

2022 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

It all starts with the Promise

- At the Vermont Veterans' Home
- **Governor Scott's Priority Initiative-**
 - **We Protect Vermont's most Vulnerable Heroes**



It all starts with the Promise



VERMONT
VETERANS'
HOME

- The State of Vermont Fulfills the Promise, it is our turn to ensure their service is not forgotten.
- They answered the call and defended our Country, for that reason, our staff at the Vermont Veterans' Home are here for them.
- **Our State is here for them**
- This is their Veterans' Residential Campus.
- This is their home.

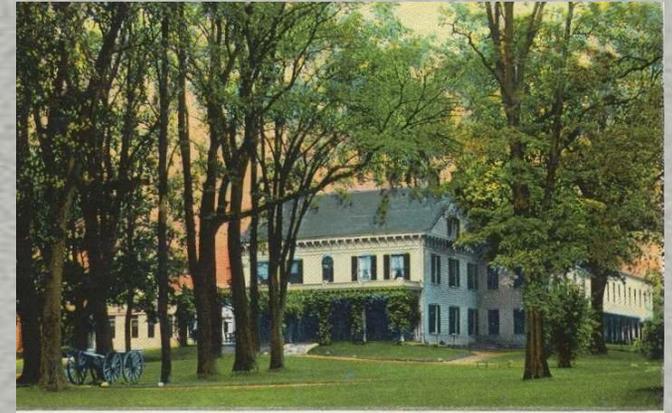


OUR HISTORY



VERMONT
VETERANS'
HOME

- 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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What is a State Veterans' Home



- 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

158 State Veterans' Homes



Fulfilling the Promise



VA Reimbursement



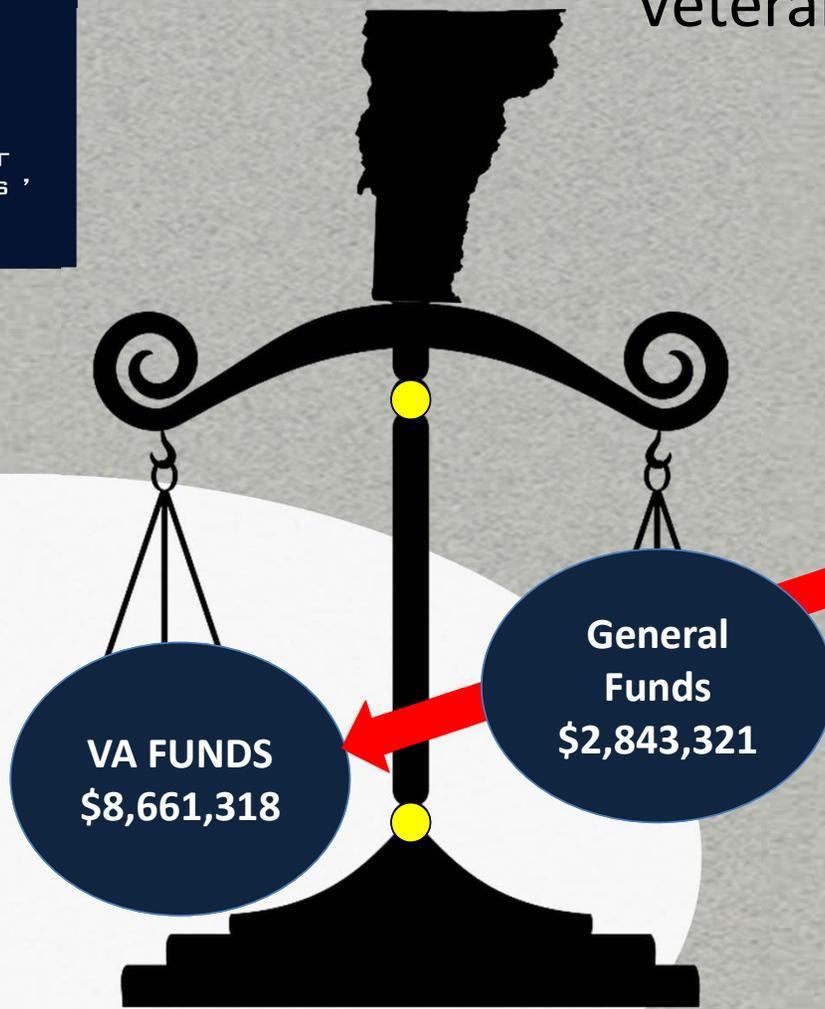
Provided for Veterans only.

- 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 \$115.62 for the nursing home and \$49.91 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.

