

David Fletcher, President, National Association State Directors of Veterans Affairs

NATIONAL ASSOCIATION OF STATE DIRECTORS OF VETERANS AFFAIRS

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Veterans' Affairs Committees
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Presented by
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Veterans Affairs
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INTRODUCTION

Madam Chairman, Mr. Chairman and distinguished members of the committee, my name is David Fletcher, Director of the Arkansas 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 State Directors of Veterans Affairs for all fifty states, the District of Columbia, American Samoa, Northern Mariana Islands, Puerto Rico and the Virgin Islands. Here with me today is our Past President Terry Schow (Utah), Junior Vice President Clyde Marsh (Alabama), our Executive Director Les Beavers (Kentucky), and Director's Paul Galanti (Virginia) and Tom Moe (Ohio), both of whom were Vietnam POW's in the infamous Hanoi Hilton.

State governments are a vital "partner" with the federal VA in the delivery of services to our veterans. This partnership between NASDVA and USDVA was formalized with the signing of a Memorandum of Understanding (MOU) with Secretary Shinseki during our Mid-winter conference. The MOU pledges the two organizations to maintain effective communications, an exchange of ideas and information, identification of emerging needs, and continuous reevaluation of existing programs.

Nationally, we are the second largest provider of services to veterans and our roles continue to grow. Collectively, states contribute more than \$6 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 their family members, 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. We are serving a new generation of veterans from a decade of war who must receive medical care, establishment of benefits and needed assistance transitioning to civilian life after their dedicated service. Increases in VA funding, as reflected in the FY2013 budget proposal, provides a 10.5% increase over FY2012 with only 4.5% increase in discretionary funding. The Medical Care Advanced Appropriation for FY2014 is 3.3% above the 2013 request.

The full funding support by Congress will provide the wherewithal to address VA's continued three major areas of emphasis: overall access to VA wherein VA should be the provider of choice for veterans; eliminate the backlog in claims processing; and 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, particularly in light of the TBI and PTSD injuries from Iraq and Afghanistan. Likewise, there should be increased funding to veterans' healthcare in rural areas, and employment opportunities for returning veterans.

OUTREACH AND TRANSITION

NASDVA supports continued efforts to reach out to veterans. We 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 improve 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 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 a productive life.

The joint DoD/VA Integrated Disability Evaluation System 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. 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.

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).

State directors have clearly witnessed how employment is essential to a successful transition from uniformed service to civilian status. Future legislation must preserve the VETS (Veterans Employment and Training Service) state grants program. The states need the flexibility to determine how best to integrate the DVOP/LVER (Disabled Veteran Outreach Program Specialist/Local Veterans Employment Representative) 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 believe DVOP/LVER personnel are being under-utilized in their ability to assist veterans and we recommend Congress and DOL allow DVOP/LVER staff to work with the SDVA offices to offer veterans benefit information in addition to the employment and training duties. 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 Uniformed Services Employment and Re-employment Rights Act (USERRA).

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 is necessary to expand outreach and access 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 for the veteran is difficult.

VA Research and Development needs to focus on enhancing the long-term health and well-being of the veteran population particularly the 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 in VA's Strategic Capital Investment Plan (SCIP) while maintaining and addressing the backlog in O&M needs in VHA's infrastructure of 153 hospitals, 951 CBOCs, and 232 Vet Centers.

NASDVA fully agrees and supports the joint effort by VA and DoD in developing the seamless integration of electronic healthcare records (iEHR) to share health information, and recommends further integration of electronic health records between the VA and SDVA. 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

The State Home Grant and Per Diem Program is the largest and most important partnership between the SDVA and USDVA. 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 are the largest provider of long-term care to America's veterans providing a vital service to elderly and disabled veterans with skilled nursing, domiciliary, and adult-day health care services. There are 142 homes in 50 states and the Commonwealth of Puerto Rico. In fact, state homes now provide 52 percent of all VA authorized long-term care. Within the State systems there are some 31,000 operational beds including 24,000 with skilled nursing care. World War II, Korean War and now the Vietnam veterans are aging rapidly, with nearly one million veterans now over the age of 85. This partnership is critical in meeting the individual veterans' needs for nursing care.

NASDVA and the National Association of State Veteran Homes (NASVH) have actively advocated for the principle that veterans in our Homes are entitled to the same level of support from VA as veterans placed in VA community Contract Nursing Homes. SVH's sole focus is on veterans and providing them high quality of care, which makes it the best choice and most cost effective. Both national associations have been engaged with Congress to demonstrate program need and level of funding support. We have maintained that the benefit is to the veteran, regardless of where they choose to receive their care.

