



# State Administration and Veterans' Affairs Interim Committee

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## 57th Montana Legislature

### SENATE MEMBERS

DON HARGROVE - CHAIRMAN  
JOHN BOHLINGER  
GLENN A. ROUSH  
KEN TOOLE

### HOUSE MEMBERS

LARRY JENT - VICE - CHAIRMAN  
EDITH J. CLARK  
RALPH L. LENHART  
ALLAN WALTERS

### COMMITTEE STAFF

SHERI HEFFELFINGER  
RESEARCH ANALYST  
DAVID NISS, STAFF ATTORNEY  
LOIS O'CONNOR, SECRETARY

## MINUTES

September 26-27, 2001

Glendive and Miles City, MT

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Committee tapes are on file in the offices of the Legislative Services Division. **Exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of documents.**

### COMMITTEE MEMBERS PRESENT

Sen. Roush (Chairman)  
Sen. Hargrove  
Rep. E. Clark  
Rep. Lenhart

### STAFF PRESENT

Sheri Heffelfinger, Research Analyst, LSD  
David Niss, Legislative Attorney, LSD

### VISITORS LIST AND AGENDA

Visitors' list (ATTACHMENT #1)  
Agenda (ATTACHMENT #2)

### CALL TO ORDER AND ADOPTION OF MINUTES

Sen. Roush called the meeting to order at 4:10 p.m.

Roll Call was taken. All subcommittee members were present. (ATTACHMENT #3)

Adoption of August 6, 2001, minutes were tabled until September 27, 2001.

Sen. Roush recognized Randy Vogel representing Congressman Rehberg and former Legislator John Johnson.

### EASTERN MONTANA VETERANS' HOME

**Gary Gaub, Superintendent, EMVH**, provided an overview of the facility along with information about who is eligible to receive services (EXHIBIT #1). Mr. Gaub also reviewed the 10-bed special care unit which primarily deals with Alzheimer's cases. Currently, there is a seven person waiting list for the special care unit. Mr. Gaub also described recently approved renovation projects such as dining room expansion, parking lot resurfacing, and landscaping to accommodate wheelchair patients. Mr. Gaub provided the current demographic of veterans in the facility (EXHIBIT #2). Mr. Gaub has been working with Rep. Lenhart (EXHIBIT #3) in addressing the communication issues between the EMVH and the Veterans' Administration (EXHIBIT #4).

Sen. Hargrove asked if spouses were required to pay 100% to use the facility. Mr. Gaub responded affirmatively. Sen. Hargrove then asked what the priority system was for admission. Mr. Gaub responded that the priority system was as follows: Montana residents, disabled, 100% service connected. Mr. Gaub then continued that a priority system is only in effect if there is a waiting list. In addition to the priority system, only 25% of the facility can be utilized for spouses. Sen. Hargrove asked if there was a difference between long-term care and nursing home care. Mr. Gaub responded negatively. Sen. Hargrove continued to ask if Tri-Care was responsible for paying EMVH. Mr. Gaub said no. Sen. Hargrove asked if Mr. Gaub's communication issues with the Veterans' Administration were a recent development. Mr. Gaub responded that he has only been in the position for one-year and continued to specify that the communication issue is specifically directed at the Fort Harrison Administration.

Sen. Roush asked if a spouse of a deceased veteran can utilize the facility. Mr. Gaub responded positively. Sen. Roush asked what number of people are employed at EMVH. Mr. Gaub responded that there are 64 full-time employees. Sen. Roush asked where residents of the EMVH go to receive medical care. Mr. Gaub stated residents travel to Miles City, Fort Harrison, and the Glendive Medical Center. Sen. Roush asked how frequently EMVH had to transport residents to Fort Harrison or Miles City. Mr. Gaub responded that transportation to other facilities was rather infrequent due to the fact that residents did not want to make the trip.