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The shared cost of caring for our most vulnerable Vermont Veterans



Vermont would not receive these VA Funds without a State Veterans' Home

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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

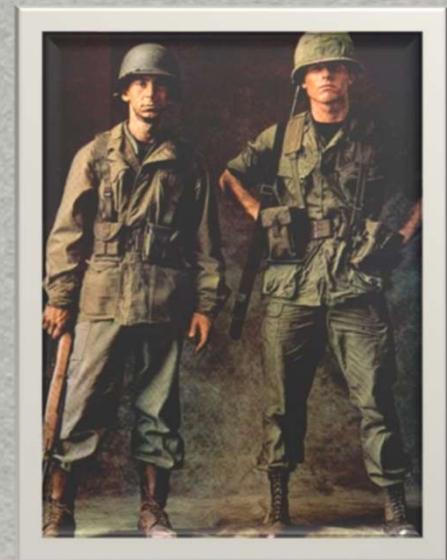
- Facility Cannot Bill Other Insurances

For Service Connected Disabled



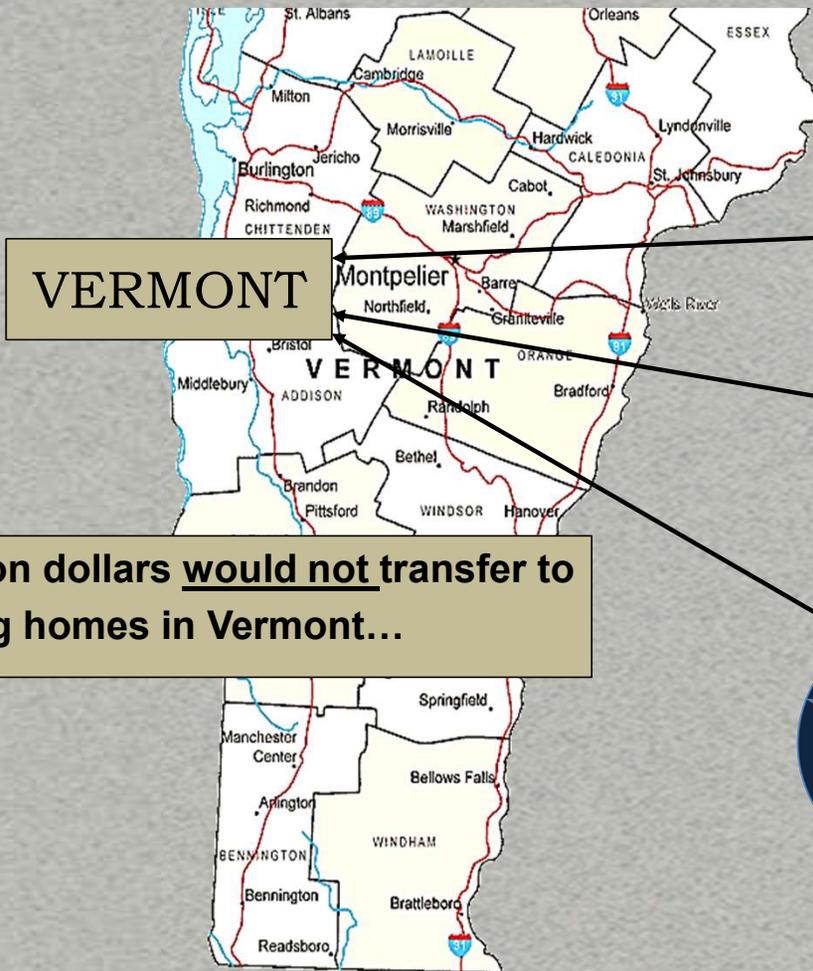
The disability had to originate

While serving in the military



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Vermont will receive approximately **\$8,661,318** from the VA to care for its VVH Veterans in FY-22



★ **VA Stipend-**
\$115.62
per day
\$2,811,185

★ **DOM Stipend-**
\$49.91
per day
\$72,869

★ **Service**
Connected -
\$439.67 per
day
\$5,777,264

This \$8.6 Million dollars would not transfer to private nursing homes in Vermont...

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VVH TODAY



- **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**
- **195 State Employees + 25 Temp**
- **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

Fulfilling the Promise

Veterans from all 14 Counties

Pre COVID-19



The Vermont Distinguished Service Medal is awarded to U.S. veterans from Vermont who served in a combat theater.



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COVID-19 Preparation and Response

- In collaboration with SVMC and VDH, we developed a multifaceted plan:
 - Personal Protective Equipment (PPE) management in an environment of global supply disruption
 - Early liaison with State Emergency Operations Center
 - Creation of a geographically isolated Respiratory Care Unit with dedicated staff
 - Restriction of visitors
 - Routine screening for illness of all residents
 - Implementation of employee screening
 - One entrance
 - Accushield screening kiosks

COVID-19 Preparation and Response

- In collaboration with SVMC and VDH, we developed a multifaceted plan
- We are “constantly” cleaning and disinfecting our Home. High “touchpoint” areas are cleaned and disinfected several times a day around the clock
- Department of Licensing and Protection Infection Control Survey
- Meetings with VDH, AHS and Licensing and Protection during our COVID outbreak.
- Daily Antigen and twice weekly PCR COVID Testing
- Vaccination Clinics for Veterans, Members, and Staff





The Vermont Department of Health Commissioner,
Mark A. Levine, MD

“We appreciate the commitment of the Vermont Veterans Home (VVH) to keeping your residents and staff safe during this COVID-19 pandemic. Your facility has taken a proactive stance in response to this crisis.... Thank you for your extraordinary efforts on behalf of your residents. The Department stands ready to partner with VVH to keep your residents healthy and safe”



