

**NATIONAL ASSOCIATION OF STATE DIRECTORS
OF VETERANS AFFAIRS**



**Joint Hearing of the House and Senate
Veterans' Affairs Committees**

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Presented by

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INTRODUCTION

Mr. Chairman and distinguished members of the committee, my name is David Brasuell, Administrator of the Idaho Department of Veterans Services and President of the National Association of State Directors of Veterans Affairs (NASDVA). NASDVA is comprised of the State Directors of Veterans Affairs for all fifty states, the District of Columbia, and five territories: American Samoa, Guam, Northern Mariana Islands, Puerto Rico and the Virgin Islands. I am honored to present the collaborative views of our association. Here with me today are Les Beavers – NASDVA Executive Director - Kentucky, Randy Reeves – NASDVA Senior Vice President and Executive Director, Mississippi Veterans Affairs Board and Verdie Bowen – NASDVA Junior Vice President and Director, Alaska Office of Veterans Affairs.

Nationally, we are the second largest provider of services to veterans and our roles continue to grow. Collectively, states contribute nearly \$10 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 sincerely appreciate the U.S. Department of Veterans Affairs (USDVA) in recognizing the importance of State Departments of Veterans Affairs (SDVA). The formal "partnership" we have with USDVA through a Memorandum of Agreement (MOA) continues to yield positive results for our Veterans nation-wide. We look forward to the ever increasing role of States in delivering the care and services our Veterans have earned through this important partnership with USDVA.

As governmental agencies, SDVA's are tasked by our respective Governors, State Boards and/or Commissions with the responsibility to address the needs of our veterans irrespective of age, gender, 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 and their families, which often need to be addressed in an urgent manner. Delivery of meaningful services

and support is often best coordinated at the local level. Collectively our state offices provide coverage for all veterans throughout the country, District of Columbia and the territories.

USDVA – NASDVA PARTNERSHIP

Since NASDVA’s incorporation in 1946, there has been a long-standing “state-federal” cooperative relationship. The relationship became a more formalized “partnership” through the formal MOA between USDVA and NASDVA, updated and signed 22 February 2016.

Through that MOA, an “Abraham Lincoln Pillars of Excellence” Award was established to recognize best practices from NASDVA members that have developed effective programs to address the four top-line issues: elimination of the claims backlog, ending veterans’ homelessness, improving access to VA benefits and services, and innovative state programs. For 2016, the third year of program awards, 22 “best practices” from 12 states were submitted and evaluated with Secretary Bob McDonald recently presenting seven awards to five states highlighting the outstanding contributions states are making for our Nation’s Veterans.

FUNDING FOR VA

NASDVA appreciates Congress’ support to improve overall funding for health care, cemetery operations, homeless veterans programs, community clinics, and claims processing. We continue to serve a new generation of veterans, from over a decade of war who must receive medical care, establishment of benefits and needed assistance transitioning to civilian life after their dedicated service. While focusing on our returning service members, we must also not lose sight of the continued needs of our veterans from all periods of service.

In its fiscal year 2017 (overall) budget request/proposal, VA’s total request is \$182.2 billion. The budget increases VA discretionary funding to \$78.7 billion. If VA is to continue increasing Veterans’ access to benefits, care and services and sustain progress on critical initiatives such as the disability claims and appeals backlog and ending Veteran homelessness

attention must be given to properly prioritizing discretionary funding. Funding details and individual programs must receive the highest level of transparency, accountability and, most importantly, input from those most affected by the programs intended to benefit them; our Nation's Veterans. To that end, NASDVA is committed to working in collaboration with VA (through long standing relationship and official Memorandum of Agreement) and Congressional leaders to help ensure emphasis will be placed on funding priorities that will best serve the most critical needs of our Veterans.

