

**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 Lonnie Wangen, Commissioner of the North Dakota Department of Veterans Affairs 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, and State Directors Randy Reeves - Mississippi and Jeff Barnes - Michigan.

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 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 Understanding (MOU) continues to yield positive results for our Veterans nation-wide. Over the coming weeks we will work with Secretary Bob McDonald and his staff to review and update that MOU. 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 MOU between USDVA and NASDVA, signed 13 February 2012.

Through that MOU, 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 2014, the second year of program awards, seventeen “best practices” from eleven states were submitted and evaluated with Secretary Bob McDonald recently presenting seven awards highlighting the following states:

1. Alaska (Access) – Alaska Native Sharing Agreement
2. Florida (Access) – FDLA Outreach and Branding Campaign
3. Idaho (Innovation) - Music and Memory Program
4. Ohio (Backlog) – DOD Data Sharing
5. Texas (Innovation) – Military Veteran Peer Network
6. Washington (Innovation) – Washington State Transition Model
7. South Dakota (Innovation) – Operation Reaching All 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 2016 (overall) budget submission, USDVA requests a total of \$168.8 billion with \$70.2 billion in discretionary funds and \$95.3 billion in mandatory funds. We support USDVA's overall budget and recognize it is necessary to sustain progress on increasing Veterans' access to benefits, care and services and fund critical initiatives that directly benefit our Nation's Veterans. 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 our long standing relationship and official Memorandum of Understanding) and Congressional leaders to help ensure emphasis will be placed on funding priorities that will best serve the most critical needs of our Veterans.

Full 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 and care we all envision (and our veterans deserve) are realities well into the future.

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.

We commend USDVA 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. 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. 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 to civilian status. Under current U.S. Department of Labor (DoL) administration/management of the Jobs for Veterans State Grants (JVSG) 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 the Disabled Veterans Outreach Program and Local Veterans 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. This would further assist individual States in determining what organizational structure may best serve the employment needs of its veterans and allow appropriate inclusion of State Departments of Veterans Affairs into a collaborative effort to reduce Veterans' unemployment. Currently, Texas is the only state in the Nation to have JVSG administered by the State Department of Veterans Affairs, having done so with great success since 2006. Under the Texas model, veterans are reported as entering employment at a much higher rate than the national average. Some reasons for Texas' success are quality one-on-one services, streamlined reporting structures and elimination of competing priorities.

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 design of prosthetics, specifically for women, rather than modification of male prosthetics to fit them. With the increased number of returning women veterans, it is imperative that continued emphasis be placed on their specific needs and care.

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 Veterans Access, Choice and Accountability Act of 2014 created, as one of its center-piece initiatives, the Veterans Choice Card. Although the program was well intended and sought to increase overall access to care for Veterans, overwhelming feedback indicates that the card program and the subsequent rollout has created confusion, false expectations and frustration among Veterans. A very short implementation timeline, associated with apparent communication (to Veterans) shortfalls, and a lack of well-defined program criteria and expectations have been contributing factors. Additionally, administration of the program by an off-site private contractor (who is hard to connect with) instead of VAMC's who are familiar with the Veteran population being served, seems to have further exacerbated the situation. The Choice Card program is not running as intended. It is imperative that, if the program is to continue, it should be used only when no VA option exists. In many parts of the Country, especially in rural areas, it is being found that there is less capacity for care in the local community than within VA. In the near term, Congressional Outreach Hearings should be held to solicit input from Veterans and those who serve Veterans. NASDVA is committed to working with Congressional leaders, VA and other stakeholders to ensure our Veterans are heard and to help find the best "way forward" for this program.

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 the additional million or more veterans in the next year or two who will also require medical assistance. 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. 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.

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 150 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. We ask Congress’ continued support in ensuring that provisions, specifically provider agreements, of the IFR remain in place and that 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 2016 budget proposal, VA requests \$80M for the State Veterans Nursing Home Grant Program. The request is a decrease of \$10M from VA’s fiscal year 2015 State Home Construction budget of \$90M. NASDVA strongly supports increasing funding to at least \$200M for the State Home Grants program. The increase would cover only half of expected Priority Group 1 (State matching funds available) funding requests from States to construct and operate State Veterans Nursing Homes. 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.

In support of NASVH, NASDVA requests that USDVA expedite completion and publishing of new rules to support Adult Day Health Care and Domiciliary Care in SVH. Nearly five 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.

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).