Sen. Hargrove asked if there was any flow of money to the EMVH via Medicare or Medicaid. Mr. Gaub responded that EMVH receives Medicaid or Medicare only in reference to a residents per diem rate or for eligible procedures at the hospital.

## **OVERVIEW OF BUDGET & FUNDING**

**Mike Hanshew, Senior and Long Term Care Division, DPHHS**, provided an overview of the budget and funding for the state veteran nursing homes from the cigarette tax (EXHIBIT #5). Montana received a grant from the federal government to build a nursing home facility. With this grant, approximately 65% of the funds were federal with the remaining 35% provided by the state. To provide this 35%, there was a \$0.02 addition to the cigarette tax. For the Glendive facility, two provisions were put in place by the legislature, one being that the facility was not to be run by the state, and the other being that the facility must be self-sustaining. Mr. Hanshew continued to describe the increasing costs over the years to include the specialization of care to an increased number of people with dementia, in wheel chairs, and needing end of life care. Since the planning for the facility began in 1989, these changes in care were unanticipated at the time. Mr. Hanshew stated that the 11.11% cigarette tax was divided between the following: ongoing operation at the Montana Veterans' Home, administrative support and maintenance in

Glendive, indirect costs in Helena, and long range building improvements to both facilities. In addition, the revenue from this funding source is decreasing.

Sen. Roush asked if Mr. Hanshew had any items that the committee could help him with. Mr. Hanshew responded that there were two items:

1. Contracting for a private nursing home in the community of Billings (which was an interest raised by Sen. Bohlinger at the June 15, 2001 SAIC meeting) - this is possible, however the VA would require that the state enter into a long-term lease with the facility. The VA would participate in none of the cost to renovate. The state would also have to undertake changes in the procurement laws, provide onsite personnel, and predict the needs of veterans in the coming years. Prior to two-weeks ago, this was to be an older population and as the WWII veterans passed away, the percentage of elderly veterans would decrease as well. The advantages would be that the VA would participate in the per diem.
2. At the Columbia Falls facility, some residents refuse to pay their bill. However, there is a state law which forbids eviction, which leads to \$50,000 to 80,000 in lost revenue. Mr. Hanshew would like the opportunity to discuss seeking a statutory change if that was appropriate.

Sen. Hargrove asked why that was a problem in Columbia Falls and not in Glendive. Mr. Hanshew responded that the receipt of money from the cigarette tax prevents the eviction of a resident for nonpayment. Sen. Hargrove then asked if we should strive to have the same operation in Columbia Falls as they have in Glendive. Mr. Hanshew responded that there is some belief that the Glendive facility should be state run while others believe greater privatization is necessary. Sen. Hargrove then asked if the rate per person was different. Mr. Hanshew responded that the rate was approximately the same.

Rep. Lenhart asked if patient care costs were higher at Columbia Falls. Mr. Hanshew responded that the issue was twofold with the maintenance cost being higher at Columbia Falls than the newer facility in Glendive and that costs from residents not going on to Medicaid are similar at both facilities.

Sen. Roush asked why people were not on Medicaid. Mr. Hanshew responded that more people are able to afford the approximate \$66 per day and so don't want to go on Medicaid. Mr. Roush then asked if that could be supplemented with Medicare. Mr. Hanshew responded that Medicare begins when you leave a hospital and will cover your first 20 days in the facility.

## **PUBLIC COMMENT**

**Jim Jacobsen, Administrator, Montana Veterans' Affairs Division**, said he spoke with Mr. Underkofler who gave a positive impression that a physician from Miles City will be making regularly scheduled trips to the Glendive facility.

Sen. Roush then recalled Mr. Gaub to ask what veterans' clinics are available in North Dakota and if Montana can utilize these clinics. Mr. Gaub responded that he is unaware of any clinics in

close proximity to Montana.

