

2015 Budget Adjustment



V E R M O N T V E T E R A N S ' H O M E

Fulfilling the Promise

FY 15 BUDGET CHALLENGES



VERMONT
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HOME

- Census Lower than budgeted
 - Deaths 60
 - Discharges 32
 - Admission 75
 - Bennington County challenges
- High fixed costs
 - 80% of budget is fixed costs
 - Limited ability to make noticeable impact on cost savings
- Although improving, call outs and overtime use remain high.
- Reclassification of RNs and LPNs

Cost Cutting Measures



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- Leveraging Group Purchasing with Vermont approved vendors
- Monthly Budget reconciliation by Department Heads
- Not filling all empty positions
- Discontinued use of Agency Nursing
- Reduction in Overtime
- Reduction in Contracted Services hours for Dietician and Nurse Consultant
- Use of State Vehicle instead of rental car or personal mileage payments (approximate savings of \$3,461 this year)
- Reduction in overnight travel

Census Analysis

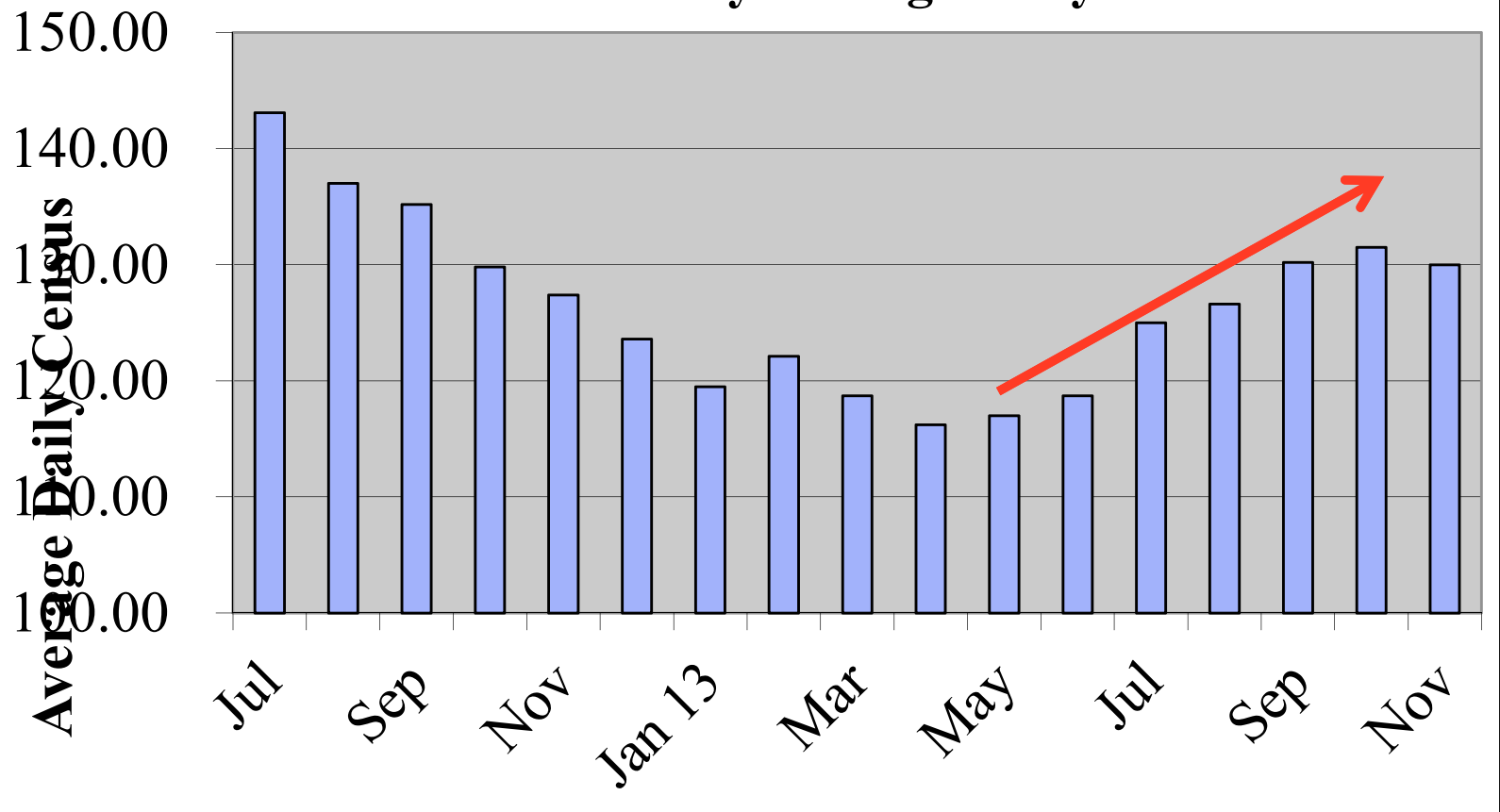
Trend last year



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Vermont Veterans Home

FY 12 - 14 Monthly Average Daily Census



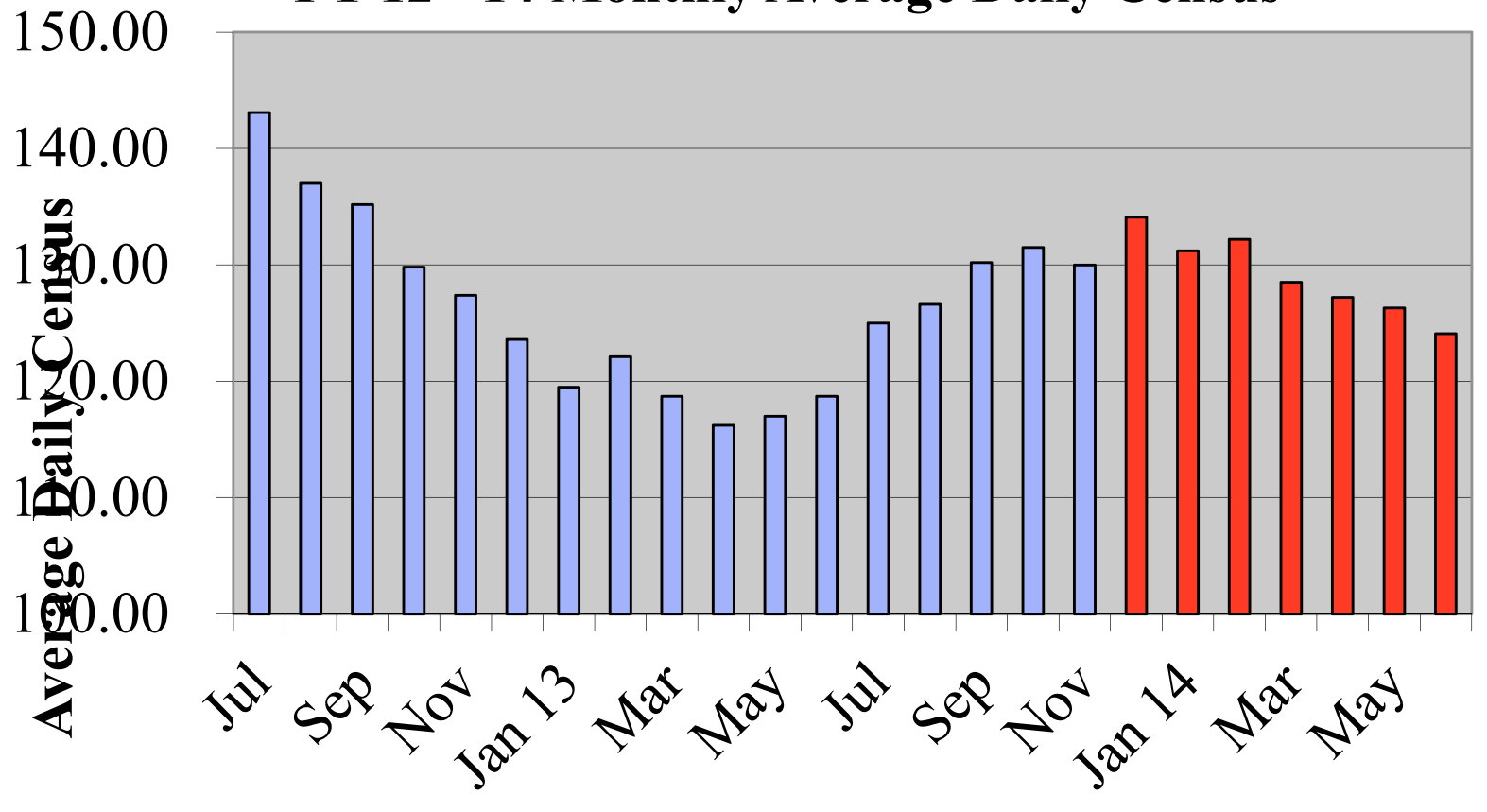
Census Analysis

Actual



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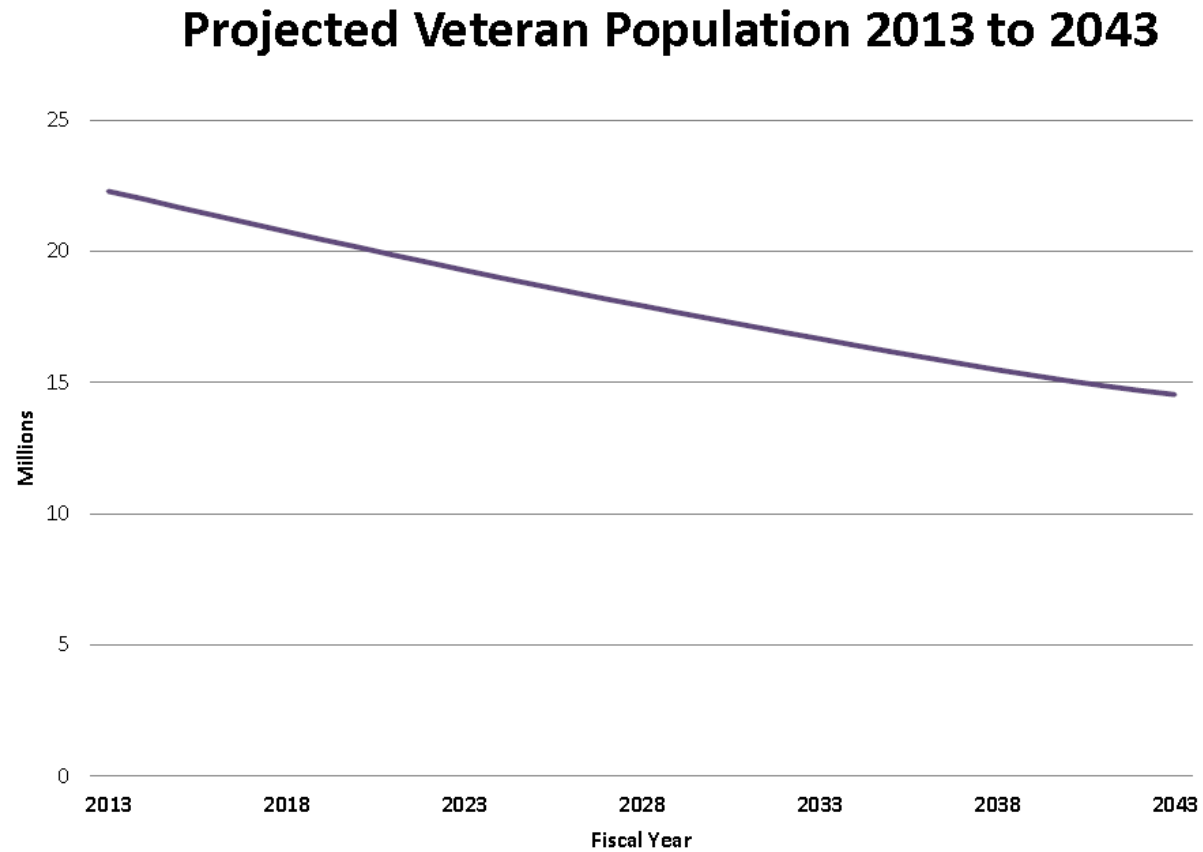
Vermont Veterans Home FY 12 - 14 Monthly Average Daily Census