Adequate funding by Congress will provide much needed resources to deliver services for the continued wave of newly discharged veterans as a result of troop reductions and continue to address USDVA's continued major areas of emphasis: overall access to VA; eliminate the backlog in claims processing; and the stated goal of eliminating homelessness among veterans. Meeting the demand for mental health services which needs continued funding, particularly for hiring mental health professionals within VA, and funding critical construction initiatives that will, ultimately, provide the needed infrastructure to increase veterans' access to care and services are priorities that must be addressed. Funding to veterans' healthcare in rural areas and employment opportunities for returning veterans are also key to ensuring the quality of life our veterans and their families deserve. Likewise, emphasis (and required funding) must be placed on the ongoing reorganization of VA to ensure the access, care and service we all envision (and our veterans deserve) are realities well into the future.

As VA moves forward with its MyVA transformation initiative, attention must be given to program funding and how that funding relates to actual outcomes in terms of better serving Veterans while enhancing their VA experience. MyVA is a major undertaking and well intended. NASDVA agrees with VA's intent but we must remain vigilant to ensure program execution puts resources where Veterans can be best served. Strong consideration and priority should be given to focusing MyVA resources to increase outreach and advocacy for our Veterans.

OUTREACH, TRANSITION AND EMPLOYMENT

NASDVA strongly supports continued efforts to reach out to all veterans regardless of where they reside. All veterans should have equal access to benefits and services and federal and state governments must collaborate to achieve this goal nationally. Many areas of the country are still underserved due to veterans' lack of information and awareness of their benefits. This directly impacts their access to VA services. NASDVA and its member states and territories are committed to work together with USDVA to reduce this inequity by reaching out to veterans regarding their earned benefits. NASDVA urges implementation of grant programs that would allow VA to partner with the states to perform outreach at the local level.

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. Increased emphasis must be placed on ensuring veterans can, to the fullest extent possible, get the information, help and service they need "in one place". NASDVA remains committed to working with USDVA to streamline and make the processes intended to serve veterans as "user friendly" as possible.

State Directors have clearly witnessed how employment is essential to a successful transition from uniformed service. Under current U.S. Department of Labor administration/management of the Jobs for Veterans State Grant Program, flexibility of States to serve the employment needs of Veterans is greatly restricted and completely hampered in many cases. Strong consideration should be given to transferring administration, control and funding (along with related functions) of Disabled Veterans Outreach Programs and Local Veteran Employment Representatives to VA. This move would help facilitate the priority placement of Veterans in the job market and align our Veterans with education and vocational rehabilitation services provided by the VA. Individual States' Chief Executive (Governor) should have authority to determine what organizational structure may best serve the employment needs of that state's Veterans.

We commend the continued emphasis on hiring veterans for federal employment and both DoL and the U.S Department of Defense need to continue to promote awareness of the

provisions and benefits under the 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 the continued involvement of SDVA's with the VA Medical Centers (VAMC) on establishing and locating additional Community-Based Outpatient Clinics (CBOC) including clinics for Tribal Reservations in cooperation with the Indian Health Service. Coordination between State Directors and VAMCs should continue to also address 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 issues of healthcare for women veterans, military sexual trauma, mental health and veterans residing in rural areas and there is much work still to be done. An area of particular concern is the need for legislative and/or policy change that would allow for greater access to, and variety of, all medically adaptive/corrective equipment for women veterans. From choices of eyewear, corrective shoes, and undergarments, to colonoscopy equipment, to emergency cart equipment and training for emergency room treatment of emergency issues particular to women, and with special emphasis on prosthetics, it is imperative for VA to meet the medical needs of women veterans. It is critical that implementation of trainings processes and procurement of proper, and varied, equipment meet the needs of women veterans. This should be done without thought to basing the decisions on proportions (percentages) of male versus female veterans enrolled in VA healthcare systems, but rather, on the ever increasing number of women veterans taking advantage of the VA healthcare system.

We support continued efforts and initiatives to ensure that all of our wounded warriors who suffer from Traumatic Brain Injury (TBI) and Post Traumatic Stress Disorder (PTSD) have access to the most advanced and current treatment options available regardless of their military status. There should be continued expansion of 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 addressing the underlying causes for suicide; however, more still needs to be done since the suicide rates are high and exceed even current combat casualties. It is imperative that strong emphasis continues to be placed on the hiring of mental health professionals in the Veterans Health Administration (VHA) nation-wide.