While NASDVA applauds VA's efforts to overhaul its disability claims process administered by the Veteran Benefit Administration, NASDVA remains concerned at the seemingly plateau in the state of progress on eliminating the backlog of VA claims. 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 reduced the backlog from a peak of 611,000 in March 2013 to 392,000 claims in December 2013, a decrease of 219,000 or approximately 36 percent in just 9 months. That sharp initial decline leveled out over the course of the following 15 months, taking almost twice the time to see a comparable reduction. Nationwide, the backlog currently stands at approximately 211,000 claims. VA should continue to focus their own resources on reducing the backlog while working with all our states. Texas and California are direct examples of states who have committed significant state resources to addressing the backlog. In the first 18 months of operation, Texas' State Strike Force Teams reviewed over 35,000 cases and its Fully Developed Claims Teams submitted more than 15,700 new claims, which the VA pledged to complete within 90 days. These combined efforts helped reduce the backlog of federal disability claims in Texas by half, resulting in approximately \$78 million in retroactive payments and \$27 million in new monthly awards to Texas Veterans and their families. 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" that are proving effective in reducing the backlog. Additionally, VA needs to establish/forecast a (realistic) date that it expects to eliminate the backlog.

Each state strives to fulfill the mission of identifying and connecting veterans to their benefits. Several states have developed their own claims management software systems. Increased access to VBA and other data systems and uniform paperless claims software will enhance service officer integration in the delivery of benefits services to veterans. Using the digits-to-digits (D2D) approach can further enhance the capabilities of VA by creating a data exchange for claims assimilation directly from Service Officers to VA. However, feedback from

the field indicates that D2D is not working as intended in many areas. NASDVA encourages a comprehensive review, including state partners, of the progress of D2D and the centralized claims process.

NASDVA applauds VA for improvements on the way claims due to Military Sexual Trauma (MST) are now handled. However, there is much work that still must be done to ensure service members who have experience MST receive the appropriate care and compensation they deserve. Additional review and consideration should be given to 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.

NASDVA members have direct oversight over nearly half of the nation's State Approving Agencies (SAA) that assess and approve educational institutions and training programs in individual states for GI Bill education benefit eligibility. 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. Passage of Section 702 of the Veterans Access, Choice, and Accountability Act of 2014 (the Choice Act) has created challenges for some states who may require statutory/legislative changes to comply with in-state tuition requirements. As there are differences from state to state in timeframes and frequency of legislative sessions, consideration should be given to (temporary) compliance "waivers", where appropriate.

BURIAL AND MEMORIAL BENEFITS

NASDVA appreciates the National Cemetery Administration's (NCA) collaborative partnership with states, territories and tribal governments. 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 96% of all veterans in a 75-mile radius by the end of 2017. There are currently 95 cemeteries located in 45 states and territories including tribal trust lands, Northern Mariana Islands, and Guam which provided for over 32,000 interments in FY 2014.

We strongly recommend the FY 2016 grant program budget be increased to at least \$55M that would include \$50M for construction and \$5M specifically designated for emergent needs in state and tribal cemeteries. This modest increase would allow funding of (some) new state cemetery and upgrade projects that currently go unfunded and would allow NCA to respond to emergent requirements.

NASDVA fully supports the NCA goal of ensuring that state and tribal veterans cemeteries are maintained as National Shrines through a Compliance Review Process as applied to the national cemeteries. This will align a review process for VA grant-funded state and tribal veterans' cemeteries with the NCA Organizational Assessment and Improvement Program (OAI). 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, grant compliance scoring, and National Shrine Status.

NASDVA recommends Congressional support for the following legislative proposals that directly impact the state and tribal veterans cemeteries with authority to: provide allowance to transport certain deceased veterans to state and tribal cemeteries, provide headstones and markers to eligible spouses and dependents at tribal cemeteries, provide outer burial receptacles at state and tribal cemeteries, a casket and urn benefit for burials in state and tribal cemeteries and expansion of eligibility for the bronze medallion.

HOMELESSNESS AMONG VETERANS

NASDVA applauds the policy of USDVA 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 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 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 continue to

establish Veterans Treatment Courts (VTCs) to offer these veterans an opportunity at a second chance, as well as appropriate treatment and accountability.

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. 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. The 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 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. State Directors of Veterans Affairs remain dedicated to doing our part and we urge you to remember the need for adequate resources 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 worn the cloth of our Nation. 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.