National Center for Veterans Analysis and Statistics



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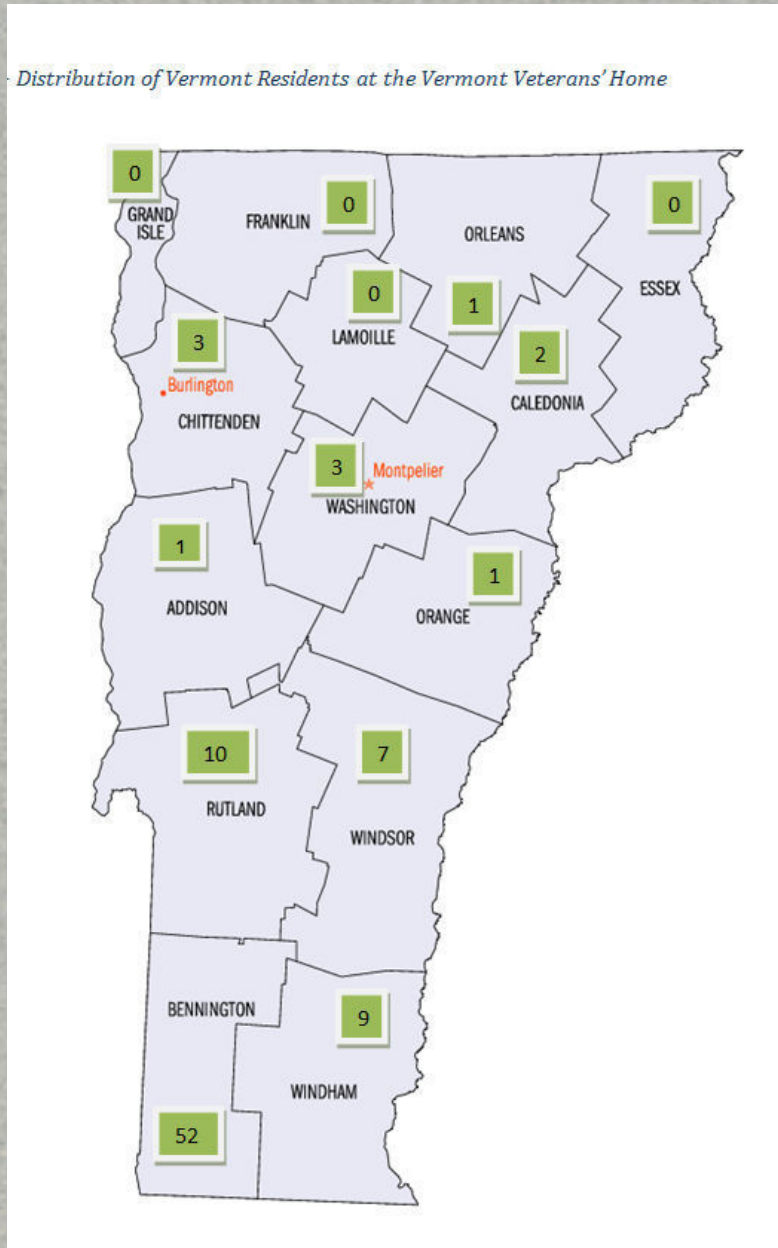


Source: Office of the Actuary, Veteran Population Projections Model (VetPop2014), Table 1L



13 Oct 2014

Where our VVH Veterans and members originate



We have increased our Marketing presence throughout the State

Despite these efforts, a preponderance of Veterans & members remain from Southern Vermont

Fulfilling the Promise

Increased exposure to the public



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- Marketing
 - Image & Branding
 - Building relationships with discharge planners
- Hitting the Trail
- Use of Facilities
- Public Service Announcements
- Public Television
- Press-improved public image
- Open Houses
- Weekly visits to Discharge Planners

Increase Community Events



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We have heightened our community outreach by hosting several Events on our Campus. These events have brought VVH tremendous Press, good will, and support from the community.

Valor Program- an educational opportunity open to the public and our Veterans. Local colleges have teamed up to present lessons and programs of interest at VVH. Williams, Southern Vermont, and Bennington College have participated thus far.

Summer Concert Series- Two concerts were held this past summer on our front lawn, Many from the local community and surrounding area attended. Many expressed hope we will continue next summer.

Father's Day Car Show- Estimated over 1000 attend this event, many said they were Visiting the Campus for the first time in their lives.

Marketing Information

The Vermont Veterans' Home has a detailed marketing plan to help increase and sustain census. It was prepared by the Skoug Group at a cost of \$25,000 (funded by the Board of Trustees). Full implementation would require approximately \$350,000, thus because of funding VVH has not implemented

- the complete plan. VVH has identified and is executing those portions that can be supported through the current budget.



Branding & Marketing Material of the Vermont Veterans' Home

VVH Branding



Fulfilling the Promise

Vermont Veterans' Home
Budget Adjustment Request for FY 2015
January 13, 2015

Summary

Due to a lower than anticipated census the Vermont Veterans' Home (VVH) will not receive sufficient revenue to cover anticipated expenses. VVH is requesting an additional \$4,855,004.00 to cover losses from traditional revenue sources, including Medicare, Private Pay, Private Insurance, and Vermont and New York Medicaid. Using the most current financial information VVH has worked to develop a budget adjustment request that reflects the needs of the home in the remaining months of the fiscal year. VVH will continue to monitor its financial status throughout the coming months.