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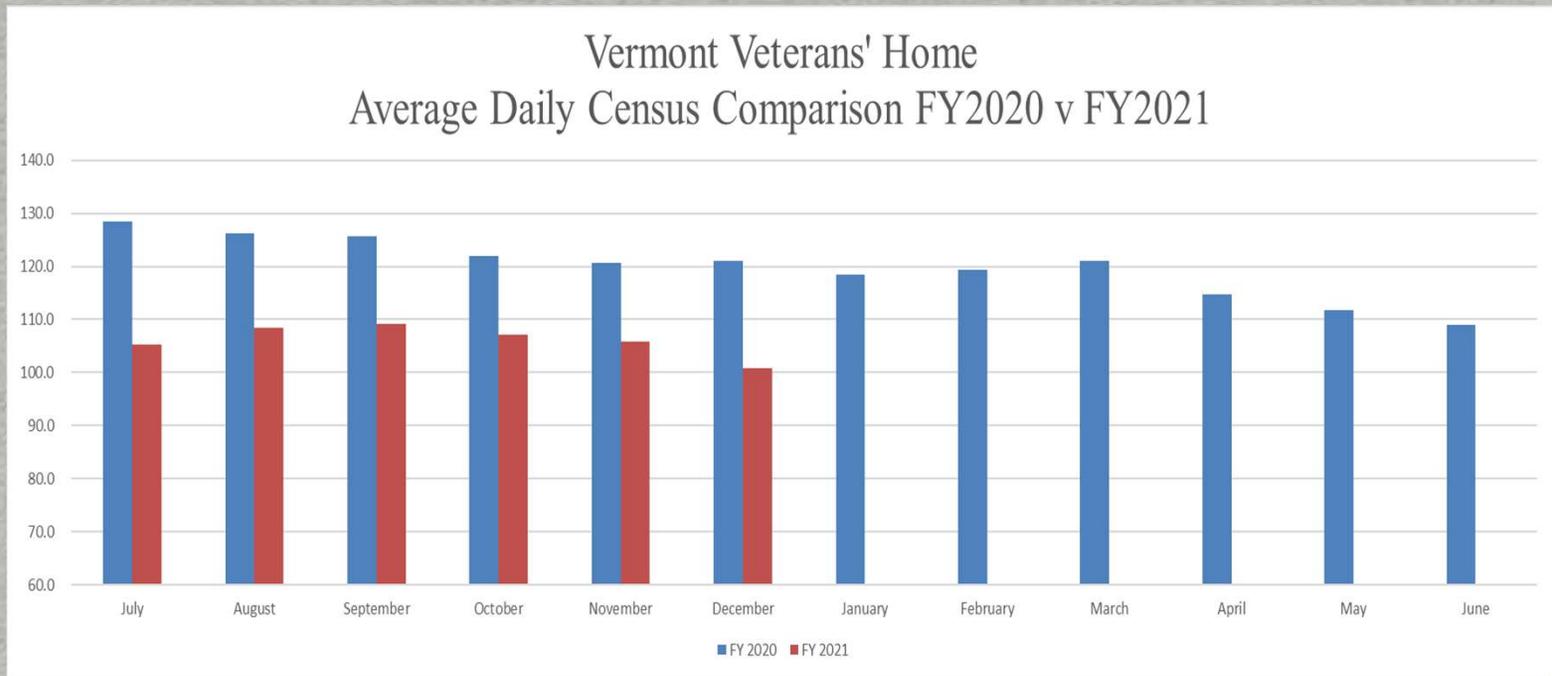
COVID CASES AT VVH

- March 8, 2020 1st Employee Case
- December 30, 2020 6 Employee Cases
- January 4, 2021 1 Employee Case
- January 5, 2021 1 Employee Case
- January 6, 2021 1st Veteran/Member Case*
- January 22, 2021 1 Veteran/Member Case
- February 1, 2021 1 Employee Case

- *Veteran Passed Away on January 19, 2021



COVID-19 Impact on Census



Performance Measures



WOMEN'S CHOICE AWARD®
AMERICA'S BEST FOR EXTENDED CARE



**CMS 5 STAR RATED Facility
for Overall Quality**
**VA Deficiency Free Record
Review Inspection**

**Medicare/Medicaid
Certified**

Presented Best Practices

- National Conferences
NASVH
Point Click Care
ACHCA
- VA
- Conference Calls and Visits

[CMS Nursing Home Compare Website](#)

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Performance Measures

Best In Class for Overall Nursing Home Care and Short Term Care by US News and World Report

Vermont Veterans' Home

325 North Street, Bennington, VT 05201

Best Nursing Home

Vermont Veterans' Home in Bennington, VT, has an overall rating of High Performing. It is a large facility with 177 beds and has state ownership. Vermont Veterans' Home is not a... [READ MORE »](#)

HOME SIZE	Large 177 Beds
OVERALL RATING	High Performing
SHORT-STAY RATING	High Performing

