

GHMA Committee Brief: Report of the Working Group on the Vermont Veterans' Home Governance and Funding

In response to 2015 Act 58 Sec. E342.1

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Sec. E. 342.1 WORKING GROUP ON THE VERMONT VETERANS' HOME GOVERNANCE AND FUNDING

(c) Powers and duties. The Working Group shall study solutions to the Vermont Veterans' Home funding challenges. In particular the Working Group shall:

- (1) identify and undertake actions that seek to minimize the operational costs and maximize patient revenue and revenue from other sources that are consistent and compatible with the mission and operations of the Home;
- (2) implement a routine review of patient acuity to ensure Medicaid reimbursement is at the maximum level possible;
- (3) examine and evaluate alternatives to the current funding model for the Home;
- (4) examine and evaluate alternative uses for the Home and its property that would benefit veterans; and
- (5) examine and evaluate options for repurposing portions of the Home's facility and property for alternative uses that would benefit veterans.

Brief Overview

- VVH created 130 years ago
- One of 148 homes in the country located in every state and two territories.
- Skilled Nursing facilities for Veterans provide a unique environment for residents.
- Majority of residents are male with an average age of 80
- Report includes funding history that includes data from 1994- 2016 (pg. 6-8)
- Summaries from several reports on the Home have been included:
 - State Auditor's Review January- April 1999 (pg. 8-9)
 - 2005 VVH Opportunities Exist to Better Serve Vermont's Veterans (pg. 9-10)
 - Vermont 2012 Task Force: Long-Term Service Needs of Vermont Veterans (pg. 11)
 - Independent Review: management & Operations of the VVH 2013 (pg.11-12)
 - Review of the VVH in response to 2014 Act 179 Sec E.10.2 (pg. 12-13)

Consistent Themes in Reports

- Prior State Funding via General and Global Commitment Funds
- Financial viability of the Home
- Level of Involvement of the Board of Trustees
- Level of Involvement by the Agency of Human Service
- The need for various policies and procedures to improve the operation of the Home

Relationship with the Veterans Administration

- VVH receives funds from the VA for each Veteran cared for at the home. In most instances the daily stipend
- Veterans deemed with a 70% or more “service connected disability” receive a higher daily rate. Research shows that the eligible population of Veterans under this criteria will increase as Vietnam Vets age.
- Most residents are at the Home due to conditions that occurred after their military service.
- Efforts are being made to collaborate more with the WRJ VA Medical Center and the Home. Leading to admissions referral being up.

Working Group Tasks

I. Minimize Operations & Maximize Revenue

Prior to FY 2016

- Reduction in licensed bed reduction, from 171 to 130
 - Saving the facility \$231,031 due to a reduction in Medicaid bed tax
- Reduction in workforce of 5 employees
- Eliminating 12 open positions
 - Savings from the eliminated positions totaled \$1,217,955

- 80% of the Home's budget is fixed cost.
- Like other 24/7 state operations the Home is in need of state funding to support operations.
- Comparison to other 24/7 state funding needs can be found within the report, pages 14 and 15.
- 24.89% of the VVH budget comes from General Funds and 1.86% from Global Commitment totaling 26.75% the VVH's current budget.

II. Implement a Routine Review of Patient Acuity

- Implementation of electronic medical records (EMR) system to ensure the maximum Medicaid reimbursement.
- EMR fully implemented in December 1, 2015.
- Regular reviews and quarterly case mix reports will be done by the CEO and Director of Nursing Services.
- Annually there will be a third party review of the Home's case mix and documentation.
- Information will be incorporated into the Home's Quality Assistance Program.

III. Examine & Evaluate Alternative Funding Model

Currently 39 State Veterans' Homes have some sort of management contracts. Contract are handled differently depending on the needs of the State.

- Appendix A: HMR Veterans' Services, Inc. presentation
 - Management contract making the vendor responsible for day to day management and operation of the Home There can be a variety of staffing configurations.
 - State pays a management fee to the vendor.
- Appendix B: Review of State Veterans' Homes run by management contract

- Maine Model detailed in the Pulling Report
 - Multiple homes located through the state
 - Homes operate separate from State government with a “quasi-public” status allowing the organization to issue their own bonds for capital improvements
- Concern with private management is the loss of the Home’s employees ability to participate in VSEA.
 - Pay, benefits and ability to freely express issues and concerns
- Previous reports suggest that the Home receive support from AHS
 - Currently the Home is a stand-alone operation with support from BGS and HR as needed
 - Shift from current governance structure

IV. Examine & Evaluate Alternative Uses That Would Benefit Veterans

140,000 square feet of building complex on ~ 88 acres of property

- Potential for a new tenant to build on the property
 - The Board does not want to see the property over run with additional buildings
- Suggestion: build a facility to house homeless Veterans. Funding needed.
 - Homeless grant funds are available to community providers but not State Veterans' Homes... could jeopardize VA Construction Grant status
- Suggestion: build a Center to address PTSD. Funding needed.
- Hesitation to include either in the current facility due to a lack of mental health professional, staffing issues and safety concerns.

V. Examine and Evaluate Options for Repurposing...

- After bed reduction and creation of additional private rooms for short term rehabilitation and hospice the facility can charge extra for these rooms and suites.
- Flexibility to section off a unit to be released to a community provider, agency or business. Barrier identified:
 - Reconfiguration would reduce private rooms and community space
 - Already many open commercial and office space available in Bennington
 - Tenant and guests could not risk the safety of Veterans
 - Leased area would need it's one entrance and be sectioned off from the rest of the facility
 - Having used VA Construction Grants for renovations any reconfiguration could trigger federal recapture regulations if the facility is no longer a State Veterans' Home

OPTIONS (pg. 21-22)

1. Continue with current model with the understanding that 25% of the Home's operating budget will need to be supported.
2. Move the Home to operate within the Agency of Human Services with the understanding that state fund will still be need, the percentage to be determined. More research is needed.
3. Hire a private management firm to be responsible for the day to day management of the home. This does not guarantee the Home will be free from need for State appropriations. More research is needed.
4. Close the home requiring residents to find new and appropriate places to live. Noting that Veterans would loose their daily stipend not living in a designated Veterans' Home. In turn this would add to Vermont's Medicaid costs. Adverse economic impact on employees and on the Bennington area.

Next steps to
consider?