The current crisis in being unable to recruit and retain mental health professionals seriously impedes VA's ability to prevent and/or treat psychological conditions of today's Veterans. Immediate action must be taken to ensure properly trained and credentialed mental health professionals (in sufficient numbers) are in place within VA. Not addressing this crisis now is certain to perpetuate the increasing number of justice involved Veterans and the rising rates of Veteran suicides.

The Veterans Access, Choice and Accountability Act of 2014 is well intended and seeks to increase overall access to care for Veterans. Operationally, the program has had significant challenges and has been in direct conflict with other, already existing VA Purchased Care options. Use of Choice and how it may affect our Veterans needs increased scrutiny and, where appropriate, change. In actual practice, as "payer of last resort", Choice many times results in significant out of pocket costs to Veterans and families whose Priority 1 status (for healthcare) is intended to cover the full cost of the individual's care. Additionally, one (of many) areas that needs to be changed is elimination of the "40 mile" rule for using Choice. Action must be undertaken expeditiously to streamline and, where appropriate, combine Choice and other existing Purchased Care Programs to enhance true access to care for our Veterans. Much care must be given to not creating additional unintended consequences that could hamper delivery of quality healthcare to our Veterans; regardless of delivery mode or model. Under the Purchased Care Program, emergency care and the State Veterans Home Per Diem Program must remain unchanged as they effectively serve the needs of our Veterans as they currently exist.

It is imperative that VA, and specifically VHA, receive the support required to care for veterans who are enrolled today and also to care for returning veterans who, because of more severe injuries and ailments require increased levels and duration of care. VA must have the resources and budget necessary for more doctors, nurses, therapists, technicians and possible

facility expansion. Some outsourcing may be possible and/or encouraged; however we should not bank on sending veterans to outside doctors and facilities as the magic cure. Any policy of “wholesale” contracting and sending veterans out of a compassionate veteran-centric environment and placing them in the “for profit” corporate medical system comes with its own set of problems and doesn’t come with any guarantee of better quality of care or service. When it is necessary and appropriate for veterans to receive care at facilities and providers outside VA, payment (to providers) for service/care must be expeditious and meet (and exceed) industry standard(s) if we are to reasonably expect providers to participate in providing care to our veterans. Slow payment (sometimes to the detriment of care and individual veterans) continues to be a problem.

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 153 operational state veterans’ homes in 50 states and the Commonwealth of Puerto Rico. In fact, state homes now provide over 50 percent of all VA authorized long-term care with over 30,000 beds.

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 needs and level of funding support. We have maintained that the benefit is to the veteran, regardless of where they choose to receive their care.

NASDVA and its members sincerely appreciate the support and close coordination of Congress and specifically, the Veterans Affairs Committees and staff, in the successful implementation of PL 112-154 (State Veterans Home Per Diem for 70% and S/C Veterans) and the resultant Interim Final Rule (IFR), RIN 2900-A057 that took effect on February 2, 2013. To ensure state homes can continue to operate and provide the very high quality of care our veterans receive and deserve, the Provider Agreement provision (for state homes) must be maintained and strengthened in any future legislation. Further, care must be taken to ensure veterans do not forfeit (under final/future rules) any eligibility for VA benefits and programs for services, prosthetic devices and specialty care that are not routinely provided at the Nursing Home Care level.

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. In its fiscal year 2017 budget proposal, VA requests \$80M for the State Veterans Nursing Home Grant Program. The request is a decrease of \$40M from VA's fiscal year 2016 State Home Construction budget of \$120M. It must be noted (and is greatly appreciated): Congress recognized the need for more funding and increased the 2016 Home Grant budget from VA's original request of \$80M to \$120M. NASDVA strongly supports increasing funding to at least \$200M for the State Home Grants program based on the existing backlog of 109 projects totaling over \$1 billion, of which States had already secured their 35% share of matching funds for 69 projects requiring \$550 million in federal grant funds. The State Homes program is, arguably, one of the most successful and cost effective programs that serves the long term care needs of our Nation's Veterans and the ongoing collaboration and working relationship between USDVA, NASDVA and the National Association of State Homes continues to yield overwhelmingly positive results in caring for those who have served.