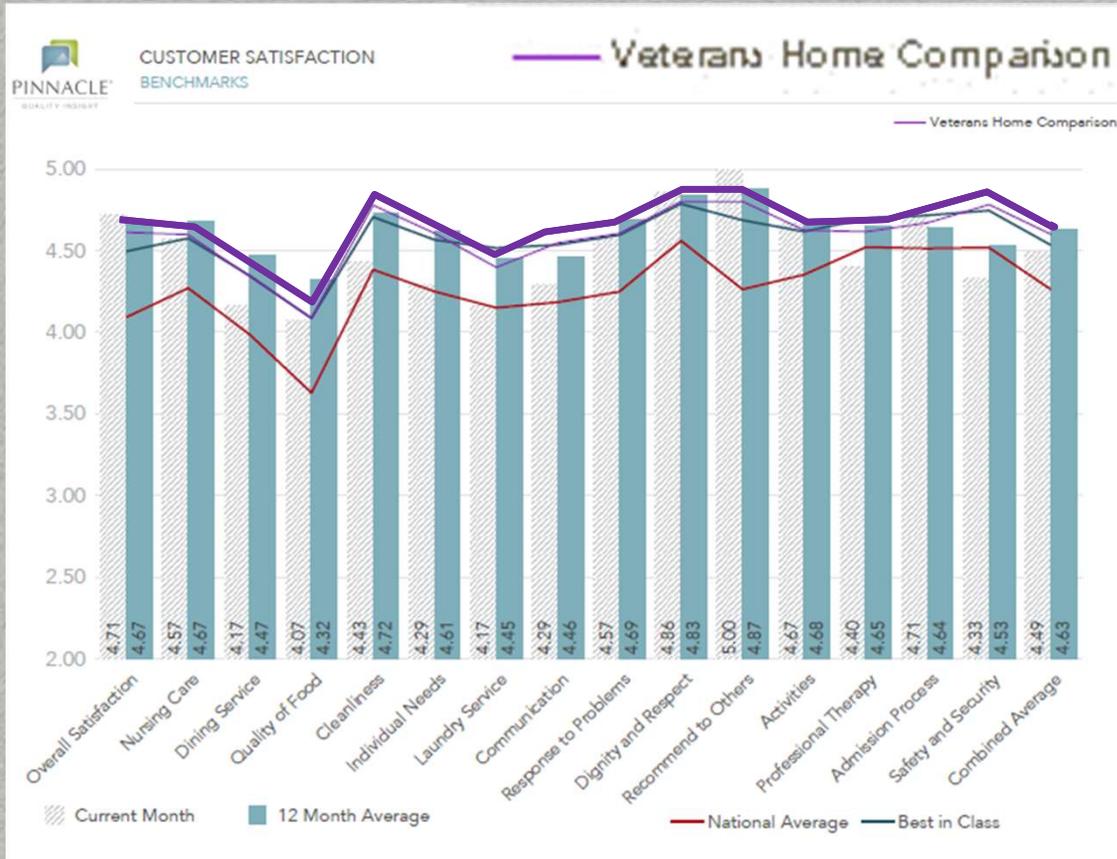
[Talk to an Advisor](#)

Source: US News and World Report

<https://health.usnews.com/best-nursing-homes/search?name=&location=Vermont+>

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PINNACLE Performance Measures



- Overall Satisfaction
- Nursing Care
- Dining Service
- Quality of Food
- Cleanliness
- Individual Needs
- Laundry Service
- Communication
- Response to Problems
- Dignity and Respect
- Recommend to Others
- Activities
- Professional Therapy
- Admission Process
- Safety and Security
- Combined Average

In FY 2020 VVH provided 46,236 days of care to Vermont's most vulnerable Veterans last year. 20

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PINNACLE Performance Measures



RECOMMENDED IMPROVEMENTS:
No, I think they are doing a great job.



What is valued most? I would say that they understand and communicate with him. It is that they understand his needs.

Recommend Facility to Others: 5 It appears they really go overboard for the veterans. They seem to care that they served in the military, and that means something to the residents.

Recommend Facility to Others: 5 I would tell them that it has been a very pleasant experience for my mother and me.

Recommend Facility to Others: 5 It is over-the-top care. There is no comparison to other assisted living places. The respect and care they give the veterans, it made me cry. I could not believe the difference between a normal home and the Veterans Home. They treat them with respect and honor them.

What is valued most? It is important that she is safe and that she is being watch over. It is important that she can have a relationship with her cousin, who is also there.

