

Testimony for Little Hoover Commission

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California is home to 1.9 million veterans and almost that many dependents including spouses and children. California has the highest population of veterans in this country over Texas and Florida with 1.6 million veterans and 1.4 million veterans respectively. Veterans earn many benefits by serving their country. A large number of veterans do not take advantage of these benefits for two reasons. The first reason and easiest to fix is that the veteran is not aware of the benefit or if he or she is aware of the benefit does not know how to apply for and obtain that benefit. The second reason is that the veteran feels that they are not eligible or worthy of that benefit. Veteran's benefits come in four major categories. They are; medical health and care, compensation and pension, educational and training and burial benefits. All of these benefits may improve the life and standard of living of our veteran population. Presently over \$4 billion of cash payment come into this state from the compensation and pension payments made by the Federal Department of Veterans Administration (DVA) to our veteran population.

Approximately 16% of our 1.9 million veterans receive the tax free cash payments from the DVA as a result of claims filed by the veterans for both service-connected and non-service connected injuries sustained by the veterans and their dependents both while on active duty and afterward. This \$4 billion does not include medical care, educational payments and burial. The 16% of the veterans taking part in the veteran benefit programs is called the participation rate. California ranks well behind Florida, Texas and many other smaller states in this participation rate. Given that one of the goals of our state government is to maximize the amount of federal dollars coming into the state, it follows that all agencies from the state, county and city should support the effort to maximize the federal dollars coming into the state through some of their most deserving citizens in the veteran community. The DVA can be a very complicated agency to deal with and they even recommend that veterans work with an advocate to file claims and get the benefits that they have earned by their service to our country. The largest network of organized, accredited veterans representatives in the state are the County Veteran Service Officer (CVSO) operations. Out of the 58 counties in this state 56 counties have CVSO operations. They range from single person operations in the smaller counties to offices that have 18 employees. There are approximately a total of 204 employees in these operations. The two counties that do not have these offices are Alpine and Sierra counties. They have very few people and very few veterans. The CVSO operations are regulated and accredited by the California State Department of Veteran Affairs (CalVet) and received approximately 15% of their operating budget from the state in the form of subvention funding. The legislature has several times passed legislation and put sections into the military and veterans codes promising to fund the CVSO operation at approximately 50% or \$11 million. The subvention funding has been stuck at \$2.6 million level for almost 10 years despite legislation as recently as 2009 raising the level of support from the \$5 million level to \$11 million. In 2010 this increased funding was

put into the budget for FY 2011, but was then taken out and reduced back to the \$2.6 million level. The states with most success use the CVSO model along with state employees who also file claims and advocate for veterans. The state has approximately 15 employees who work at the district offices in San Diego, Los Angeles and Oakland that are trained certified veteran representatives. Texas and Florida have close to twice as many CVSO representatives helping veterans get connected to their benefits along with their own state employees that are also at a much higher staffing level than California. CalVet audits the activities of the CVSO's every six months and determines the amount of subvention support they get based on the number of claims they file and awards they receive as a result of the claims filed. This \$2.6 million is divided up based on claims filed and awards granted by CVSO's. This amount has been a static number since approximately 2004. This subvention pay for performance model could be enhanced up to the amount designated by the legislature and the administration very easily. An increase in this support would result in an immediate increase in the number of accredited veteran representatives working with veterans to get them connected to their benefits.

The current conflicts in Iraq and Afghanistan are winding down and the federal government and the Department of Defense have started a major downsizing of the military services that is resulting in a tidal wave of newly discharged veterans in the next 5 years from all 5 services. The state should be ready to meet this demand and make sure that these separating service members are met with the resources they need to get connected to the benefits that they have earned. Medical care, compensation, pension, employment, education and housing are the most important parts of a veteran's transition to a successful civilian life. CVSO's play a major part in most of these areas and do a great job of referring veterans to the other areas.

