

**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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*President, National Association State Directors of*

*Veterans Affairs*

*Commissioner, Alabama Department of Veterans Affairs*

## **INTRODUCTION**

Mr. Chairman and distinguished members of the committee, my name is Clyde Marsh, Director of the Alabama Department of Veterans Affairs and 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, and five territories: American Samoa, Guam, Northern Mariana Islands, Puerto Rico and the Virgin Islands. Here with me today are Les Beavers – Kentucky, past NASDVA President, and State Directors, Randy Reeves - Mississippi, Many-Bears Grinder – Tennessee, Lonnie Wangen – North Dakota and Matthew Cary - District of Columbia.

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 sea change at the U.S. Department of Veterans Affairs (USDVA) in recognizing the importance of State Departments of Veterans Affairs (SDVA) and we have a formal "partnership" with USDVA through a Memorandum of Understanding (MOU) with Secretary Shinseki signed in February 2012. The MOU pledges the two organizations to maintain effective communications, an exchange of ideas and information, identification of emerging requirements, and continuous reevaluation of existing veterans' programs to meet today's needs.

As governmental agencies, State Departments of Veterans Affairs 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 needs 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 veterans throughout the country, District of Columbia and the territories.

## **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. We support the \$140B budget proposal for the Department of Veterans Affairs for FY2014, which includes \$64B in discretionary funds, mostly for medical care, and \$76B for mandatory funds, mostly for disability compensation and pensions.

The full funding by Congress will provide the resources to deliver services for the surge of newly discharged veterans as a result of troop reductions and continue to address VA's continued three major areas of emphasis: overall access to VA where 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 Traumatic Brain Injury (TBI) and Post Traumatic Stress Disorder (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 strongly 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 underserved due to veterans' lack of information and awareness of their benefits. This directly impacts their access to VA services. The USDVA and SDVA must continue to work together to reduce this inequity by reaching out to veterans regarding their earned benefits. NASDVA urges implementation of a grant program that would allow VA to partner with the states to perform outreach at the local level.

Comprehensive databases that have retrievable data elements from the service members' records can provide the capability to target specific segments of the veteran population. This capability would allow for outreach to meet different categories of veterans e.g. war era, geographic exposure, etc. and also to connect with veterans with special needs, illnesses, and disabilities e.g. Agent Orange, burn pit exposure, and radiation. We need funding to create pilot programs for development of such detailed state databases.

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 (IDES) 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 Veterans Employment and Training Service (VETS) state grants program. The states need the flexibility to determine how best to integrate the Disabled Veteran Outreach Program Specialists/Local Veterans Employment Representatives (DVOP/LVER) into their state employment service delivery systems. The move of the VETS program in Texas to the 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 and also 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 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 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, military sexual trauma, and veterans residing in rural areas. Future healthcare funding is crucial 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 large and aging infrastructure.

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 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.

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 145 operational state veterans' 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 with over 31,000 beds. World War II, Korean War and now the Vietnam veterans are rapidly aging out. With over 1.4 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 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 (in less than 180 days) of PL 112-154 (State Veterans Home Per Diem for 70% and S/C Veterans) and the resultant Interim Final Rule, RIN 2900-A057, that took effect on February 2, 2013. The coordination and cooperation on this issue between Congress, NASDVA and USDVA will benefit our veterans for many years to come. As the Final Rule process goes forward, there is still work to be done. We ask your continued support in ensuring that veterans do not forfeit (under the final rule) 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. Additionally, we have addressed (through the comment process with USDVA) the issues of reimbursement for extraordinarily high drug costs and clarification of circumstances for reimbursement of physicians' services for 70% program veterans in our State Veterans Nursing Homes. Your continued support in this process is key to the program's continued success and the future care of our veterans.

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 order to keep the priority group 1 list of 74 projects (\$257M) 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 requested.