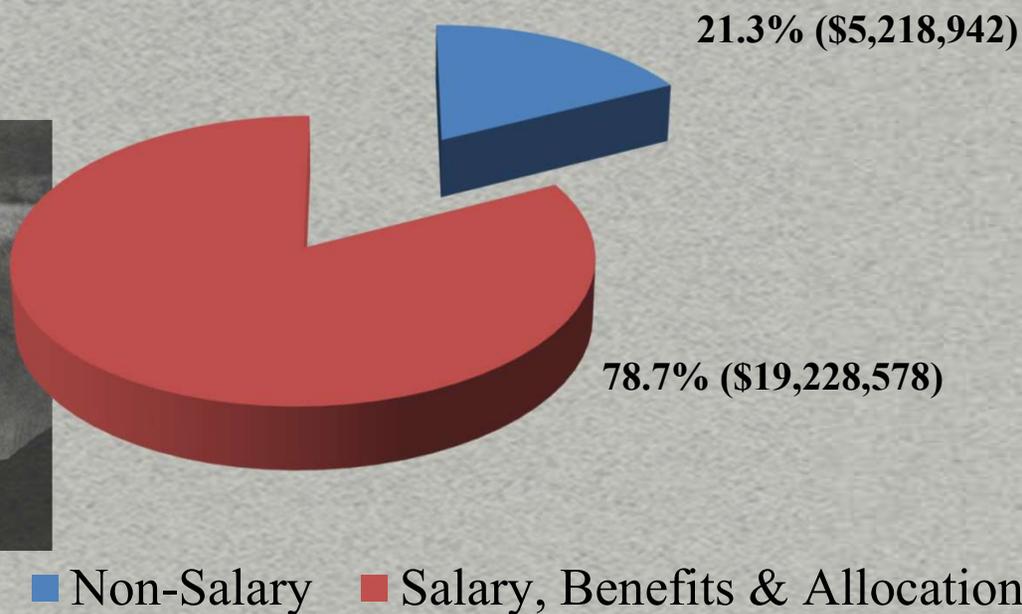
Vermont Veterans' Home Budget FY 21 Government Funding



Government Funding		% of Expense
General Fund	\$ 2,843,321	11.6%
	\$ 2,843,321	11.6%

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Vermont Veterans' Home Budget support request FY21 Cost Percentages



In FY 2020 VVH provided 46,236 days of care to Vermont's most vulnerable Veterans last year.

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Requested support from the State of Vermont for Budget FY 22



FIXED COSTS....NO Control over these 78.7%

Collected Revenues account for 87.8% of total budget

Minimal Control over 21.3 %

Operating Expenses		% of Total
Salaries	\$ 9,810,553	40.1%
Overtime	778,202	3.2%
Benefits	<u>6,394,205</u>	<u>26.2%</u>
Sub Total Salaries & Benefits	\$ 16,982,960	69.5%
Medicaid Tax	\$ 639,470	2.6%
Utilities	624,860	2.6%
State Allocations	<u>981,288</u>	<u>4.0%</u>
Sub Total Tax & Allocations	\$ 2,245,618	9.2%
Total Salary, Benefits & Allocations	\$ 19,228,578	78.7%
Non-Salary Expenses		
Food	\$ 396,200	1.6%
Other Operating	<u>4,822,742</u>	<u>19.7%</u>
Sub Total Non-Salary	\$ 5,218,942	21.3%
Total Operating Expenses	\$ 24,447,520	100.0%
Gain (Loss) from Operations	\$ (2,843,321)	

