

2018 Budget Brief



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

Fulfilling the Promise

An Agency of the State of Vermont

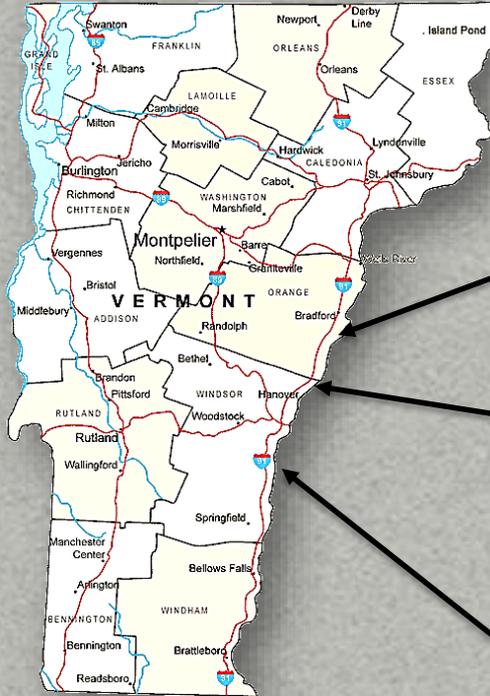
OUR HISTORY

- Incorporated by the VT Legislature by Act. No. 180 in the Acts of 1884
- In 1887 the property, conveyed to the Board of Trustees by deed of the Trenor W. Park; First “inmate” was admitted on May 18, 1887
 - Was a self contained working farm for Veterans
 - Governed by the Vermont Veterans’ Home Board of Trustees
 - Land Owned by The Home’s Board of Trustees



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Vermont received approximately \$6,794,905 from the VA to care for its VVH Veterans in FY-16



VA Stipend-
\$106.74
per day
★ \$2,501,753

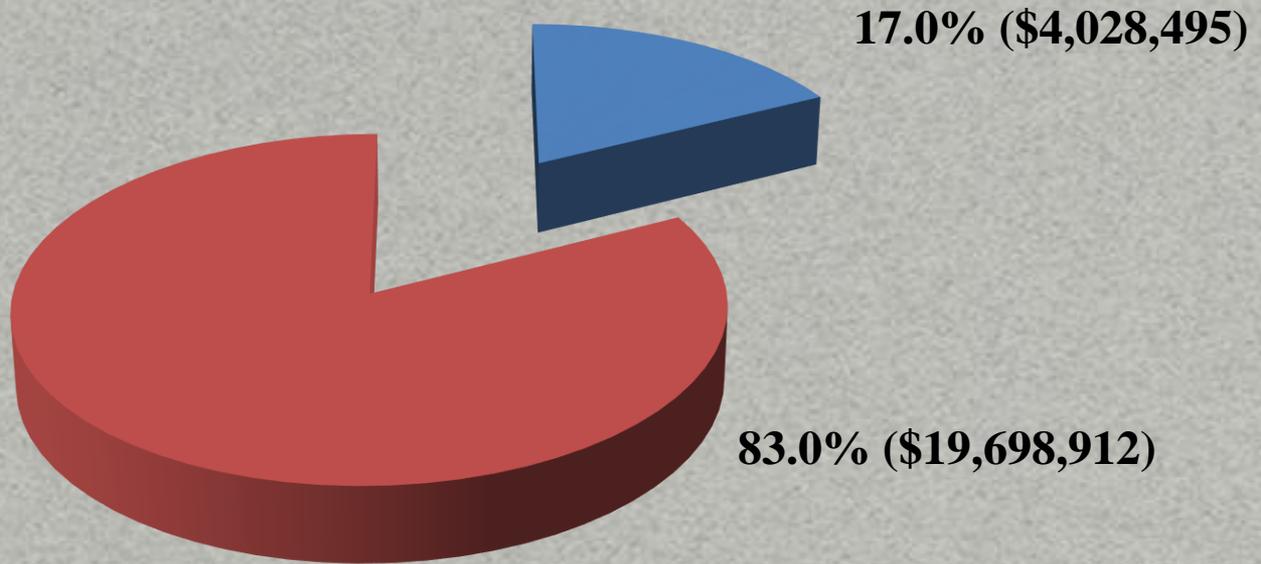
DOM
Stipend-
\$46.07
per day
★ \$103,279

Service
Connected -
★ \$4,189,873

This \$6.8 Million dollars **would not** transfer to private nursing homes in Vermont...

