veterans Affairs, and the President of the National Association of State Directors of Veterans Affairs (NASDVA). I am honored to present the views of the Directors of Veterans Affairs for all fifty states, the District of Columbia, American Samoa, Northern Mariana Islands, Puerto Rico and the Virgin Islands. Our Senior Vice-President Linda Schwartz from Connecticut is with me.

State governments are a vital "partner" with the federal VA in delivering services. We are the second largest provider of services to veterans and our roles continue to grow. Collectively, states contribute more than \$5 billion each year in support of our nation's veterans and their families even in the face of constrained budgets. Our duties include honoring and working with all veterans and the various veterans' organizations both within our states and nationally.

We applaud the cultural change at federal VA in recognizing the importance of the VA "partnership" with State Departments of Veterans Affairs (SDVA) and the concerned, compassionate leadership demonstrated by Secretary Shinseki and his senior leaders. SDVA as governmental agencies, not membership organizations, are tasked by our respective Governors, Boards and/or Commissions with the responsibility to address the needs of our veterans irrespective of age, era of service, military branch or circumstance of service. On a daily basis, State Directors and their staffs are confronted with unique situations in caring for all veterans, which often needs to be addressed in a timely manner. Delivery of meaningful services and support many times is best orchestrated at the local level. Our offices and facilities along with federal VA facilities blanket the country.

FUNDING FOR VA

NASDVA appreciates the efforts of the Administration and Congress to improve overall funding for health care, cemetery operations, homeless veterans programs, community clinics, and claims processing. Increases in VA funding, as reflected in the FY2010 and FY2011 budgets, provides a 20% increase over FY2009. The budgeting change for an advanced appropriation for FY2012 will provide for continuity of programming and services.

We are serving a new generation of veterans from eight years of war who must receive medical care, establishment of benefits and needed assistance transitioning to civilian life after their dedicated service. This funding support by Congress will provide the wherewithal to address three major areas of emphasis:

- First, the overall access to VA. In essence, VA should be the provider of choice for veterans;
 - second, reducing the backlog in claims processing;
 - And third, the stated goal by Secretary Shinseki of eliminating homelessness among veterans.
- Another ongoing challenge is to meet the critical demand for mental health services, which needs continued funding and focus. Likewise, there should be increased funding to veterans' healthcare in rural areas and veteran-owned businesses through SBA.

OUTREACH AND TRANSITION

NASDVA supports continued efforts to reach out to veterans. We firmly believe all veterans, regardless of where they reside, should have equal access to federal and state benefits and services, and that federal and state governments must collaborate to achieve this goal nationally. Many areas of the country are still short-changed due to veterans' lack of information and awareness of their benefits. This directly impacts their access to VA services. Federal VA and SDVA must work together to reduce this inequity by reaching out to veterans regarding their earned benefits. NASDVA supports implementation of a grant program that would allow VA to partner with the states to perform outreach at the local level.

We commend VA for their commitment to providing responsive and efficient delivery of benefits and services to returning Iraq and Afghanistan combat veterans. They are the benefactors of better awareness of available benefits for themselves and their families and the improved process for receiving them. We agree with the recommendations of the recent commissions (Task Force on Returning Global War on Terrorism Heroes, the Independent Review Group, the Dole/Shalala Commission, and the Commission on Veterans' Disability Benefits) that DoD should be responsible for the physical examination for fitness to serve and VA should be responsible for determining the disability rating. Likewise, steps should be taken to make disability processing less confusing, eliminate payment inequities, and provide a foundation with appropriate incentives for injured veterans to return to productive life.

The joint DoD/VA Disability Evaluation System (DES) pilot should be further expanded. We support the efforts of Congress to have medical advocates to help wounded warriors mitigate the confusing array of paperwork and procedures. SDVA support the collaborative efforts being taken among federal agencies to improve the timeliness, ease of application, and delivery of services and benefits, and strongly encourage the VA and DoD to use the states to assist them in these efforts.