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

We collect approximately 88 cents out of every Dollar required

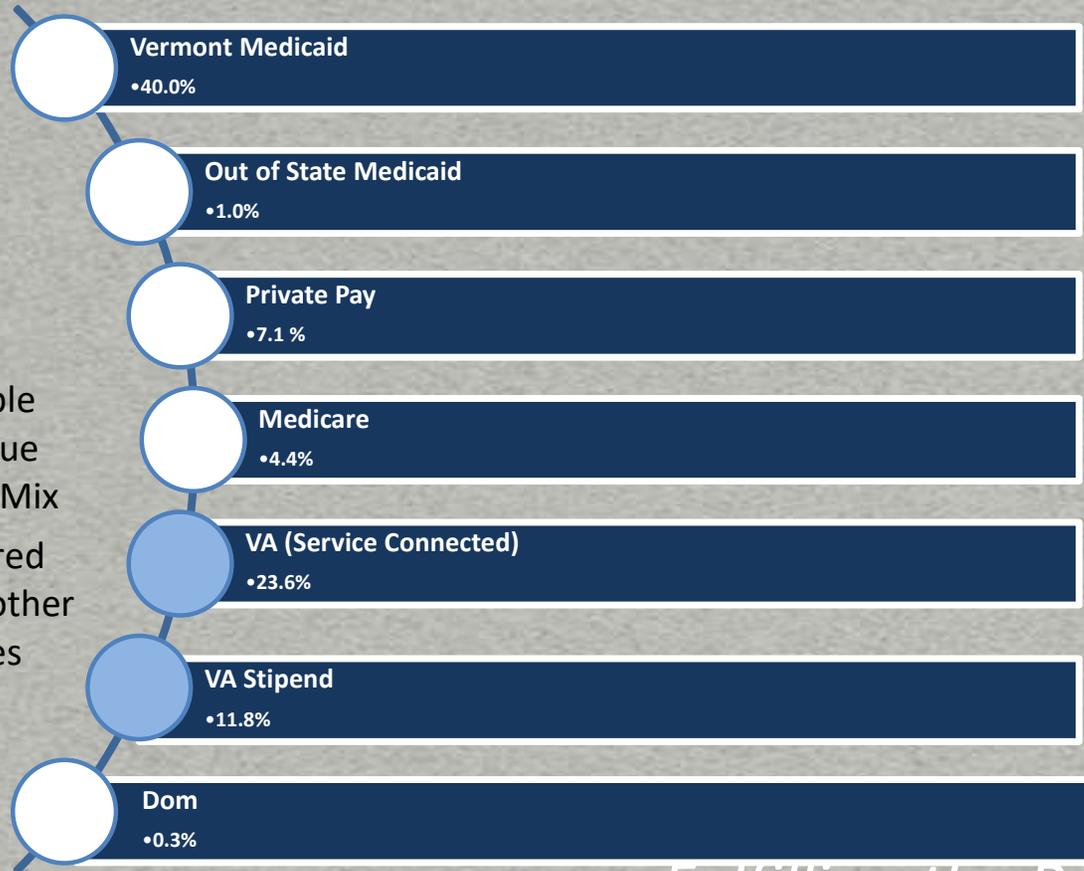


Budget



- Example Revenue Payer Mix
- Required from other sources

Gap between Revenues & Expenses requiring funds



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Salary and
Non-Salary
Budget
History
Comparison
FY19 to FY22



	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Increase</u>
Salary & Benefits ↑	\$ 17,454,845	\$ 18,408,826	\$ 18,280,621	\$ 16,982,960	(2.7%)
Non-Salary ↓	<u>6,251,305</u>	<u>6,981,609</u>	<u>5,749,626</u>	<u>7,464,560</u>	19.4%
Total Budget Request	\$ 23,706,150	\$ 25,390,435	\$ 24,030,247	\$ 24,447,520	3.1%

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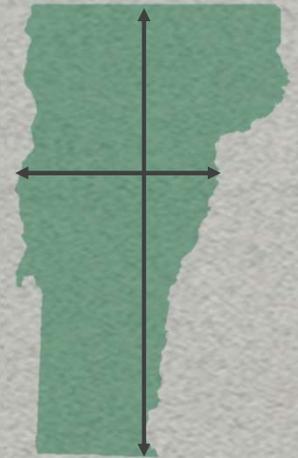
The Vermont Veterans' Home Path to a successful Future



Strategic Planning

- **Board of Trustee Involvement/Priority**
- Consultant Hired to assist with process
Zoom Meetings to maintain progress
- Veteran Demographics, Services, & future needs
- Plan Approved February 11, 2021

The Focus - Ability to care for Vermont's Veterans in need Into the future



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

VVH Tomorrow



VERMONT NATIONAL GUARD



VERMONT
VETERANS'
HOME



Vermont National Guardsmen supporting *Operation Rising Phalanx* stand with U.S. and Macedonian troops holding the Green Mountain Boys battle flag in North Macedonia



Vermont National Guard notified of 2021 deployment

Vermont Nursing Home Occupancy

Total and Medicaid
September 2020

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

Nursing Home by County	Licensed Capacity	VT Medicaid (all types of VT Medicaid) Days	VT Medicaid Occupancy	Total Days	Total Occupancy
Bennington					
Bennington	91	1,116	40.88%	1,939	71.03%
Crescent Manor	90	1,385	51.30%	1,947	72.11%
Veterans Home	130	1,583	40.59%	3,277	84.03%
Centers for Living and Rehab	130	1,318	33.79%	2,547	65.31%
County Average (weighted)	441	5,402	43.83%	9,710	73.39%
Veterans Home	130	1,583	40.59%	3,277	84.03%
State	2,897	42,000	48.33%	62,202	75.02%



Key Factors for Budget Request



The Home's Veterans:

- Average Age 82.6
 - Youngest 53
 - Oldest 100
- Males 75
- Females 26
- 80 Veterans, including 6 Women
- Represent all branches of the Military
- World War II 9
- Korea 16
- Vietnam 39
- Gulf War 3
- Cold War 13

This results in:

- Higher Acuity/Care Needs
- Increase Need for 1 on 1
CY 20 total hrs: 43,863
FTEs 21.1



Receiving the Vermont Veterans Medal

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Key Factors for Budget Request

- 78.7%(\$19,228,578) of The Home's budget is fixed cost
 - **75.7% Salary Benefits**
\$16,982,960
 - **4.0% State Allocations**
\$981,288
 - **2.6% Utilities \$624,860**
 - **2.6% Bed Tax \$639,470**
- 11.6% (\$2,843,321) of our budgetary funding is General Funds
- 88.4% (\$21,604,199) of our budgetary funding comes from Medicare, Medicaid, Private and VA Funds





FY 2022 Challenges

VERMONT
VETERANS'
HOME

- **Meeting The Home's Financial Goals**
 - Decreased census with unexpected and planned for cost associated with the COVID-19 pandemic.
 - We reduce our costs while others continue to increase their cost to us, limited ability to absorb these increases without requesting an increase in State funding.
- **Labor Costs**
 - No control over salary and benefit increases and not included in the pay act.
- **Veteran Care**
- **Perception**
 - Outside groups/individuals providing false information on the cost of care and potential cost saving measures for the home.