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Vermont Veterans' Home Budget FY18 Cost Percentages



■ Non-Salary

■ Salary, Benefits & Allocations



Plaque in the State House
Honoring our Veterans

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What is a State Veterans' Home



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State Veterans Homes are facilities that provide nursing home, domiciliary or adult day care. *They are owned, operated and managed by state governments.*



To participate in the State Veterans Home program, VA must formally recognize and certify a facility as a State Veterans Home. VA then surveys all facilities each year to make sure they continue to meet VA standards.

VA does not manage State Veterans Homes.



http://www.va.gov/GERIATRICS/Guide/LongTermCare/State_Veterans_Homes.asp



149 State Veterans' Homes

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VA Reimbursement



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Provided for Veterans only.

Two types: Basic Per Diem and Full Cost of Care

Basic Per Diem is paid for each Veteran residing at the facility, current rate is \$106.10 for the nursing home and \$45.79 for the Dom

Remainder of the cost of their nursing home stay is covered by Medicare, Medicaid, Private Pay or Long Term Care Insurance.

Remainder of the cost of their Dom stay is paid via private funds.

VA Reimbursement Cont.



Full Cost of Care is paid for any Veteran who is 70% or More Service Connected Disabled, as determined by the VA.

- This rate includes (Nursing Home Only):
- Room and Board
- Medications
- Medical Supplies
- Physician Visits including community physicians
- Facility Cannot Bill Other Insurances

While serving in the military

The disability had to originate



For Service Connected Disabled

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VVH TODAY



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A Premier Residential and Healthcare Campus For Veterans, their Spouses/Widows, and Gold Star Parents

130 Bed Skilled Nursing Facility

8 Bed Domiciliary "The Dom"/Assisted Living

193 State Employees

Services Provided

- Short-Term Rehabilitation Physical, Occupational, Speech Therapy
- Long Term Care
- Internationally Recognized Memory Care Program
- Hospice and Palliative Care
- Respite Care
- Outpatient Rehabilitation Services
- Guest Room for family members

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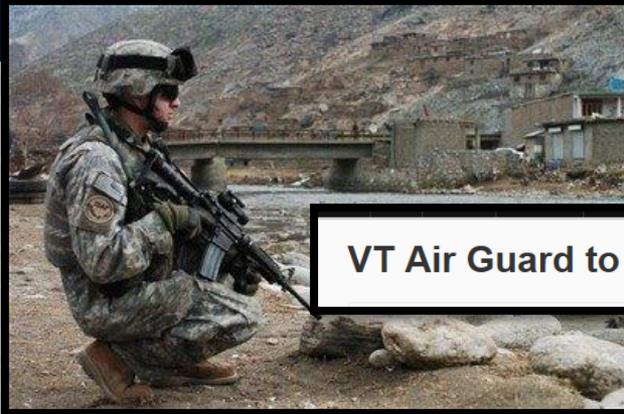
VVH Tomorrow



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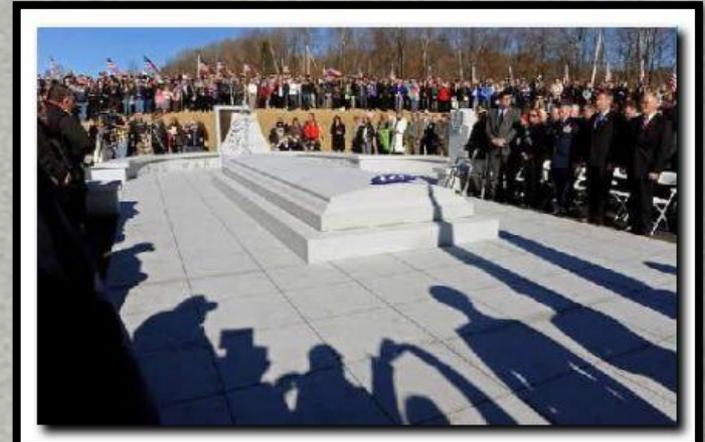
Vermont Warriors-Desert Storm/OIF/OEF