In the Millennium Health Care Act of 1999, Congress directed USDVA to pay for nursing home care for veterans with a service-connected disability rating of 70 percent or more, and for veterans who have sustained service-connected disabilities that require nursing home care. While VA provides full cost of care in either a VA or community contracted nursing home this has not been the case for SVH. This created a disparity in reimbursement for cost of care. With the enactment of the PL 109-461, Veterans Benefits, Health Care, and Information Technology

Act of 2006, Congress approved payments by the VA to SVH and authorized VA to place severely disabled service-connected veterans directly in state homes and stipulated that VA was required to reimburse SVH for the “full cost of such care.”

The reimbursements for the full cost of care and the regulations that guide the process have not been resolved. The notice of “Regulations” required for the implementation of this legislation languished. VA did not issue regulations to implement the program until April 29, 2009 (effective May 29, 2009). The 2½ year delay in issuing regulations to implement the new per diem program caused difficulties not only with record-keeping and administrative problems, but veterans and their families did not receive the financial relief they were promised. Additionally, language specifically prohibits reimbursement for Medicare authorized services and all Medicaid reimbursement for the care. Under the proposed system, several SVH report that under these proposed regulations, reimbursement is less than the actual cost of care.

USDVA has been actively engaged with both NASDVA and NASVH to formulate a workable solution that will maintain the spirit and intent of past congressional legislation and be cost effective to SVH providers. NASDVA recommends congressional legislation which would 1) permits SVH to elect to receive payments from VA within the provisions of 38 CFR 1720 known as the “Community Nursing Home Provider Agreement”, 2) remove “lesser of” language and establishes VA enhanced per diem rates at the prevailing rate under 38 CFR 1745, and 3) permits SVH to “opt out” annually and receive payments from the VA under 38 CFR 1741 (regular per diem program).

NASDVA continues to support changes to the present program. VA needs to develop a strategic plan for Long Term Care for our Nation’s Veterans that maximizes the role of SVH. VA should implement measures to assure that States are paid a more equitable per diem rate representing the 50 percent of the States' average costs, as allowed by law, and that the policies governing the program be amended to allow new State veterans homes up to 50 percent of the total cost of care paid retroactively from the date of the first veteran's admission to the new home.

Congress should appropriate sufficient funding to keep the existing backlog of projects in the State Extended Care Facilities Construction Grant Program at a manageable level to assure life safety upgrades and new construction are timely. In order to keep the existing backlog of projects from growing to further unacceptable levels, sufficient funding is essential for the SVH Construction Grant and Per Diem Program of at least \$100M in lieu of the \$85M in the FY2013 budget proposal.

VETERANS BENEFITS SERVICES

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 (CVSO). 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, and accrediting the CVSO 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 and uniform paperless claims software would enhance service officer integration in the delivery of benefits services to veterans. NASDVA strongly supports VBA’s development of the paperless claims processing system (VBMS). Several states have already developed their own paperless claims processing systems. In an effort to facilitate VBA’s design, NASDVA has formed an IT Task Force of five states (VA, CA, KY, SD, and UT) to work directly with VBA.

Each state strives to fulfill the mission of identifying and connecting veterans to their benefits. We continue to be concerned that the census does not count Veterans or disabled Veterans other than through the Americas Community Survey which only samples ten percent of the population and is not a hard count. We urge the Congress to mandate counting of Veterans in the next census.

A common barrier that exists in contacting veterans is SDVA’s lack of access to an electronic, expedient and secure method to access a veteran’s proof of service DD214, DD215, and DD1300. Currently, the various military services mail a service member’s copy of the DD214 and DD215 to the SDVA specified by the veteran. This mailing process does not use modern electronic capabilities. A single point electronic data file would allow the member and authorized entities access to any separating service member/veteran’s documentation. Additionally, an email address added to the DD214 would assist authorized agencies to contact the service member. NASDVA requests DoD establish a single-point electronic file of a member’s separation document/proof of service to include the DD 214, DD215, and DD1300. These forms should be accessible by the member and authorized agencies from a secure web portal.

NASDVA supports the USDVA’s newly created Office of Tribal Government Relations. There is a great need to serve Native American veterans and their dependents often in very rural areas and on tribal land. There are Tribal Veterans Representatives (TVR) positions to serve Native American Tribes and Bands. The states of Washington, Oregon, Idaho, Alaska and South Dakota want to train and accredit TVRs as Veterans Service Officers to serve the Native American veterans. The USDVA’s Office of General Council must grant permission for a provisional waiver to 38 CFR 629 (14.628) to allow accreditation of these TVRs. NASDVA request the support of USDVA in executing this new initiative by the establishment of a pilot program in the above mentioned states.