Budget Assumptions



• Revenue

- Based on an average daily census (ADC) of 125
- Private Room \$335 Semiprivate \$315 per day
- Vermont Medicaid Interim Payment Rate of \$475.00
- Service-Connected VA Daily Rate \$439.67
- VA Stipend Daily Rate \$115.62
- VA DOM Stipend Daily Rate \$49.91

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Budget Assumptions



- **Expense Challenges:**
 - COVID-19 Related Expense Increases
 - PPE Increased cost and use
 - Medical Provider costs
 - Travel Nurses
 - Temp employees limited to working at one facility.
 - COVID related out of work
 - Increase in technology costs and requirements
 - Increased 1 on 1 assistance requirement (isolation aggravation)
 - Overtime to support inefficiencies of supporting distinct neighborhoods
 - Respiratory Care Unit

Budget Assumptions

- **Expense Challenges:**

- Limited ability to reduce costs
- Increase need for 1 to 1 supervision of Veterans based on their acuity and safety of others
- FMLA resulting in high call out rate, increased overtime, need to use agency staff
- Costs associated with ongoing maintenance of the facility
- Impact of unexpected/unplanned census decline due to COVID-19



Cost Cutting Measures

- **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



Admissions & Marketing Focus of Effort

FY 22

- Expand upon Social Media Marketing effort
- Capitalize on gains
- Strategic Plan, Demographic review

FY 20/21

- Convert Nurse Case Manager to full-time
- Geo Fencing around CBOCs
- Marketing Directors Duties more focused
- Capitalize on gains

FY 19 Target Chittenden County

- Hire a Temp Nurse Case Manger
 - Proof of concept
- Utilize all media resources
 - Radio-TV-Paper

FY 18 Target Rutland County

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

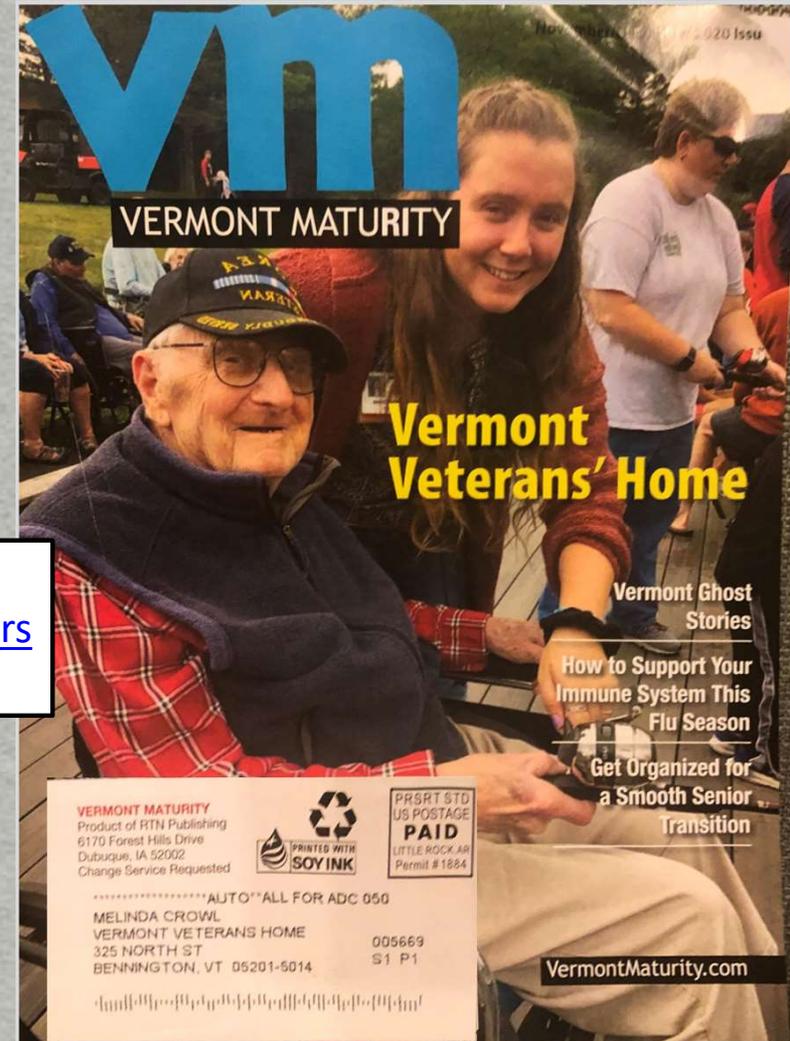


Where do Veterans live in VT?



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%

Admissions & Marketing Focus of Effort



website: www.vvh.vermont.gov
Like us on Facebook: https://www.facebook.com/vtvetshome/?ref=br_rs
Follow us on Instagram: vermontveteranshome

Community Events

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

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. Virtual concert for 2020.