Burlington **Free Press**
PART OF THE USA TODAY NETWORK



VT Air Guard to deploy 'a few hundred' within 30 days

Our job to serve and care for our Veterans will never be done

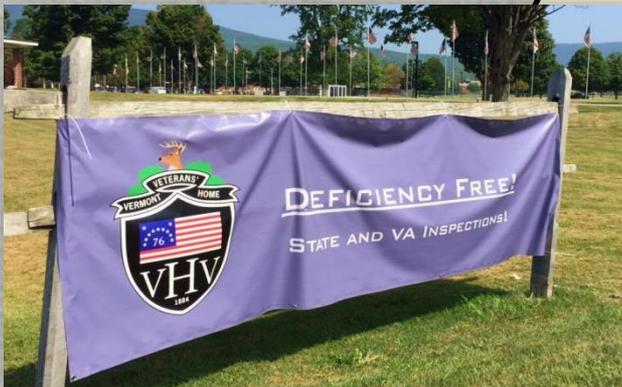


Performance Measures

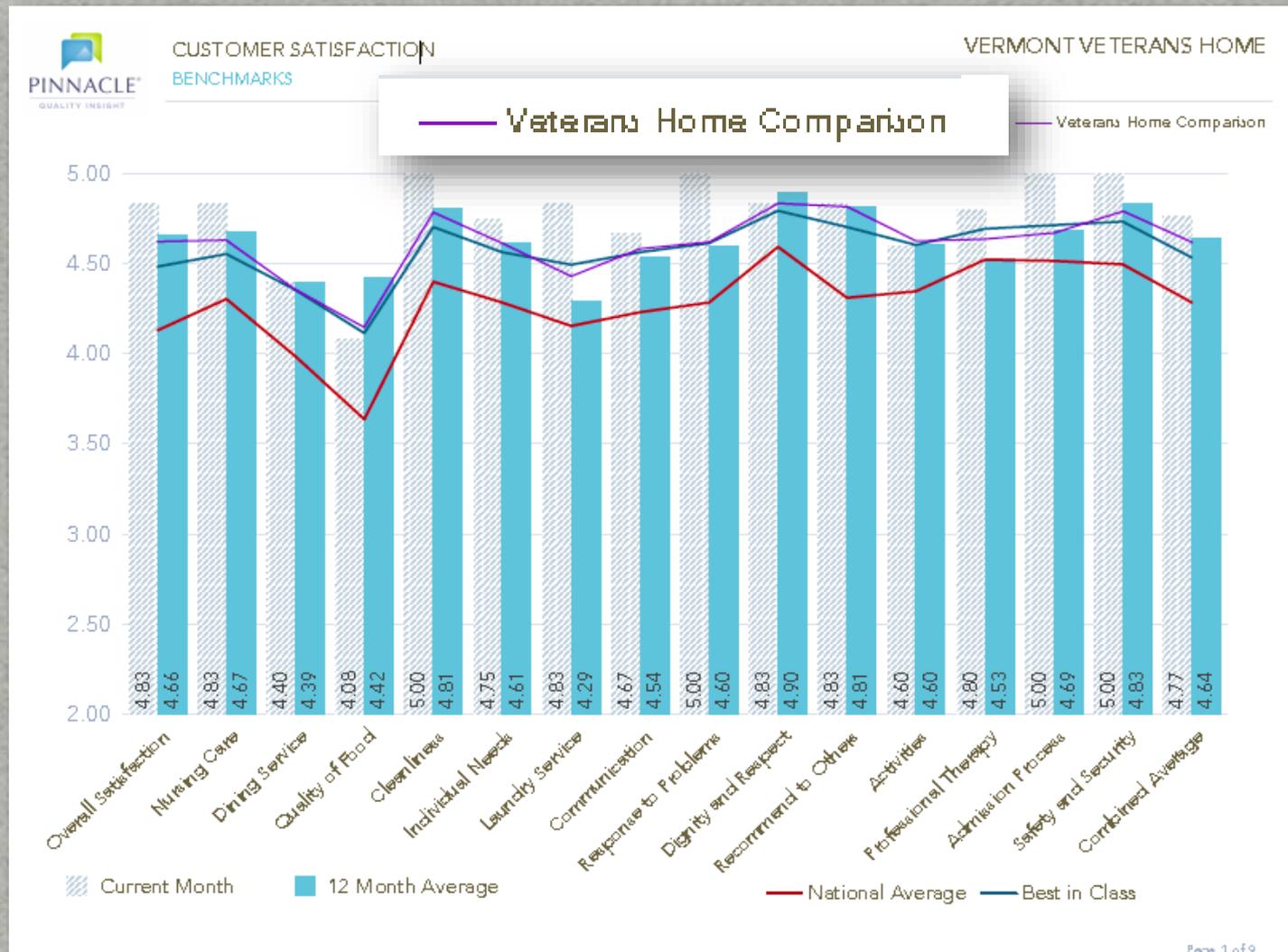


PINNACLE monthly interview with Veterans, Members and/or family regarding care and services our results compared to other homes across the country 9 best in class awards

Nursing Home Compare 5 star rating system of Centers for Medicare and Medicaid which compares VVH's performance to other nursing homes across the state



PINNACLE Performance Measures



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What Families think of us

Pinnacle Customer Experience Award™

The Customer Experience Award™ is awarded to care providers who have achieved best-in-class customer satisfaction standards within their peer group.

