



## Legislative Fiscal Bureau

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May 2, 2007

Joint Committee on Finance

Paper #844

### **Veterans Assistance Program -- Funding for Post-Traumatic Stress Disorder (DVA -- Aids to Veterans and Veterans Organizations)**

#### *Bill Agency*

[LFB 2007-09 Budget Summary: Page 584, #5]

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#### **CURRENT LAW**

Currently, state statutes require the Department of Veterans Affairs (DVA) to administer a veterans assistance program to provide medical care, dental care, education, employment, and transitional housing services to veterans who were discharged under conditions other than dishonorable. The Department must provide assistance to persons whose need for services is based upon homelessness, incarceration, or other circumstances designated by DVA under administrative rule. The Department must designate the assistance available under this provision and may provide payments to facilitate the provision of these services. Adjusted base funding of \$712,900 SEG and 4.0 SEG positions for the program is currently provided from the segregated veterans trust fund.

#### **GOVERNOR**

Create an annual GPR veterans assistance appropriation and provide \$100,000 GPR annually. The Governor's recommendation would also provide standard budget adjustments for full funding of salary and fringe benefits of \$11,000 SEG annually under the current appropriation. Thus, total funding for the veterans assistance program would total \$823,900 annually [\$100,000 GPR and \$723,900 SEG] under the bill.

## DISCUSSION POINTS

1. Under current law, DVA is required to provide medical care, dental care, education, employment, and transitional housing services to homeless and incarcerated veterans and other veterans designated under administrative rule.

2. Currently, the Department's administrative rules [VA 13] specify that assistance must be provided when the need for assistance is due to the following: (a) homelessness or conditions that indicate that the veteran is likely to become homeless; (b) incarceration; (c) unemployment or underemployment that significantly limits the veteran's ability to be self-supporting; (d) affliction with acute or chronic physical or mental health problems that significantly limits the veteran's ability to be self-supporting; and (e) insufficient monthly income and resources to pay for care provided at an assisted living facility at a veterans home [currently, no more than a total of \$70,000 annually can be used for this purpose].

3. A veteran seeking assistance must enter into a written agreement with DVA, which states the services that will be provided by the Department and the veteran's responsibilities under the agreement. The Department may terminate funding if the veteran fails to fulfill his or her responsibilities.

4. The types of services that may be provided include transitional housing, referrals to service providers, financial assistance for veterans that need aid to afford the costs of an assisted living facility, and financial assistance for veterans pursuing vocational opportunities.

5. The Executive Budget Book indicates that the newly-provided GPR funding would support assistance to veterans with post traumatic stress disorder (PTSD). However, it should be noted that provisions of the bill do not specify that this money would be directed for that specific purpose. The Governor's recommendation would not modify the purposes of the veterans assistance program, nor specify a particular amount for PTSD funding. Arguably, therefore, GPR funding could be used for any of the current assistance purposes.

6. According to the National Institute of Mental Health, "post-traumatic stress disorder, PTSD, is an anxiety disorder that can develop after exposure to a terrifying event or ordeal in which grave physical harm occurred or was threatened. Traumatic events that may trigger PTSD include violent personal assaults, natural and human-caused disasters, accidents, or military combat."

7. The disorder may cause individuals to avoid situations that remind them of the trauma and constant feelings of needing to be on their guard, irritability, and being startled easily. The National Institute of Mental Health indicates that people with PTSD may develop additional mental and physical disorders such as depression, substance abuse, and memory and cognition problems.

8. In a March, 2007, article in the Archives of Internal Medicine [Volume 167, page 476], entitled *Bringing War Back Home*, the authors, reviewed the clinical data from 1,300 veterans health care facilities nationwide. The study included 103,788 cases from veterans that entered

veterans hospitals and clinics between September 30, 2001, and September 30, 2005. Of the cases reviewed, 13% were diagnosed with PTSD.

9. The Department states that veterans centers in Madison and Milwaukee currently provide referrals for PTSD service, evaluations for PTSD, and care for veterans with PTSD. In addition, the USDVA is seeking contracts with doctors and health care providers in each county. These vendors would allow the USDVA to refer veterans to a person or facility within each county, who would be trained in identifying PTSD. If evidence of PTSD is shown, these physicians could refer the veterans to the veterans centers.

10. The Department has requested, and the Governor recommends, additional funding to expand these services to "telemedicine facilities" at University of Wisconsin System and Wisconsin Technical College System campus health centers. Under this provision, institutions would be connected to veterans centers through the internet. Funding would be used to provide equipment, such as webcams and to support internet access costs. The Department would not provide funding for medical costs, which would be supported under current USDVA programs.

11. The Department estimates that it would cost \$25,000 for software and hardware necessary to interface with the VA Hospital in Madison and that it would cost an additional \$4,000 to \$5,000 for hardware at a campus clinic or health care facility. In addition, the Department would likely have ongoing costs for equipment maintenance, and internet access.

12. It could be argued that the prevalence of PTSD as exhibited among recent veterans would justify creation of a separate appropriation to provide assistance to these veterans.

13. Alternatively, it could be argued that the USDVA is seeking to establish PTSD assessments on a county-by-county basis and that county veterans services officers could refer veterans to either these services or to other medical resources, including regional hospitals and clinics therefore, the resources provided under the bill may be duplicative in nature.