Nineteen SDVAs have direct responsibility of the State Approving Agency program. The focus of the SAA’s continues to be the review, evaluation and approval of quality programs of

education and training under State and Federal criteria. SAA's continue to conduct on-site supervisory visits to approved institutions, provide technical assistance, and engage in outreach activities to foster the usage of the GI Bill. Further, they continue to act as state liaison in assisting military installations to provide base personnel with quality educational courses. In 2006, the SAAs secured a mandatory funding model to ensure their programs would have sufficient funding each year. With the important passage of the Post-9/11 GI Bill, the SAAs' mission expanded with more compliance requirements but no additional resources. Without adequate resources, SAAs report that it is harder to sufficiently monitor and assess all academic programs under their purview. The SAAs are one of the only ways USDVA can make an informed decision on approval and disapproval of academic programs for the G.I. Bill. NASDVA recommends the funding structure commensurate with SAA's responsibility be reviewed.

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 retirees who are rated 100% disabled by VA. This must be corrected for all military retirees regardless of their level of disability. NASDVA encourages congress to support our retirees and pass legislation to eliminate time-phased concurrent receipt.

BURIAL AND MEMORIAL BENEFITS

The State Cemetery Grant Program is a complementary and integral part of National Cemetery Administration's (NCA) ability to provide burial services for veterans and their eligible family members, especially those living in rural areas. State, territory and tribal cemeteries expand burial access and support the NCA goal of providing burials to 94% of all veterans in a 75 mile radius. There are currently 84 state/territorial cemeteries located in 39 states, Guam and Saipan, with 9 others under construction. This level of commitment will provide for over 30,000 interments in FY2012.

We recommend that in the FY2013 budget proposal of \$46M for the grant program be increased to at least \$50M. This modest increase would help address the 104 grant applications that have been submitted for funding. Of the 104 applications, there are 61 projects where the states and the Pine Ridge Sioux tribal government have certified as meeting the matching architectural and engineering (A&E) funds, which will be reimbursed following grant award. They have already borne the costs associated with the acquisition of suitable land, which is not reimbursable. The current estimated value of the 61 projects is approximately \$152 million. The second tier of 43 applications, without matching A&E funds, brings the estimated total of all pending applications to \$277M.

The \$50M would allow for timely progression and orderly development without creating a backlog of projects. With a lack of sufficient funding, even though a small increase over the budget submission will result in denying some veterans and eligible family members a final resting place and lasting memorial to commemorate their service to our nation.

NASDVA appreciates the legislation that increased the plot allowance to \$700 with subsequent adjustments based on the CPI. These funds, which are administered by Veterans Benefit Administration, directly help offset the operational costs for interment of veterans particularly in view of constrained state budgets. The allowance is not received for burial of family members. Additionally, the plot allowance assists states in achieving a high level of professional burial service as well as to achieve and maintain standards of appearance commensurate with NCA National Shrine status.

NASDVA applauds Congress for PL 110-157 that authorized a Medallion to affix to an existing privately purchased headstone or marker signifying veteran status of a deceased. And if requested, the medallion can be furnished in lieu of a traditional government headstone or marker for veterans that died on or after November 1, 1990.

NASDVA supports the new initiative by NCA for National Veteran Burial Lots in the FY2013 budget request. It will allow NCA to implement a new policy aimed at reaching underserved veterans in rural areas that do not qualify for a national cemetery and where the construction of a state cemetery is not likely. Initially, this would establish a national cemetery presence in eight rural areas where the veteran population is less than 25,000 within a 75-mile radius service area. The federal lots would be NCA owned and managed in public or private cemeteries. NCA estimates an additional 132,000 Veterans will have convenient access to a burial option in the following states: Idaho, Maine, Montana, Nevada, North Dakota, Utah, Wisconsin and Wyoming. NASDVA recommends that further analysis be conducted to determine if other states or territories could be affected by this new policy.

Overall, NASDVA applauds NCA for their consistent high customer satisfaction ratings for the appearance of national cemeteries and the quality of service. And most importantly, NASDVA appreciates their collaborative partnership with States, Territories and Tribal governments.

HOMELESSNESS AMONG VETERANS

NASDVA applauds the policy by the Secretary of Veterans Affairs for ending homelessness among veterans. States will continue to develop and support outreach programs that assist VA in this high priority effort, particularly in identifying those veterans that are homeless and programs to prevent homelessness. 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. The USDVA Homeless Provider Grant and Per Diem Program provides funding for services to homeless veterans through direct grants to service providers and the SDVA, as each State's lead coordinator on issues related to veterans within the State. We are frequently called upon to respond to government officials, the media, and the public regarding the provision of services to homeless veterans in the states. USDVA does not currently coordinate with the state veterans' agencies during the grant making or grant award periods. NASDVA requests that USDVA contact each SDVA during the grant making or grant award periods. This would assist in fiscal accountability and local oversight of the services provided. Additionally, NASDVA would prefer per diem funds for non-profit organization providers pass through the state SDVA to ensure greater coordination. NASDVA supports this worthy program and all efforts to diminish the national disgrace of homelessness among veterans.

CONCLUSION

Madam Chairman, 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. State Directors of Veterans Affairs remain 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. Thank you for including NASDVA in these very important hearings.