Nursing Care	Dignity and Respect
Quality of Food	Recommend to
Cleanliness	Others
Individual Needs	Safety and Security
Response to	Combined Average
Problems	Overall Satisfaction

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Nursing Home Compare Performance Measures



Star rating summary

Overall rating 



Much Above Average

Only 11 with a 5 Star rating in Vermont!

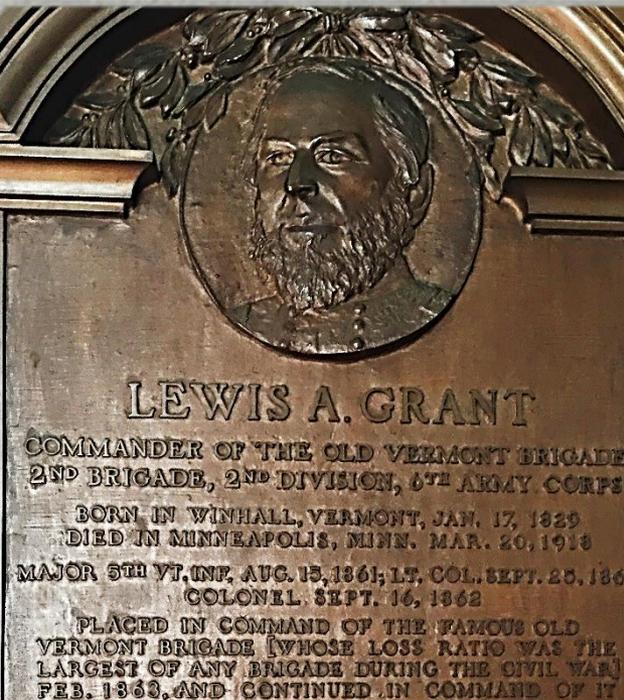
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PINNACLE Comments from the past year!



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- I would tell them that it was one of the best places to put your family member because it's clean, and the people are wonderful.
- They have activities for the people there. I can't say enough about it.
- The laundry service is the best. My mother raves about it.
- They are very accommodating. They have been very quick to implement things I have suggested.
- They go above board and do more than they normally do in a nursing facility.
- I have been in a lot of nursing homes, because I have been a POA for a lot of people and this home is very clean.
- I personally think it's lovely. He was in a small nursing home in White River until he could go down there. The facility is much bigger and brighter. It's gorgeous. I like the way it's arranged, the way it looks, and how the people are treated.
- There are people there being fed by nurses or attendants, but they aren't sitting on top of them the way they are in the nursing home he was in before. It's pleasant eating in there.



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More PINNACLE Comments



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- She didn't want for anything. If she did want something, they brought it right to her.
- He couldn't communicate because he is 100% disabled because of the hearing He has hearing problems. They use a dry erase board to problem. They go out of their way to make sure they understand.
- I would rate that 100. I have told other people that are going there with their parents that are far away that Vermont Veterans Home is so great.
- They not only treat him with dignity and respect, but they love his sense of humor and they joke with him.
- I would tell them that the staff is great, and they spoil my husband. They take very good care of him. It's a very clean, comforting atmosphere.
- I have told everybody about it. I would tell them it's the greatest place to put your loved ones. You don't have to worry. I actually sleep at night with my father there.
- They are the gold standard in nursing homes. It was at home, not a nursing home, to a lot of patients. There are many visiting spaces, and they are very nice. Privacy is always accommodated. The outdoor areas are very easily accessible and pleasant. There is a deer park for people to visit, but he couldn't because of his restrictions. The activities are marvelous. There is fishing, derbies, and barbeques. The parade even stops by. It's really wonderful.
- He loves the food there and he seems to get more than enough. He gets seconds if he wants. My mother loved it. It has to be a five. She's very fussy. I would rate that a 10. I have been in nursing homes, and I am not just making all this up.

Performance Measures Continued



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Deficiency Free State &
VA **TWO YEARS IN A
ROW**

CMS 5 STAR RATED for
Staffing one of **four** in the
state of Vermont as of
January 20, 2016.