## **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 applauds and strongly supports VBA's development of the electronic claims processing system (VBMS) and its current deployment at 20 stations and for all 56 stations by end of 2013. This major program will directly address the concerns for the claims backlog. NASDVA fully supports VBA's transformation plan to address the claims backlog in a systemic way and for the long term. Using a digits-to-digits approach will further the paperless process capabilities of VA by creating a data exchange for claims assimilation directly from State Service Officers, VSOs and VA. This will allow claims with supporting documents to be submitted digitally, enabling the claim to be automatically established and available to be worked.

Several states have already developed their own paperless claims processing systems. In an effort to support VBA's design, NASDVA has formed an IT Task Force of five states (VA, CA, KY, SD, and UT) to work directly with VBA on integration of state systems with VBMS.

Each state strives to fulfill the mission of identifying and connecting veterans to their benefits. Several states are developing a claims management database for their veteran population, which includes a scanned image of the DD 214s.

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.

Nineteen SDVAs have direct responsibility of the State Approving Agency (SAA) program. 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.

State Directors have been receiving strong opposition to the order of precedence for the new Distinguished Warfare Medal established by DoD. We are in agreement with the Veterans Service Organizations in support of the medal but that it should not be above the Bronze Star and/or Purple Heart.

## **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 by the end of 2013. There are currently 88 cemeteries located in 43 states and territories including tribal trust lands, Northern Mariana Islands, and Guam. This level of commitment will provide for over 31,000 interments in FY2013.

We recommend that in the FY2014 budget proposal of \$46M for the grant program be increased to at least \$50M. This modest increase would help address the 95 grant applications that have been submitted for funding. Of the 95 applications, there are 70 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 70 projects is approximately \$162.3M. The second tier of 25 applications, without matching A&E funds, brings the estimated total of all pending applications to \$276.5M.

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. The plot allowance assists states to offset operational costs and achieve a high level of professional burial service as well as to gain and maintain standards of appearance commensurate with NCA National Shrine status.

NASDVA supports the rural initiative by NCA for National Veteran Burial Grounds. It will allow NCA to reach underserved veterans in rural areas where the veteran population is less than 25,000 within a 75-mile radius service area. Rural lots do not qualify for a national cemetery and the construction of a state cemetery is not likely. Initially, the VA plan will establish a national cemetery presence within public or private cemeteries in eight states: Idaho,

Maine, Montana, Nevada, North Dakota, Utah, Wisconsin and Wyoming. NCA estimates an additional 136,000 veterans will have access to a burial option. 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. 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 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.

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 recognize an increase in justice-involved veterans, especially in the time shortly after discharge. 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. To care for these veterans in a very specific way, States are establishing Veterans Treatment Courts (VTCs) to offer these veterans an opportunity at a second chance, as well as appropriate treatment and accountability.

VTCs are specialty courts that provide diversionary programs for veterans who find themselves justice involved. In addition to the pretrial diversionary methods offered, veterans are also evaluated for Federal VA benefits to include substance abuse treatment and



mental health wellness. This aspect cuts costs for local jurisdictions that traditionally are required to pay for this expensive, specialized care. The accountability element given by mentoring veterans makes the VTC a unique, successful program that rehabilitates veterans to the civilian world.

Currently, the Bureau of Justice Assistance (BJA), in conjunction with the National Drug Court Institute (NDCI), offers orientation and training to jurisdictions interested in establishing VTCs. States can apply for these training opportunities through the veterans Treatment Court Planning Initiative (VTCPI), which sends groups to key VTCs to observe and learn. These training grants are limited and only a few groups can attend every year. 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 needed. More VTCs means 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. State Directors of Veterans Affairs remain dedicated to doing our part, but we urge you to remember the increasing financial challenge that states face, just as you address the fiscal challenges at the national level. I would like to emphasize again, that we are “partners” with federal VA in the delivery of services and care to our nation’s patriots. State Directors are veterans’ advocates and perform as congressional emissaries that help veterans receive support and essential benefits they have earned through their honorable service.

Thank you for including NASDVA in these very important hearings.