Some of the ideas that are being implemented in the CVSO's in partnership with CalVet throughout the state are:

- Veteran ID Cards issued by the County
- Monthly newspaper columns to increase awareness of veterans benefits
- TAP involvement by vet reps for instant claim filing upon discharge
- Veteran Courts establishment and supported
- Partnerships with housing agencies both VA and non-profit
- Partnerships with non-profit mental health agencies
- Comprehensive auditable claim process in every county (Vet Pro)
- Partnerships with other state agencies Interagency Veteran Council
- Local partnerships between CVSO's and EDD and DHCS
- Outreach to veterans on MediCal through the PARIS project
- Jail and prison visits to get veterans out of custody and into treatment
- Home visits for elderly and disabled veterans

- Some CVSO's provide transportation for veterans to medical appointments
- AmeriCorps workers do outreach to the newly discharged veterans through CVCS
- CalVet has a wonderful resource book for veterans published annually
- CalVet has an App for Vets to help veterans find resources

The key to being ready for the onslaught of newly discharged veterans during the downsizing and reaching out to the 1.9 million veterans in California is to have more "boots on the ground" who have the skill sets to make sure that veterans get all the benefits that are due them.

The single best way to quickly produce qualified "boots on the ground" is to increase the CVSO ranks through increased subvention through CalVet. This system has an auditable structure where the results of this increase can be tracked bi-annually. The auditing is already being done every six months. Each county has a CVSO manager. Most of these operations have been operating since 1946 and have a proven record of results and excellence. They only need more resources to connect with more veterans. Subvention could be directed to counties with a high concentration of veterans and military facilities that produce veterans. In Fairfield we send a vet rep to the TAP classes once a week. We would like to have person there 3 days a week. There are 27 sites in California that discharge veterans. They should all have a presence from the CSVO to counsel and advise veterans, and give them the ability to file a fully developed quality claim and then get connected to the medical, employment and educational benefits that will give them the tools to make a successful transition to civilian life.

This could be done with a simple redirection of funds within the CalVet agency. Let's keep the budget discussion simple and only look at how State General Fund dollars are spent within CalVet. Of the \$250 million in General Fund less then \$5 million (2.1M for state operations and 2.6M for CVSOs) is allocated to connecting 1.9 million veterans to their benefits; conversely \$245 million is spent on 1800 veterans in the Homes. Yet the Homes remain an inefficient delivery model raft with bureaucratic bloat. I am NOT a long term care expert but common sense allows me to point out just a few, obvious examples:

- Other states operate their veteran homes under contract to long term care providers at no cost to the General Fund.
- According to the Governors 2012-13 Budget displays:
 - There are 10 physician positions at Yountville serving only 1100 veterans. No private practice could survive with that kind of patient load. Those staffing levels are usually justified with the higher acuity of the Home's residents but you could double or triple the industry standard of care in the LTC environment and still not need 10 physicians at this Home.
 - The WLA facility is planning similar wasteful staffing including 5 full time specialists (psychiatry, podiatry, audiology, optometry, and dental) for 380

residents. Again no private practice in any of these specialties could survive with that kind of patient load.

- There is no defined health benefit plan; residents are allowed to ask for virtually any service and receive it at no cost other than usual member fees. This explains why the 10 doctors are so busy at Yountville – unfettered access to clinical services. Commission members should ask themselves whether their own health care insurance allows unfettered access to any care, at any time, above and beyond normal medical standards of care?

These types of examples could easily double the amount of General Fund appropriated to reaching the battle scared veterans we are receiving back to California today and for the next several years. A change in the model that is now being used in the Vet Homes could also free up funding to house more veterans and almost fill these facilities up to the potential population that they can hold.

What should be done with new funds allocated to Veteran Services? CalVet provided a report to the Legislature in early 2011 that outlined a very sound approach to a competitive grant program. That type of approach can be easily brought up to currency. The approach focused on several critical factors:

- Put new funding where veteran populations reside;
- Favor proposals that increase the number of professional claims representatives;
- Favor proposals where recently returned veterans concentrate such as higher education campuses;
- Does not ignore the aging Vietnam Era veteran who may only now be seeing the health impacts of their service in-country.

In closing I would like to relate advice I got during my tenure in CalVet which advised our leadership team that when making strategic decisions in a tight budget environment first you must set your priorities for both what you are currently doing and what you should be doing; then examine where your resources (both people and money) are allocated; and where they are misaligned muster the political willpower to move limited resources to your highest priorities even if it means not resourcing lower priorities. It is simply not good enough to keep doing business as usual. This administration's lack of proactive response to seeking resources to address the issue of connecting our returning veterans to their benefits, to continuing to do business as usual, tells us where these battle torn veterans lie on the priority list – at the bottom.