Medicare/Medicaid
Certified

Presented Best Practices

- National Conferences
- VA
- Conference Calls and Visits



Father's Day Car Show

- **College Internship Site**
 - SVC
 - SVMC
 - SUNY Albany
 - Southern VT Tech
 - Medical Residency
- **Local School to Work Site**

<http://medicare.gov/nursinghomecompare/results.html#state=VT&lat=0&lng=0>

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Vermont Nursing Home Occupancy



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Vermont Nursing Home Occupancy By County

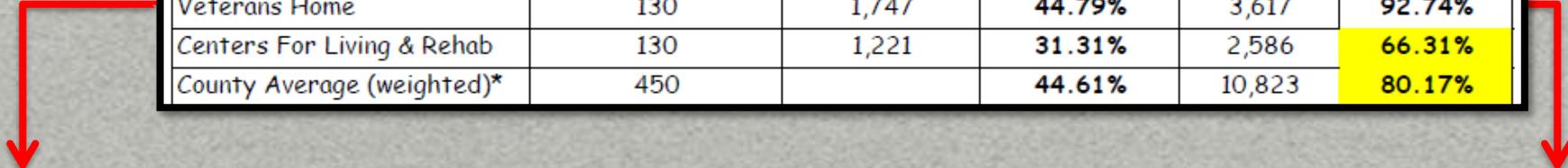
Total and Medicaid

November 2016

(Yellow highlight indicates occupancy below 90%; red font indicates occupancy below 75%)

Nursing Home by County	Licensed Capacity	VT Medicaid (all types of VT Medicaid) Days	VT Medicaid Occupancy	Total Days	Total Occupancy
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Bennington					
Bennington	100	1,372	45.73%	2,483	82.77%
Crescent Manor	90	1,682	62.30%	2,137	79.15%
Veterans Home	130	1,747	44.79%	3,617	92.74%
Centers For Living & Rehab	130	1,221	31.31%	2,586	66.31%
County Average (weighted)*	450		44.61%	10,823	80.17%



Veterans Home	130	1,747	44.79%	3,617	92.74%
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State	3,054	48,976	53.46%	77,367	84.44%
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http://dail.vermont.gov/dail-publications/publications-monthly-reports/drs_occup_co

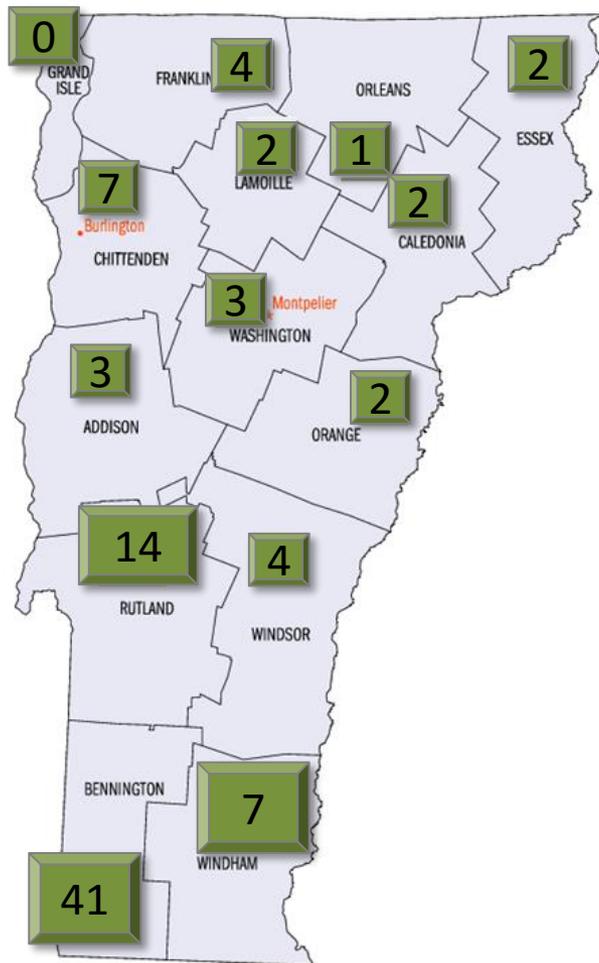
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Counties VVH Vermont Veterans Originate From



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Distribution of Vermont Residents at the Vermont Veterans' Home



- NY-23
- MA-3
- FL-2
- NH-3
- CT-2
- OH-1

(Mid-January numbers)

Challenges Continued



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Key Factors for Budget



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83.0% (\$19,698,912) of The Home's budget is fixed cost

- 74.5% Salary Benefits \$17,681,073
- 2.3% State Allocations \$548,369
- 3.5% Utilities \$830,000
- 2.7% Bed Tax \$639,470

1.7% (\$410,986) of our budgetary funding is Global Commitment Funds

28.1% (\$6,665,116) of our budgetary funding is General Funds

70.2% (\$16,651,305) of our budgetary funding comes from Medicare, Medicaid, Private and VA Funds

The Home's Veterans:

- Average Age 80
 - Youngest 46
 - Oldest 98
- Males 100
- Females 25
- 102 Veterans, including 3 Women
- Represent all branches of the Military
- World War II 25
- Korea 25
- Vietnam 34
- Gulf War 4
- Peacetime 14

This results in:

- Higher Acuity/Care Needs
- Increase Need for 1 on 1

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We collect approximately 70 cents out of every Dollar required

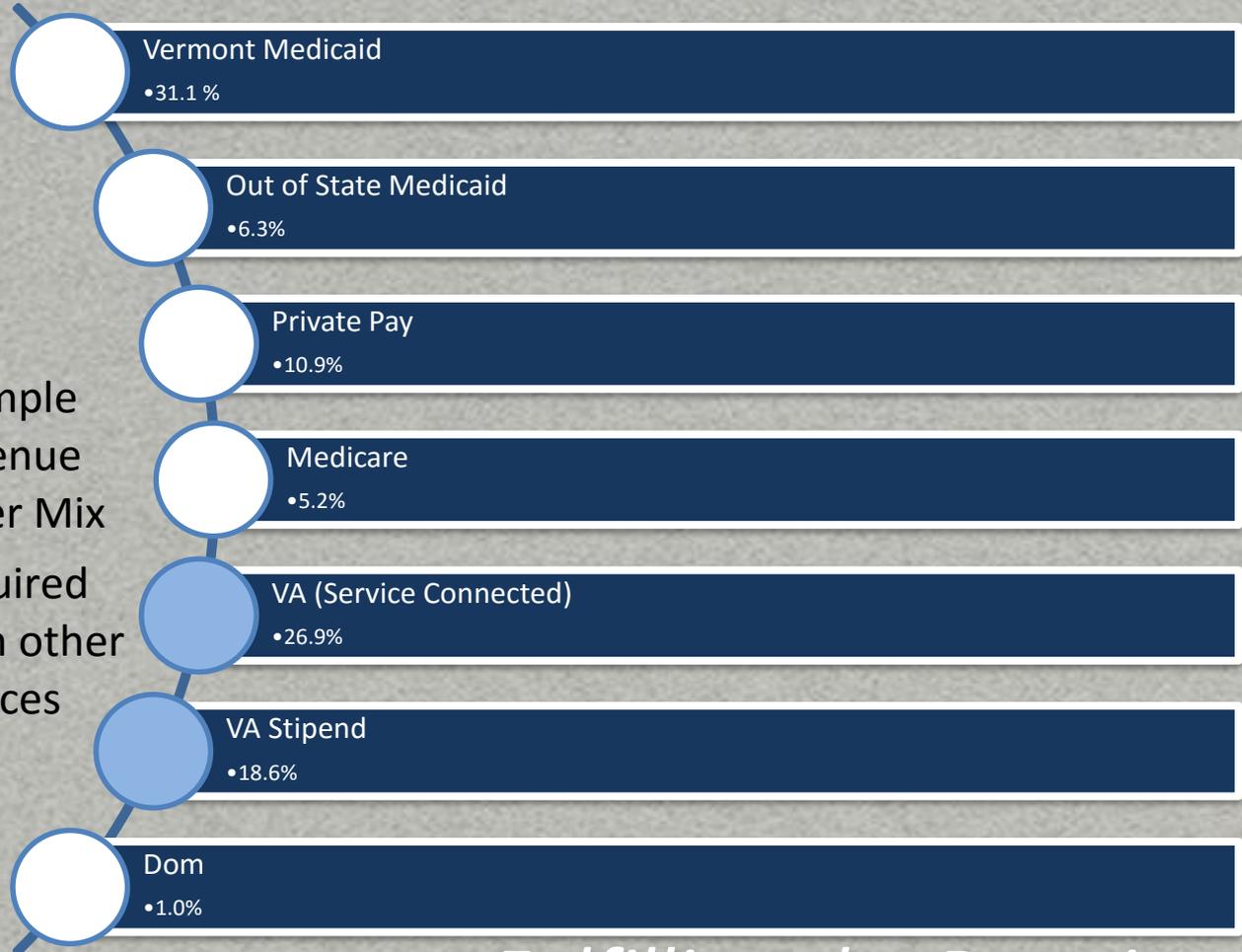


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Budget



- Example Revenue Payer Mix
- Required from other sources



2018 Challenges



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Meeting The Home's Financial Goals

- Reimbursement does not cover actual costs
- High Cost Medications, Hep C Drug \$60,000 not covered by VA.
- Medicare Hospital Readmission Penalty Potential