State Directors have clearly witnessed how employment is essential to a successful transition from uniformed service to civilian status. Future legislation must preserve the DoL VETS (Veterans Employment and Training Service) state grants program, and equally as important provided under the Jobs for Veterans Act; the states need the flexibility to determine how best to integrate the LVER/DVOPS (Local Veterans Employment Representatives/Disabled Veteran Outreach Program Specialists) into their state employment service delivery systems. The move of the VETS program in Texas to their SDVA (Texas Veterans Commission) has been highly successful and serves as a good example. We strongly believe that LVERs and DVOPs should

not only provide employment and reemployment assistance, but make appropriate referrals for veterans to receive benefits counseling, education and healthcare information. We commend the Administration's renewed emphasis on hiring veterans for federal employment and both DoL and DoD need to continue to promote awareness of the provisions and benefits under USERRA (Uniformed Services Employment and Re-employment Rights Act).

VETERANS HEALTHCARE BENEFITS AND SERVICES

State Directors actively support increasing veterans' access to VA Healthcare. This involves being engaged with the VA Medical Centers on establishing and locating additional Community-Based Outpatient Clinics (CBOC) (including Tribal Reservations) with mental health services, expansion of Vet Centers, the deployment of mobile health clinics, and the use of tele-health services where appropriate. We applaud the efforts by VA to address the particular issue of healthcare for women veterans and veterans residing in rural areas. Future healthcare funding to expand outreach and access will have to include tele-health, tele-home health and tele-medicine. Likewise, we support VA contracting-out some specialty care to private-sector facilities where access is difficult.

VA Research and Development needs to focus on enhancing the long-term health and well-being of the veteran population particularly the new conditions such as Gulf War Syndrome, PTSD, and the effects of TBI. Attention must still be given to the continued funding support of the large capital projects identified and recommended by CARES while maintaining VHA's infrastructure of 153 hospitals, 951 CBOCs, and 232 Vet Centers.

NASDVA fully agrees and supports the efforts by VA and DoD in developing the seamless integration of electronic health records and recommends further integration of electronic health records between the VA and SDVA. DoD should develop a formal program that would provide SDVA with the names of returning service members in order for states to connect veterans to all federal and state benefits and services. We support initiatives to ensure that all of our wounded warriors who suffer from TBI and PTSD have access to the most advanced and current treatment options available regardless of their military status. There should be expanded screening for PTSD among all combat veterans. We share the concern about the mental health of service personnel, especially the number of suicides and long-term effects of PTSD. We appreciate the proactive steps such as the suicide hotline and the role by all agencies in addressing the underlying causes for suicide.

NASDVA recommends an in-depth examination of long-term care and mental health services, to include gap analysis clearly identifying where services are lacking. Any study should include consultation with SDVA. State Veterans Homes (SVH) are a critical component of long-term healthcare for veterans and a model of cost-efficient partnership between federal and state governments. SVH bear over half of the national long-term healthcare workload for our infirm and aging veteran population. The federal government should continue to fulfill its important commitment to the states and ultimately to the individual veterans in need of this care. We recommend that the VA pay states a more equitable per diem rate representing 50 percent of the states' average costs, as allowed by law.

NASDVA strongly recommends that the VA review the regulations and ensure that their implementation of Public Law 109-461 (Veterans Benefits, Health Care, and Information

Technology Act of 2006) does not threaten the future of State Veterans Homes and their continued ability to meet the needs of our veterans. Sufficient funding of at least \$100M for the SVH Construction Grant and Per Diem Program is essential to keep the existing backlog of projects from growing to further unacceptable levels. VA should develop a strategic plan for long-term care services that maximizes the role of SDVA and SVH homes in providing care for our nation's veterans. The success of VA's efforts to meet the current and future long-term care needs of veterans is contingent upon resolving the current mismatch between demand and available funding. The SVH program is the most cost effective nursing care alternative.

NASDVA supports full reimbursement for care in State Veterans Homes for veterans who have a 70% or more service-connected disability or who require nursing home care because of a service-connected disability. There are two very important issues to implement this reimbursement: first, there needs to be a clear definition and understanding for the calculation of the "full cost of care", and second, the Congressional legislation needs to allow states to bill Medicare and Medicaid.