**Grant Macy, CEO, Glendive Medical Center**, asked what are the barriers in having Columbia Falls residents participate in the Medicaid program. Mr. Hanshew responded that the majority of residents do not want to participate in the Medicaid program as they associate that with welfare. In addition there are some loss recovery provisions in Medicaid which include liens on their homes, which is not an issue because the MVH is receiving cigarette tax dollars. For many, there is also a symbolic feeling that the State of Montana needs to serve them as they served the State.

**Randy Vogel, Congressman Rehberg's Office**, asked if the VA had an on site pharmacy. Mr. Gaub responded that they do not have a facility on site but the Glendive Medical Center, which administers the EMVH, does contract directly with the VA for prescription medications. Mr. Hanshew responded that in Columbia Falls there were communication difficulties between the local pharmacist and the VA. To combat this, the VA chose to remodel a portion of their building into a pharmacy and the money saved by purchasing less expensive medication was able to offset the remodeling costs within four years.

### **RECESS**

The meeting recessed at 6:00 p.m. and reconvened at 7:20 p.m.

Sen. Roush recognized state Sen. Rick Holden, Randy Vogel of Congressman Rehberg's Office, and Pam Crisafulli of Senator Burns's Office.

### **PUBLIC COMMENT**

**Art Heffelfinger, Treasurer, Vietnam Veterans of America, Chapter 626**, provided an update regarding medical care concerns at Fort Harrison (EXHIBIT #6). Mr. Heffelfinger informed the committee that Dr. David Spencer, Senior Medical Investigator, Office of the Medical Inspector, Veterans' Health Administration, will be visiting and reviewing the Fort Harrison facility the week of November 5, 2001.

**Mike Hampson, President, Vietnam Veterans of America, Chapter 626 and Vice President of the Vietnam Veterans of America State Council**, provided an update on Senate Bill 52 (which provides for the release of unclaimed remains of veterans to veteran service organizations for internment) and the Lewis and Clark County task force (EXHIBIT #7) which is exploring a pilot project to support a county veteran service office.

**James Davis, Glendive**, expressed his concern as a disabled veteran over the lack of transportation to the Miles City facility. Mr. Davis stated that the only transportation available to him is the bus system which departs from Glendive at 2:15 a.m.

Mr. Roush asked if Mr. Davis had contacted the Veterans' Service Officer regarding transportation to Miles City. Mr. Davis responded affirmatively. However, he has yet to receive a response. Mr. Davis will continue to work with the Sheridan VA.

**Paul Anderson, Glendive**, stated that Glendive needs a medical service center. Currently, Mr.

Anderson works with his local physician, offices in Sydney, and offices in Helena to receive a new prescription. In doing so, Mr. Anderson receives his prescription in approximately one month.

**Joe Walsh, Bozeman**, provided a summary of how to facilitate and create a statewide veterans community collaboration (EXHIBIT #8). Mr. Walsh also read a letter from The Montana Consensus Council to the SJR-5 Working Group. Mr. Walsh felt that The Montana Consensus Council would be an appropriate facilitator to help various veterans' organizations overcome their communication issues.

Sen. Hargrove asked Mr. Walsh what he envisions the next step to be. Mr. Walsh responded that he is working on a grant to augment the study process and would try to put in place a model for everyone to look at. He was confident that he could have a grant ready in one month. Mr. Walsh continued to state that he sees four sources of revenues which are federal government, state government, membership fees, and one he did not want to elaborate on at this time.

Mr. Hampson responded that the VVA would not have any funds to commit to this project as their point of focus is in the procurement of a full-time service officer. Mr. Hampson continued that SJR-5 is the first time there has been a working group of all chartered veterans associations that believe in the eight identified topics of the study contained in SJR5.

Mr. Heffelfinger commended Mr. Walsh's efforts, and expressed his commitment to consensus building but also expressed his desire to continue with the legislative oversight process until consensus is achieved.

Sen. Roush stated that the proposal of a consensus council is new and should be discussed. Sen. Roush continued to state that the committee currently does not have the funds to commit to this proposal. However, he felt funds could be procured.