Labor Costs

- FY 16 Call out Rate 9.73%
FY 15 9.8%
- FMLA Hours 11,153.5
- Worker's Comp Hours 26,407.6
- Overtime Hours 36,727.3
- Cumbersome Hiring Process

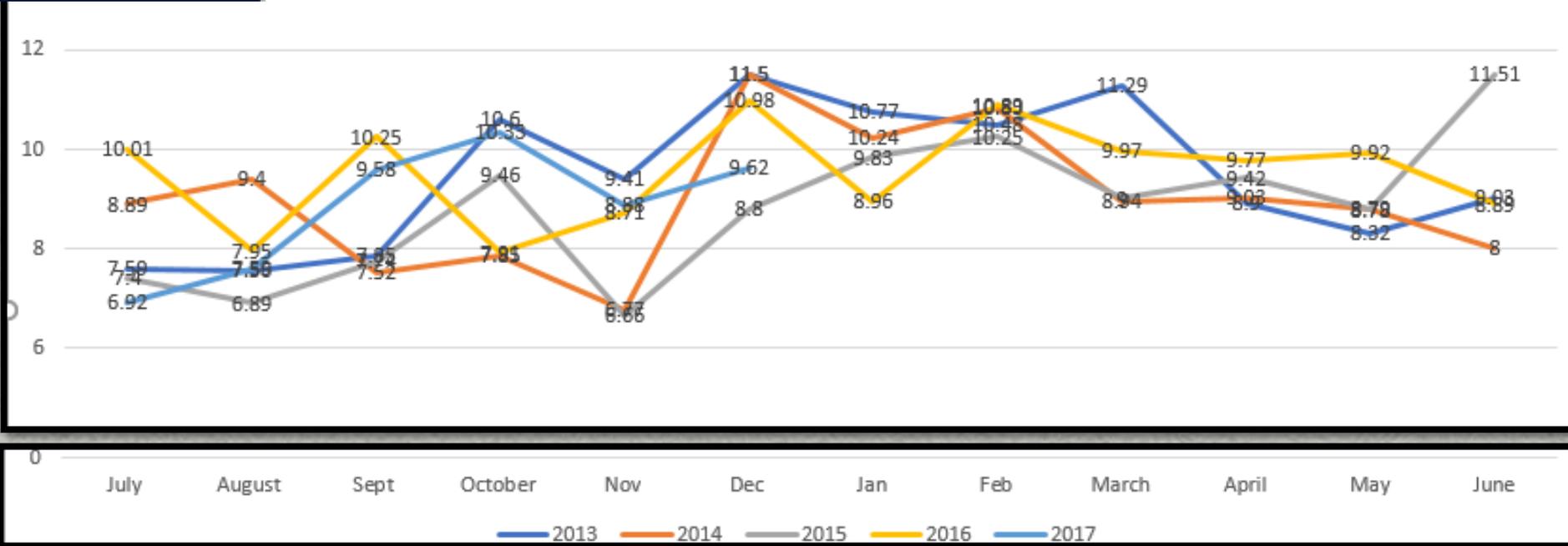
Recent Statewide Nursing Reclassification

- Unexpected expense of Totaling \$1,014,927 – (\$330,023 Retro Payment and \$684,904 annualized impact)
- Other departments now requesting reclassification impact on budget unknown

Call Out trends-5 Year



Call Outs



Budget Assumptions



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Revenue

- Based on an average daily census (ADC) of 125
- Private Room \$335 Semi Private \$315 per day
- Vermont Medicaid Daily Rate of \$245
- Average Medicare Daily Rate \$455
- Service Connected VA Daily Rate \$410.17
- VA Stipend daily Rate \$106.74



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Budget Assumptions



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Revenue Challenges:

- Ensuring medical documentation reflects care and services provided to collect proper reimbursement.
- Collection of Private Pay Accounts, perception that care should be free.
- Ensuring Veterans and Members maintain their appropriate payor source.

MAU Choir



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Budget Assumptions



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Expense Challenges:

- Limited ability to reduce costs
- FMLA resulting in high call out rate, increased overtime, need to use agency staff
- Increase need for 1 to 1 supervision of Veterans based on their acuity and safety of others
- Costs associated with ongoing maintenance of the facility
- High Worker's Compensation Costs (\$703,222)



SVC Women's Varsity Soccer Team

Cost Cutting Measures



Employee Safety Consultants

- Worker's Compensation Program brought in-line with State regulations
- Designated Worker's Compensation Physician
- Internal Accident Review Process
- Increased monitoring of those on Light Duty or out of work.

Decreased Deer Herd

- Sold extra deer, funds to be used to defray upkeep of the herd and their enclosure.