VA currently has implemented Community Living Center (CLC) design and construction guidelines that require smaller homes that place significant financial burden(s) on States that seek to build new or expand existing State Homes. Unless the CLC guidelines are modified to allow states the flexibility to adapt to the needs of their individual veteran populations, states may not be able to meet the cost of operating new or even existing homes that require

renovations. NASDVA and NASVH seek Congress' support in making sure states are (financially) able to continue providing this vital service (State Homes) to our veterans.

In support of NASVH, NASDVA requests that USDVA expedite completion and publishing of new rules to support Adult Day Health Care (ADHC) and Domiciliary Care in SVH. Nearly six years ago USDVA, in consultation with NASVH, began working on new regulations to govern Adult Day Health Care and Domiciliary Care programs that SVH are authorized to operate. Without these new regulations, SVH who may have a need to open or expand Adult Day Health Care and Domiciliary programs are hindered in moving forward. Additionally, there is pending legislation (H.R. 2460) that would create a new ADHC per diem rate for severely disabled veterans (rated 70% or higher) that would encourage increase in the number of ADHC programs in State Homes, similar to how Public Law 109-461 created a higher per diem for skilled nursing programs for disabled veterans. NASDVA encourages strong consideration of this (ADHC) legislation/initiative.

VETERANS BENEFITS SERVICES

State Directors continue to take on a greater role in the 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).

NASDVA applauds VA's efforts to overhaul its disability claims process administered by the Veteran Benefit Administration (VBA) and although we are optimistic, NASDVA remains concerned that there is a backlog and emphasizes that resources and emphasis must be kept on adjudicating claims in a timely manner. In December 2013, VA testified before the Senate Committee on Veterans Affairs that it had made significant progress in executing their benefits transformation plan, and had significantly reduced the backlog from a peak of 611,000 in March 2013. The backlog is currently less than 100,000. VA should continue to focus their own resources on continuing to reduce the backlog while working with all our states. Recognizing that there is a wide range in the resources available in individual states, serious consideration

needs to be given to making federal funding available to states, where appropriate, to assist with efforts “on the ground” to further reduce the backlog and maintain positive progress on working existing and new claims.

The current appeals process is failing our Veterans with an inventory of almost 450,000 appeals and at current rates, with no change in process, it is projected the inventory could grow to over two (2) million appeals over the next decade. NASDVA strongly advocates reforming the VA administrative appeals process to streamline VBA appeal procedures and decisions and allow for seamless transition to and enable decisions in the Board of Veterans Appeals (BVA). By placing significant focus on the process within VBA (Regional Offices) prior to appeals being sent to BVA, due diligence and due process (in favor of the veteran) can be maintained while creating an environment where appeals requiring VBA or BVA adjudication can be decided on the merits of the original claim; in a timely manner. In addition, before transforming to a streamlined appeal process which is more efficient and less costly for taxpayers, VA will require (and NASDVA supports) a short-term funding increase to be able to resolve the inventory of appeals that are pending in the current system. As the “front line” providers of veterans’ claims service and representation, NASDVA is ideally positioned to work with VBA and BVA to assist in reforming and transforming the appeals process. NASDVA has been and continues to work with VA and Veterans Service Organizations to improve the appeals process for our veterans. We are committed to continuing our work on this important issue and helping effect meaningful and lasting change.

NASDVA applauds VA for improvements in the way Military Sexual Trauma (MST) claims are now handled. There is still much work to be done to ensure service members who have experienced MST receive the appropriate care and compensation they deserve. Continued review and consideration should be given to further lessening the evidentiary evidence necessary to substantiate MST claims.

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 strongly urge Congress to mandate counting of veterans in the next census.