14. On the other hand, the Department argues that there are many newly returning veterans that are attending the state colleges and universities and that providing these resources at educational institutions will enable more veterans to obtain treatment.

15. The Committee could consider providing reduced funding in the 2007-09 biennium that would allow the Department to establish telemedicine facilities on a pilot basis in various regions of the state. Under this alternative, DVA could report back to the Governor and the Legislature for the 2009-11 biennial budget on the number of veterans assisted and the number of referrals that were made to VA hospitals and veterans centers through these efforts. If the Committee approved \$75,000 in the first year and \$50,000 in the second year, the Department should be able to purchase the interface equipment and establish five to 10 telemedicine facilities in each year, depending on internet and maintenance charges.

16. In addition, the Committee could specify that this funding would be provided on a one-time basis. The Committee could later review whether ongoing maintenance costs are justified,

for those facilities established in 2007-09 biennium, as well as determining whether there were a sufficient number of facilities operating in the state.

17. Alternatively, the Committee could chose to maintain current law, and allow the Department to provide PTSD services from the current segregated appropriation. Under the bill, \$723,900 SEG annually would be provided for the veterans assistance program. It would appear that the Department has sufficient authority to provide PTSD services to most veterans under the current statutory language.

18. It should be noted that the Department has averaged \$695,900 SEG in expenditures for the veterans assistance program over the last three complete fiscal years [2003-04 through 2005-06]. If increased funding is not provided and DVA wishes to provide a significant increase resources for PTSD assistance, it is likely that the Department would have to decrease some of the current assistance services.

19. If additional funding is provided, it could also be argued that since the veterans trust fund currently supports the veterans assistance program, that any additional funding should also be funded from the veterans trust fund.

20. While the administration indicates that the \$100,000 annually provided in the bill would support PTSD assistance, the bill provides only general language that references the current veterans assistance program. As a result, any funding provided in the new appropriation could be used for any of the currently allowed purposes. In the future, DVA could reallocate funding to other authorized purposes thereby reducing funding provided for PTSD assistance.

21. If the Committee wishes to direct funding to PTSD assistance only, statutory language could be clarified to make that modification. Specifically, the Governor's recommendation could be modified to require the Department to provide post-traumatic stress disorder services, including: (a) outreach services to service members and veterans who may be experiencing post-traumatic stress disorder; and (b) providing information on the availability of post-traumatic stress disorder medical services and referrals to those services.

## **ALTERNATIVES TO BILL**

1. Approve the Governor's recommendation.

| <b>ALT 1</b> | <b>Change to Bill</b> | <b>Change to Base</b> |
|--------------|-----------------------|-----------------------|
|              | Funding               | Funding               |
| GPR          | \$0                   | \$200,000             |

2. Modify the Governor's recommendation by providing the \$100,000 annually from the veterans trust fund (SEG) rather than the general fund (GPR).

| <b>ALT 2</b> | <b>Change to Bill<br/>Funding</b> | <b>Change to Base<br/>Funding</b> |
|--------------|-----------------------------------|-----------------------------------|
| GPR          | - \$200,000                       | \$0                               |
| SEG          | <u>200,000</u>                    | <u>200,000</u>                    |
| Total        | \$0                               | \$200,000                         |

3. Modify the Governor's recommendation to provide \$75,000 GPR in 2007-08 and \$50,000 GPR in 2008-09 on a one-time basis for increased veterans assistance funding. Require the Department to provide information on the number of veterans that were referred to Veterans Administration hospitals, veterans centers or any other health care facility as a result of telemedicine facilities to the Governor and the chair of the standing committee formed in each house for oversight of veteran's issues.

| <b>ALT 3</b> | <b>Change to Bill<br/>Funding</b> | <b>Change to Base<br/>Funding</b> |
|--------------|-----------------------------------|-----------------------------------|
| GPR          | - \$75,000                        | \$125,000                         |

4. Modify the Governor's recommendation to provide \$75,000 SEG in 2007-08 and \$50,000 SEG in 2008-09 on a one-time basis for increased veterans assistance funding. Require the Department to provide information on the number of veterans that were referred to Veterans Administration hospitals, veterans centers or any other health care facility as a result of telemedicine facilities to the Governor and the chair of the standing committee formed in each house for oversight of veteran's issues.

| <b>ALT 4</b> | <b>Change to Bill<br/>Funding</b> | <b>Change to Base<br/>Funding</b> |
|--------------|-----------------------------------|-----------------------------------|
| GPR          | - \$200,000                       | \$0                               |
| SEG          | <u>125,000</u>                    | <u>125,000</u>                    |
| Total        | - \$75,000                        | \$125,000                         |

5. Delete provision.

| <b>ALT 5</b> | <b>Change to Bill<br/>Funding</b> | <b>Change to Base<br/>Funding</b> |
|--------------|-----------------------------------|-----------------------------------|
| GPR          | - \$200,000                       | \$0                               |

6. In addition to Alternatives 1 through 5, create statutory language requiring the

Department to provide post-traumatic stress disorder services, including: (a) outreach services to service members and veterans who may be experiencing post-traumatic stress disorder; and (b) providing information on the availability of post-traumatic stress disorder medical services and referrals to those services.

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