Employee Driven FMLA Performance Improvement Project

- Investigating compliance with State and Federal Regulations

Continuous Spending Review

- Ensuring costs are inline with daily census

LNA Class

- Train individuals to become LNAs
- Fill our open positions
- Reduce OT and agency use



Reducing Potential Re-Hospitalization Penalties



The re-hospitalization provision, set to go into effect in 2018, would hold both hospitals and SNFs responsible for any patient that returns to the hospital within 30 days of discharge.

What are we doing....

- Reducing the chance of infection

HALO

- Disinfection System

NOVAERUS

- Airborne Infection Control

Resident Infection Control Teams

- Hand washing

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Promotion-Getting the Word Out



- Marketing Image & Branding Building relationships with discharge planners
- Speakers at national conferences
- Videos

- Hitting the Trail
- Use of Facilities
- Television ads on Cable TV in VT, NY, & NH
- Radio
- Public Television PSA & Shows
- Press-improved public image
- Open Houses
- Weekly visits to Discharge Planners
- Monthly "Buzz Word" newsletter



Marketing Focus of Effort



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Target Rutland County

- Utilize all media resources
 - Radio-TV-Paper
- Meet with area leaders
 - Municipal
 - Clubs-Elks-Lions-Eagles etc.
 - Churches

Where do Veterans live in VT?



County	Veteran Population	% Enrolled in VA
Chittenden	9,704	38%
Rutland 	5,201	44%
Washington	4,700	37%
Windsor	4,467	58%
Franklin	3,930	9%
Bennington	3,432	45%
Windham	3,303	46%
Caledonia	2,551	46%
Orleans	2,376	50%
Orange	2,367	50%
Addison	2,268	9%
Lamoille	1,938	35%
Essex	753	51%

- Duplicate model in Chittenden County using lessons learned

Community Events



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We continue to expand our community outreach by hosting several Events on our Campus. These events have brought VVH tremendous Press, good will, and support.

VALOR Program- an educational opportunity open to the public and our Veterans. Local colleges & Experts have teamed up to present lessons and programs of interest at VVH. Williams, Southern Vermont, Bennington College, and NASA (Ret) have participated

Summer Concert Series- concerts were held this past summer on our front lawn, many from the local community and surrounding area attended. This is a tremendous gift to the community for their resolute support of VVH

Father's Day Car Show- this annual event continues to grow in popularity as visitor's routinely attend from the four contiguous states

Pow Wow- Locals and vacationers alike thoroughly enjoyed the Native American Pow Wow held our front property. The event was dedicated to the Veterans. Thousands attended and expressed their desire to attend....and vacation in the area again next year!

Veterans Motorcycle Ride- The 1st Annual Veterans Ride concluded on VVH property with a barbeque and music for attendees

Holiday Tree Lighting- A Community event hosted by VVH for the Local community and their children; music, snack, the tree, and Santa

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Vermont Veterans' Home Budget FY 18



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<u>Operating Expenses</u>		<u>% of Total</u>
Salaries	\$ 11,157,007	47.0%
Overtime	600,000	2.5%
Benefits	<u>5,924,066</u>	<u>25.0%</u>
Sub Total Salaries & Benefits	\$ 17,681,073	74.5%
Medicaid Tax	\$ 639,470	2.7%
Utilities	830,000	3.5%
State Allocations	<u>548,369</u>	<u>2.3%</u>
Sub Total Tax & Allocations	\$ 2,017,839	8.5%
Total Salary, Benefits & Allocations	\$ 19,698,912	83.0%
<u>Non-Salary Expenses</u>		
Food	\$ 547,345	2.3%
Other Operating	<u>4,130,850</u>	<u>14.7%</u>
Sub Total Non-Salary	\$,678,195	17.0%
Total Operating Expenses	\$ 23,727,407	100.0%
Gain (Loss) from Operations	\$ (7,076,102)	

**FIXED COSTS....NO
Control over these
83.0%**

**Minimal Control
over 17.0 %**

Other Operating Expense Examples: Drugs, Physician Fees, Contracted Rehab Service, Medical Supplies, Maintenance Supplies, Repairs, Advertising, Telephone, IT supplies and Audit.

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Vermont Veterans' Home Budget FY 18 Cost of Care Deficit



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Cost Per Day	\$ 489
Net Revenue Per Day	\$ 343
Gain (Loss) Per Day	\$ (146)



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Vermont Veterans' Home Budget FY 18 Government Funding



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<u>Government Funding</u>		<u>% of Expense</u>
General Fund	\$ 6,665,116	28.1%
Global Commitment	410,986	1.7%
	\$ 7,076,102	29.8%



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Questions.....