State Approving Agencies (SAA) function in nearly all states to conduct monitoring and approval of educational institutions for receipt of Veterans' educational benefits that assess and approve educational institutions and training programs in individual states for GI Bill education benefit eligibility. 26 are in State Veterans Affairs agencies. As a part of this effort, NASDVA also works closely with the National Association of State Approving Agencies (NASAA). 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 charge. Under the current (and proposed) VA model, the requirements placed on SAA's have increased while, in most cases, funding has decreased. Additionally, the funding source for the program is increasingly unstable. Review and revision of the *SAA Total Requirement and Allocation Model* is desperately needed.

BURIAL AND MEMORIAL BENEFITS

NASDVA appreciates the National Cemetery Administration's (NCA) collaborative partnership with states, territories and tribal governments. The Veterans Cemetery Grants Program (VCGP) is complementary to NCA's 134 national cemeteries and an integral part of NCA's 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 95% of all veterans within in a 75-mile radius of their home. There are currently 97 cemeteries located in 47 states and two (2) territories, and five (5) operational tribal cemeteries. In fact, the states and tribal cemeteries provided over 35,000 interments in FY 2015, which is 21.5% of the total interments by both NCA and VCGP cemeteries.

We strongly recommend the FY 2017 grant program budget be increased to at least \$60M that would include \$50M for construction and \$10M specifically designated for improvements and emergent needs in state and tribal cemeteries. This modest increase to the \$45M budget proposal would allow funding of some new state cemeteries and upgrade projects that currently go unfunded while also allowing NCA to respond to emergent requirements.

NASDVA fully supports the NCA goal of ensuring that state and tribal veterans cemeteries are maintained through a Compliance Review Program to the same level as applied to the national cemeteries. This aligns a review process for VA grant-funded state and tribal veterans' cemeteries to achieve National Shrine Standards. It applies similar proven performance metrics, which includes: annual self-assessments, site reviews every 5 years, and annual customer surveys and gravesite assessment reviews. Final results will provide cemetery directors with a report detailing overall performance and a National Shrine scorecard.

HOMELESSNESS AMONG VETERANS

NASDVA applauds VA's effort and continued emphasis on ending homelessness among veterans. States will continue to develop and support outreach programs that assist VA in this high priority effort, particularly in further identifying those veterans that are homeless and programs to prevent homelessness. As partners with USDVA, we are focusing on addressing the multiple causes of veterans' homelessness e.g. medical issues (mental and physical), legal issues, limited job skills, and work history. We appreciate the continued 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.

We know that many stages of homelessness exist and likewise we know that many factors contribute to our nation's homelessness among veterans. Contributing factors are alcohol-drug abuse, mental health issues, PTSD, lack of jobs as well as the courts and corrections system.

To eliminate chronic homelessness we must surround the problem and address the many root causes by providing the necessary mental health and drug treatment programs to include jobs and employment training. These collective programs must be adequately staffed and fully funded in the current and future budget. Another revolving door that appears to increase the rolls of homelessness among veterans is the burdened courts and corrections system.

VETERANS TREATMENT COURTS

The States continue to recognize the increase in justice-involved veterans, especially in the time shortly after discharge, and continue to work with leaders at the state level to create environments (through legislation and other means) that encourage the creation and support of Veterans Treatment Courts (VTC). Veterans are returning to a civilian world where unemployment is on the rise, financial institutions are failing, and families are torn apart. After discharge, many veterans suffer from severe mental and emotional problems that result in behaviors that are disruptive and often criminal in nature.

It is important that we all remain committed to seeking innovative ways to help return justice involved veterans to productive citizens and support for Bureau of Justice Assistance (BJA) and National Drug Court Institute (NDCI) orientation and training programs for jurisdictions interested in establishing VTCs is important to that effort. The States respectfully request support for increased funding to the BJA so more jurisdictions can participate. Additionally, increased funding for multi-year grants to aid jurisdictions in the establishment and sustainment of VTCs is desperately needed. More VTCs mean more direct help for veterans.

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. NASDVA remains dedicated to doing our part and we urge you to remember the need for adequate resources and appropriate authority to care for and serve our veterans. I emphasize again, that we are “partners” with federal VA in the delivery of services and care to

those who have served our Nation in uniform. With your help and continued support, we can make sure our veterans and their needs are never forgotten.

Thank you for including NASDVA in these very important hearings.