



# Legislative Audit Division

## Performance Audit Summary

### Montana Board of Veterans' Affairs

#### Montana Veterans' Affairs Division

June 2002

#### Introduction

At the request of the Subcommittee on Military and Veterans' Affairs of the Interim Committee for State Administration and Veterans' Affairs, the Legislative Audit Committee recommended a performance audit of the Montana Board of Veterans' Affairs (Board) and the Montana Veterans' Affairs Division (MVAD). We established three objectives:

- Do statutes provide the Board/MVAD the authority and responsibility to accomplish its mission?
- Could reallocation of Board/MVAD resources improve mission support?
- Could MVAD claims processing be improved?

#### Veterans Assistance

The federal government provides a range of benefits to qualified veterans discharged from military service. Although there are no federal criteria (law or regulation) requiring states to assist veterans, the Montana legislature established the Board to provide a statewide service to assist veterans in obtaining benefits. Over the years, this assistance developed into a combination of support from the state government organization and private veterans' service organizations.

#### How Many Montana Veterans?

The number of Montana veterans is estimated at 107,000. In addition, there are 170,000 family members of veterans. Currently, about 35,000 veterans are over age 65 and served in World War II or the Korean War. In calendar year 2000, over 19,000 veterans received health care and more than 14,000 veterans and survivors received disability compensation or pension payments. In addition, 1,400 veterans used GI Bill payments for their education, and over 13,000 purchased homes through Veterans' Administration (VA) home loan guarantees. An estimated \$84 million in annual benefits (disability compensation and pension) is paid to Montana veterans.

#### Board of Veterans' Affairs

The Board is a five-member board appointed by the Governor serving with the consent of the Senate. Board members serve five-year terms and must be honorably

discharged from US military service. The Board hires its own staff, and is administratively attached to the Department of Military Affairs (DMA). MVAD is composed of 19.5 FTE located in 9 offices across the state (includes the Helena central office). The annual MVAD appropriations for fiscal year 2001-02 are approximately \$690,000 in General Fund money for operations and staff and \$161,000 in special revenue for cemetery operations.

#### Application for Benefits

Typically, the claims assistance process starts with the veteran contacting a state MVAD service officer for help in applying for a federal VA benefit. The application forms are lengthy and fairly complex. Each application can require a significant amount of supporting documentation. This can include personal records such as marriage licenses, divorce decrees, dependent birth certificates, military records, and medical records showing evidence of medical conditions. The most common applications for federal benefits are:

- Disability compensation.
- Disability pensions.
- Education, burial, and death benefits.
- Enrollment for medical care.

#### Board/MVAD Focuses on Veterans Assistance

MVAD assists veterans and their families statewide as required by Montana law. MVAD promotes the general welfare of veterans by providing a wide range of assistance. *We concluded Montana law provides broad authority for the Board/MVAD mission. The Board/MVAD are generally in compliance with the law.*

#### Current Board/MVAD Mission does not Include Cemetery Oversight

Although section 10-2-601, MCA, requires DMA to establish veterans' cemeteries, historically the Board/MVAD have been responsible for the development of Montana's state veterans' cemeteries. The Board/MVAD continue to oversee both Montana veterans' cemeteries. The current oversight/ management of cemeteries is effective; however, the law does not reflect Board/MVAD administrative oversight. *We recommend the Board/MVAD and the DMA seek*

**legislation to revise statute to reflect cemetery oversight by the Board/MVAD.** Both DMA officials and the Board support revising the statute.

### **Resources for Mission Support**

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Re-allocation of Board/MVAD resources could improve mission support. Communications equipment and capabilities have a direct impact on the quality of assistance provided to veterans. Up-to-date computers along with additional office equipment would improve the effectiveness of staff and promote communication ensuring veteran access to services. The division can improve veterans' assistance by developing a management information system that provides for claims tracking and monitoring. **We recommend MVAD improve veterans' services by upgrading management information systems and communications equipment.**

Five of the nine MVAD officers spend six to eight days a month or up to 36 percent of their time traveling. We projected the division is spending approximately \$80,000 a year (11 percent of expenditures) for staff time and vehicle costs on rural outreach. MVAD could evaluate the efficiency of officer travel and reallocate current resources to other MVAD activities. **We recommend MVAD evaluate staff travel efficiency and develop alternatives for providing rural outreach services.**

### **Improving Veterans' Claims Processing**

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MVAD field officer and technician supervision is minimal. Supervision of claims processing activities is based on piece-meal reviews of material provided by staff and does not include on-site review of the process used by officers and technicians. The current review offers little feedback and results in inconsistencies between MVAD offices. To increase staff effectiveness and process consistency, a formal approach to claims processing quality control is needed. The division could expand supervisory responsibilities of the senior service officer position to include on-site quality control. **We recommend MVAD establish a comprehensive quality control process, including on-site review.**

Many factors influence the outcome of a claim submitted by a veteran. Process consistency between offices will help assure all veterans are served equally. MVAD has not established policies regarding how service officers are expected to manage claims. **We recommend the Board /MVAD establish policy for key activities including:**

- **Records management.**
- **Claims evidence standards.**
- **Outreach material standards.**
- **Home visits.**
- **Staff overtime.**
- **Type of facilities used for rural outreach visits.**

The difference between duties of service officers and technicians is minimal. In addition, field service officer position classifications varied, even though our observations indicated duties were essentially the same. Officers and technicians indicated there are drawbacks to the current structure. At times veterans were reluctant to discuss claims issues with technicians because they believed better service could be provided by the designated service officer. With one standard classification, MVAD would have more flexibility to provide services to veterans through staff allocations and assignment locations. Travel responsibilities could also be distributed more evenly between staff. Further, communication and coordination with VA officials could be enhanced, improving assistance to veterans. **We recommend MVAD review and revise technician and officer classifications to reflect current duties and responsibilities.**

Veteran assistance services constantly change due to Code of Federal Regulations amendments, court case decisions, and appeal case decisions. To improve consistency and service to veterans, the amount of training provided to MVAD service officers could be increased. Using a mentoring approach would improve process consistency. By spending two or three days at different locations, officers could exchange their best claims management practices with other MVAD staff. In addition, mentoring could provide a less expensive method for increasing staff training. **We recommend MVAD strengthen staff training by:**

- **Providing additional training.**
- **Formalizing a mentoring methodology.**

In order to evaluate resource decision alternatives, pertinent workload information should be identified, compiled, and assessed. Although MVAD collected some workload data, the material compiled could not be used to assess staff activities or establish work priorities. During our visits to field service offices, we identified several categories of staff activities that could be tracked to help measure and assess workload. We believe MVAD should establish a workload evaluation methodology that includes an assessment of primary workload activities. Assessment would improve decision-making in areas such as more/less travel, more/less office time, number of staff in each office, office locations, part- versus full-time staff needs, and workload priorities. **We recommend MVAD establish a workload evaluation methodology to assess staff activities and work priorities.**

For a complete copy of the report (02P-07) or for further information contact the Legislative Audit Division at 406-444-3122; e-mail to [lad@mt.gov](mailto:lad@mt.gov); or check the web site at <http://leg.mt.gov/audit>.