**Timothy Dietrich, Sidney**, commented on the number of veterans who have become discouraged with the process and are now living a meager existence. Mr. Dietrich continued to ask how the committee proposed to address this issue.

Mr. Walsh proposed the creation of a data base to connect technologically and share information. This would also allow for an individual to find the best resources available to handle the situation.

Mr. Hampson responded that there is a certain level of assistance when funds are available. Though his organization has been able to provide some services, they are not able to provide any medical assistance.

Sen. Roush responded that there has been testimony for approximately two years regarding the homeless situation, but the committee has been told that homeless veterans are only willing to cooperate with other veterans. Though the committee has researched successes in other states, the homeless veterans must be willing to cooperate on some level to receive assistance.

Mr. Jacobsen responded that his group does make monthly visits to every county in Montana. However, Mr. Jacobsen does realize that they are unable to service everyone.

**Polly LaTray, State Director, Veterans Employment and Training, U.S. Department of Labor**, responded to Mr. Walsh's ideas and offered that there are resource guides available for veterans to utilize as well as resources that are not just limited to veterans. Ms. LaTray continued to state that there are grant funds available for those people that are willing to do the paperwork.

Sen. Hargrove added that there are a number of good resources available, however, there are barriers to reach these people. He continued to state that the normal avenues will not work for some veterans and we must look to break new ground to reach these people.

Sen. Roush asked Mr. Jacobsen if MVAD had any access to grants or money to go to the consensus council with to help bring this about. Mr. Jacobsen replied that there are not funds available at the state level.

**Shelly Hepler, Administrator, EMVH**, expressed concern regarding the increase in Alzheimer and dementia patients. Ms. Hepler continued that the committee should look closer at renovating the Glendive facility to expand the Alzheimer unit.

Sen. Roush asked why EMVH couldn't expand. Mr. Hanshew responded that the restrictions are financial.

**Dee Dietrich, Sidney**, expressed the need for assistance/training for the spouses of veterans. Ms. Dietrich continued that the spouse is the one who is more in tune with the problems the veteran is facing such as post traumatic stress disorder.

**Sheri Heffelfinger, Research Analyst, LSD**, responded that there is a program available called the readjustment counseling service which contracts with local community counselors. In addition, the Veterans Service Officer should be taking new ideas and helping to refer them. Ms. Heffelfinger asked if Ms. Dietrich was aware of the Veterans Service Officer in her area. Ms. Dietrich responded affirmatively, though she has not seen them. Ms. Dietrich continued that she is looking for something that the spouse can do to help. Ms. Heffelfinger responded that the issue seems to be geared toward outreach that is not being done.

**Dr. Maline, Glendive Medical Center Board**, criticized access to services in Eastern Montana. Dr. Maline continued to offer that interactive television is an approach that needs to become more prevalent. This would allow veterans to receive specialized psychiatric help in their area.

Mr. Walsh responded that another model he is working on is a teleconferencing model which would assist Dr. Maline's concern.

Mr. Davis asked about a previous program where services were fee based. Mr. Jacobsen responded that the program still exists on a case by case basis.

Mr. Hampson responded to Ms. Dietrich and supplied information regarding a meeting in Helena which is for the spouse of the veteran.

Mr. Heffelfinger stated that Ms. Dietrich's comments were the most important thing that the

Subcommittee has heard.

## **RECESS**

The meeting recessed at 9:20 p.m. and reconvened at 10:00 a.m. on September 27, 2001 in Miles City.

Sen. Roush recognized Pam Crisafulli of Senator Burns's Office.

## **VETERANS' CEMETERIES**

Mr. Jacobsen provided a briefing on the history and current status of the Eastern Montana Veterans' Cemetery (EXHIBIT #9).