Current Operation

Currently VVH services 120 residents in the nursing home and 8 in the Domiciliary (Dom). Maintaining a census and obtaining new admissions have been difficult due to the high number of Veterans and Members who have returned to the community and those that have died, currently this totals 82. Despite the discharges and deaths VVH has admitted 75 Veterans and Members thus far this fiscal year. Due to an outbreak of the flu we are currently unable to admit new Veterans and Members and hope to lift this ban by week's end. This past week alone we have experienced 4 Veteran and Member deaths. Although improving, the call out rate and overtime use have remained high during the first part of the fiscal year and impact the ability of the home to operate successfully.

- Census

Our average daily census in the nursing home for the first part of the fiscal year has been 121 and 8 in the Dom. Bennington County continues to struggle with filling nursing home beds. A recent report from the Vermont Health Care Association showed the nursing homes in Bennington County, including VVH, has 77.53% of the available nursing home beds filled, compared to the state average of 85.58% (Utilization Statistics –Payor Source as % of Total Capacity Division of Rate Setting Schedule of Reported Resident Days by Month, October 2014) The breakdown is as follows:

Bennington Health and Rehab	86.90%
Centers for Living and Rehabilitation	66.17%
Crescent Manor	84.73%
Vermont Veterans' Home	72.33%

Based on recent studies completed by the Centers for Medicare and Medicaid Services (CMS) and the Veterans Administration (VA) this trend is unlikely to improve in the near future. Per the CMS report "Nursing Home Data Compendium 2013 Edition" Vermont was ranked second highest in its decrease in nursing home beds from 2008 to 2012 at 5.0%, Montana ranked highest at 8.8%. http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/downloads/nursinghomedatacompendium_508.pdf

Overtime and call out rate

The call out from July 1, 2014 to December 31, 2014 is 7.85% which is down from 8.66% for the same time in 2013 and from 9.09% in 2012. The rate is higher than the national average of 5%. Started out the fiscal year using 2,000 hours of overtime a pay period; through close monitoring that has been reduced to 400 hours for the most recent pay period.

Reclassification of RNs and LPNs

A reclassification was recently completed for the facility's RNs and LPNs retroactive back to September 7, 2014. The RNs were move up one pay grade and the LPNs two pay grades, this will result in an additional \$186,000.00 that needs to be added to our FY 15 budget but is not included in our budget adjustment request at this time.

Cost Saving Measures:

Since the beginning of the fiscal year VVH has taken steps to reduce spending to limit the amount of our budget adjustment request. The following actions were taken:

- Contracted services review: decreased the Dietician's hours from 40 hours a week to 10h hours per week.
- Eliminated the use of contracted nursing services.
- Did not fill open positions.
- Reducing licensed bed capacity resulting in a decrease in our Medicaid Bed Tax liability.
- Monitoring of overtime use.
- Use of prime vendor services which provide additional discounts on state contracted services such as food, rehabilitation services, and maintenance supplies.
- Currently investigating the possibility of renting out unused facility space.

Fiscal Year 2015 Budget Adjustment Development Form - Vermont Veterans' Home

	General \$\$	Transp \$\$	Special \$\$	Tobacco \$\$	Federal \$\$	Global Commitment \$\$	All other \$\$	Total \$\$
Approp #1 Vermont Veterans' Home FY 2015 Approp	2,817,331	0	10,360,890	0	7,914,366	410,986		21,503,573
Rescission	(112,694)							(112,694)
Approp #1 Vermont Veterans' Home FY 2015 Approp	2,704,637	0	10,360,890	0	7,914,366	410,986		21,390,879
Lower Volume	3,138,864		(2,448,364)		(690,500)			-
Health Insurance increase for 6 months	193,922							193,922
Eliminate vacant positions (12)	(671,961)							(671,961)
Eliminate vacant positions (8)	(151,087)							(151,087)
Rate Increase Effective 3.1.2015	(24,333)		24,333					-
Decrease Licensed Beds	(111,840)							(111,840)
VT Medicaid Settlement FY13	480,609							480,609
VT Medicaid Settlement FY14	(647,707)							(647,707)
Other Operating Savings	(56,100)							(56,100)
								-
								-
								-
Subtotal of increases/decreases	2,150,367	0	(2,424,031)	0	(690,500)	0	0	(964,164)
FY 2014 Governor Recommend Budget Adjustment	4,855,004	0	7,936,859	0	7,223,866	410,986	0	20,426,715
Vermont Veterans' Home FY 2015 Appropriation	2,704,637	0	10,360,890	0	7,914,366	410,986	0	21,390,879
TOTAL INCREASES/DECREASES	2,150,367	0	(2,424,031)	0	(690,500)	0	0	(964,164)
Vermont Veterans' Home FY 2015 Governor Recommend	4,855,004	0	7,936,859	0	7,223,866	410,986	0	20,426,715