COMPENSATION AND PENSION BENEFITS

NASDVA recommends a greater role for SDVA in the overall effort to manage and administer claims processing, regardless of whether the state uses State Employees, nationally chartered Veterans Service Organizations (VSO) and/or County Veterans Service Officers. Collectively, we have the capacity and capability to assist the Veterans Benefit Administration (VBA).

Additionally, a collaborative effort should take place on the establishment of standards for training, testing, accrediting, and recertifying Veterans' Service Officers to include continuing education and performance standards. We can support VA in their "duty to assist" without diminishing our role as the veterans' advocate. Access to VBA data systems would enhance service officer integration in the delivery of benefits services to veterans. Veteran access to competent claim assistance is still very much an accident of geography.

Military retirement pay and service-connected disability compensation are both earned entitlements and should be received concurrently. We applaud legislation that corrected this inequity for those who are rated 100% disabled by VA. Now this must be corrected for all military retirees regardless of their level of disability. Thus, NASDVA supports passage of legislation to eliminate time-phased concurrent receipt.

NASDVA supports the recommendations of the Veterans Disability Benefits Commission to streamline the delivery of disability benefits by updating the VA Rating Schedule, realigning the DoD/VA process for rating disabilities, and developing and implementing new criteria specific to rating Post-Traumatic Stress Disorder (PTSD).

BURIAL AND MEMORIAL BENEFITS

We applaud the great work of the National Cemetery Administration. The State Cemetery Grant Program has greatly expanded our ability to provide gravesites for veterans and their eligible family members in those areas where national cemeteries cannot fully satisfy burial needs. It supports the NCA goal of providing burials services to all veterans in a 75 mile radius. The 74 cemeteries in 36 states, Guam and Saipan will conduct roughly 28,000 interments in FY10. However, the proposed FY11 funding of \$46M should be increased to at least \$50M in order to help address the 60 applications on the FY10 Priority List for funding with outstanding projects totaling \$160M. Obviously, this creates a backlog for grant funding, denying some veterans and

eligible family members a final resting place and lasting memorial to commemorate their service to our nation.

NASDVA strongly recommends an increase in burial plot allowance from \$300 to \$1,000 in order to offset operational costs borne by the states for interment of veterans. The allowance is not received for burial of family members. This increase should also apply to the plot allowance for veterans' interments in private cemeteries. Once a state establishes a state veterans cemetery there is limited funding to help defray operational costs. The federal O & M grant (from PL110-157) of only \$5M is insufficient.

States cemeteries should be part of the NCA National Shrine program through the triennial reviews that are currently being conducted. There should be a formal certification and form of identification at the cemetery site establishing that they have achieved National Shrine operational standards and measures.

HOMELESSNESS AMONG VETERANS

NASDVA applauds the initiative by the Secretary of Veterans Affairs for establishing a goal to end homelessness among veterans within five years and encourage the VA to partner with SDVA. Programs should address the barriers to homeless veterans e.g., medical issues (mental and physical), legal issues, limited job skills, and work history. We appreciate the increased funding for specialized homeless programs such as Homeless Providers Grant and Per Diem, Health Care for Homeless Veterans, Domiciliary Care for Homeless Veterans, and Compensated Work Therapy. It is vital to continue VA's partnership with community organizations to provide transitional housing and the VA/HUD partnership with public housing authorities to provide permanent housing for veterans and their families. There should be official coordination between the VA Program Office for homeless veterans and SDVA for grant applications and awards to organizations within their respective state for homeless veterans. This would assist in fiscal accountability and local oversight of the services provided.

NASDVA supports efforts to diminish the national disgrace of homelessness among veterans. We applaud the permanent authority for the Homeless Providers Grant and Per Diem Program and the proposed authorization to increase annual spending to \$130M. SDVAs would prefer per diem funds for homeless veterans pass through the state to non-profit organizations, ensuring greater coordination.

CONCLUSION

Mr. Chairman and distinguished members of the VA committees, we respect the important work that you are doing to improve support to veterans who answered the call to serve our great country. VA State Directors remains dedicated to doing our part, but we urge you to be mindful of the increasing financial challenge that states face, just as you address the fiscal challenges at the federal level. I would like to emphasize again, that we are "partners" with VA in the delivery of services and care to our nation's patriots.

This concludes my statement and I stand ready to respond to your questions.