Sen. Roush inquired as to whether the administrator was based in Miles City and whether he was under Mr. Jacobsen's employ. Mr. Jacobsen responded that the administrator was under a two-year county contract. Sen. Roush asked how many employees are currently under the county contract. Mr. Jacobsen responded that there are approximately four employees. Sen. Roush asked if the contract was paid from the fees Mr. Jacobsen described in exhibit nine. Mr. Jacobsen responded affirmatively and added that he must receive spending authority from the legislature for both cemeteries. Sen. Roush then asked if the \$1.5 million grant to construct the cemetery was depleted. Mr. Jacobsen responded that the grant was almost depleted.

Mr. Jacobsen continued to provide information regarding construction, operation, maintenance and administration of the Western Montana Veterans' Cemetery (EXHIBIT #10).

*Due to technical difficulties the audio tape did not record the remainder of the veterans' cemeteries dialogue. During this time, Joe Walsh provided the following public comment:*

Mr. Walsh noted that the sales of veteran license plates has been increasing. Mr. Jacobsen explained that some of the sales are actually renewals and that only \$6 is paid on renewals while \$10 is paid on new sales. A 1999 bill will change this so \$10 is paid each time.

## **RECESS**

The meeting recessed and reconvened at the VA clinic in Miles City.

## **VA PRIMARY CARE CLINIC AND NURSING HOME**

**Ms. Marilyn Frize, Administrator, VA Primary Care Clinic and Nursing Home**, provided a handout on behalf of Lee Logan who was unable to attend (EXHIBIT #11).

Sen. Hargrove asked what the relationship was between the nursing homes in Glendive, Columbia Falls, and Miles City. Mr. Jacobsen responded that the Miles City nursing home was federal VA where the others were state. Sen. Hargrove asked if there was interaction between the federal and state. Mr. Jacobsen responded that there was little interaction between the two, but veterans can go to either. Ms. Frize responded that there were federal requirements to receive assistance.

Ms. Frieze continued that the Miles City facility has downsized over previous years and is now integrated with the VA Montana Health Care System. From this integration came the creation of a large building and facility with a low utilization of space. There is also a community group that formed to inquire about how the facility can meet some of the economic needs of Miles City. From their efforts, the entire property may be moved to the ownership of Custer County. A feasibility study is now being done to determine if ownership will be transferred to Custer County. There is also some talk of the facility being used to assist the community college in the creation of a technology center.

Sen. Hargrove asked if the local community college is working with Montana State University or the University of Montana in creation of the technology center. Ms. Frieze responded affirmatively.

### **RECESS**

The meeting recessed for a tour of the facility and reconvened at 2:00 p.m.

### **OVERVIEW OF MVAD FIELD OPERATIONS**

Mr. Jacobsen introduced Bonnie Curran, the MVAD veteran service officer in Miles City, whose office is co-located at the clinic. Mr. Jacobsen provided a packet of information to the Subcommittee (EXHIBIT #12) and presented a briefing on the responsibilities and activities of the MVAD service officers and how a claim is processed.

Sen. Roush asked about the turnover rate. Mr. Jacobsen responded that there has been some turnover in Miles City, but very low elsewhere. Sen. Roush asked if all field officers have access to computers and networks. Mr. Jacobsen responded that there is access to electronic information, but the active file is strictly paper. He continued that they are working to make the files electronically available.

Sen. Hargrove asked if the DD214 automatically flowed to the county clerk and recorders. Mr. Jacobsen responded that it is the responsibility of the individual, but it would be a good idea to have them stored there.

Sen. Roush asked if paperwork is often lost within the system or if the system was too cumbersome. Mr. Jacobsen responded that this occasionally happens.

### **PUBLIC COMMENT**

**Jim Bertrand, Community Task Force, Miles City**, spoke to the committee regarding veterans' health issues. Mr. Bertrand read a statement from Dr. Kenneth Kaiser, Under Secretary of Veterans' Affairs, who appeared before Congress in June 1998. Though Dr. Kaiser was optimistic in his statement to Congress, Mr. Bertrand provided news clippings addressing specific issues with current care received by veterans. Of particular concern to Mr. Bertrand was the distances veterans have to travel for care.

### **ADOPTION OF MINUTES**



Sen. Hargrove commented on page 13 of the August 6, 2001 minutes and asked that a statement be reviewed. Ms. Heffelfinger responded that the tapes will be reviewed to clarify the statement made.

Sen. Hargrove moved that the minutes be adopted with that alteration. Rep. Lenhart seconded the motion. The motion passed unanimously.

### **UPDATE ON SJR5 STAFFING ACTIVITIES**

Ms. Heffelfinger provided a Chronology of SJR 5 Coordinating Activities (EXHIBIT #13). The chronology outlines coordination efforts with the VA. Ms. Heffelfinger stated that there are communications not listed because they were unofficial. What is reflected on the list are the official communications between the committee and the VA. Ms. Heffelfinger stated that the current standing with the VA is that Dr. Batliner is seeking a meeting with Sen. Hargrove and Sen. Roush.

Ms. Heffelfinger continued to review other staffing activities and stated that she is currently compiling responses to the SJR 5 issues and options survey.

Ms. Heffelfinger reviewed the current status of each Subcommittee request for information (EXHIBIT #14). She stated that her goal is to provide a great deal of background information which will allow for a succinct review of the issues and options. This will then allow the Subcommittee to begin making decisions.

After much discussion, the Subcommittee determined that Dr. Batliner should present information to the full Subcommittee in a public forum at a location of his preference. Further, the committee asked that Ms. Heffelfinger draft a letter to Dr. Batliner stating the terms and questions for his presentation. The letter is to be signed by at least two committee members if possible. Mr. Niss will review the letter before sending it to Dr. Batliner and copies are to be sent to congressional members as well.

Sen. Roush commented on the need for a Veterans' Advisory Council. Sen. Roush then asked Ms. Heffelfinger to examine what surrounding states do in a similar capacity.

Sen. Hargrove asked what the Board of Veterans' Affairs does. Mr. Jacobsen responded that they supervise his position and provide guidance. Ms. Heffelfinger added that the five member board is appointed by the Governor for five year terms. The only guidance to the Governor in selecting the board is that the person must be an honorably discharged veteran and the members must be from different counties.

### **HJR 1 MENTAL HEALTH STUDY**

Ms. Heffelfinger updated the Subcommittee on the HJR 1 Mental Health Study (EXHIBIT #15). Ms. Heffelfinger asked the subcommittee how they wanted to approach the mental health issue. Sen. Hargrove responded that the HJR1 Subcommittee would handle mental health issues except for the cost shifting. Sen. Hargrove asked Ms. Heffelfinger if exploration of the mental health issue would complicate the other issues of the subcommittee. Ms. Heffelfinger responded that global mental health issues can be addressed in the HJR 1 study, but that the

SJR5 Subcommittee could possibly discuss the role of the Veterans' Service Officer with respect to mental health. Sen. Roush commented that he would also like to see the HJR 1 committee address the mental health issue.

#### **OTHER TOPICS**

Sen. Roush asked if there was grant money obtained by Mr. Walsh where would the money go and who would spend the money. Currently, Sen. Roush would like to hold off on a letter to move forward with the Montana Consensus Advisory Council until more research can be done. Sen. Roush advised Mr. Walsh to work with Ms. Heffelfinger on his ideas. Sen. Hargrove commented that the stakeholders need to commit to communicating with the Montana Consensus Council and that the subcommittee would not need to take part in those discussions.

**Rick Schultz, Reporter**, commented that the committee expressed concern regarding chemical dependency, but that veterans' organizations facilitate this by providing places where members can drink. Sen. Roush responded that in rural areas, there are no fraternal organizations for veterans though they may have them in more urban areas.

#### **ADJOURNMENT**

The meeting adjourned at 4:15 p.m. on September 27, 2001. The next meeting is scheduled for Friday, November 16.

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