Fathers Day Car Show- this annual event continues to grow in popularity as visitor's routinely attend from the four contiguous states. June 2020 Cancelled due to COVID-19 hope to return for 2021

Wreaths Across America- This annual event occurs at VVH each December on National Wreaths Across America Day, our mission to *Remember, Honor and Teach* is carried out by coordinating a wreath-laying ceremony to coincide with Arlington National Cemetery, as well as over 1,400 additional locations in all 50 U.S. states, at sea, and abroad. Virtual Ceremony for 2020

Veterans Motorcycle Ride - The Annual Veterans Ride occurs on VVH property with a barbeque and music for attendees. Events cancelled for 2020 due to COVID tentatively planning rescheduling for 2021

Holiday Tree Lighting- A Community event hosted by VVH for the Local community and their children; music, snack, the tree, and Santa. Virtual event for 2020.

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Community impact

- 195 Employees + Temps
- Purchasing-local first attitude
- Community events
- High School affiliation
- **College Internship Site**
 - Castleton University
 - SVMC
 - SUNY Albany
 - Southern VT Tech
 - Medical Residency
- **Local School to Work Site**



Questions.....



“ We know that Veteran’s benefits, in this administration, are not entitlements. Veteran benefits are the on-going compensation that was earned in the uniform of the United States of America.”

Vice President Mike Pence Elizabeth Dole Foundation 3rd Annual Convening Washington, DC

Fulfilling the Promise

Vermont Veterans' Home
SFY 2022 Budget Narrative

Mission Statement:

The Vermont Veterans' Home provides best of class healthcare services and advocacy to veterans, their spouses, and gold star parents, while honoring their choices and respecting their right of self-determination.

Facility Overview

The Vermont Veterans Home is the second oldest State Veterans Home in the country, opening on April 1, 1887. What started out as a 200-acre working farm for 25 Civil War Veterans is now an 83-acre residential and healthcare facility caring for 130 Veterans from World War II, Korea, Vietnam, Gulf War, and peacetime, their spouses and widows, and Gold Star Parents in our nursing home and 8 Veterans in our domiciliary. The property includes a 140,000 square foot facility, with a trout pond, deer park, and Veterans' cemetery. The facility provides long term care, short term rehab, Alzheimer's/dementia care, respite care, hospice/palliative care, residential/domiciliary care, and outpatient rehabilitation services.

Our deer herd is a major attraction in Bennington with a steady stream of visitors. The deer enjoy interacting with members of the community, especially if they are provided treats such as apples and bananas. The deer park has been the source of much enjoyment for those residing in or passing through Bennington.

The trout pond is spring fed and stocked annually by the Bennington Elks. Two fishing derbies also sponsored by the Bennington Elks are held for the Veterans and members of the community. Veterans are able to fish as they desire with staff or family members. The pond is catch and release and not open for public fishing with the exception of the fishing derbies.

Departments:

ADMINISTRATION:

This department oversees the daily operation of the facility, ensuring regulatory compliance with Federal and State statutes. This Department includes the Chief Executive Officer, Chief Operating Officer, Director of Nursing and Assistant Director of Nursing. This department also provides clerical support to various other departments within the facility.

NURSING

This department includes the facility's Registered Nurses (RN), Licensed Practical Nurses (LPN), and Licensed Nursing Assistants (LNA). Members of this department provide the 24-hour care and supervision the Veterans and Members require for the skilled nursing facility, and intermittent oversight of the Veterans and Members who reside in the facility's residential care/Domiciliary section.

MEDICAL

The facility contracts with the local Veterans Administration Community Based Outpatient Clinic for Physicians and Physician's Assistants to provide medical care for our Veterans and Members. A Geriatric Psychiatrist from the White River Junction Veterans Medical Center joined our list of providers and is on sight 4 hours every other week. The facility also has contracts with a Medical Director, a pharmacy, a rehabilitation company, and various individual medical providers in order to meet the needs of our Veterans and Members.

DIETARY

This department includes the Dietitians, Cooks and Utility Workers, who prepare over 140,000 meals annually for our Veterans and Members. They also ensure nutritious snacks are provided and that the Veterans and Members receive the physician ordered diet. The dietary staff also provides refreshments for various facility activities.

MAINTAINENCE, LAUNDRY and HOUSEKEEPING

This department is responsible for the daily upkeep of the facility and surrounding grounds, including but not limited to preventative maintenance, mowing of lawns, plowing of driveways, feeding and care of the deer herd. All Veteran and Member laundry and facility linens are washed and dried on site by the laundry staff.

RECREATION SERVICES

Daily activities are planned and run by members of this department. Activity programs are offered 7 days a week as well as both on and off site. Programs include, bingo, current events, holiday parties, and an air rifle and pistol range. The facility maintains a wheelchair access bus and three wheelchair accessible vans to transport Veterans to and from various community locations such as the Dorset Playhouse, the Bennington Elks and various community medical providers.

SOCIAL SERVICES

This department provides for the emotional and psychosocial wellbeing of our Veterans and Members. They provide individual services and well as support groups. The facility has a caregiver support group for family members of our Veterans and Members with cognitive impairments, a bereavement support group, and a support group called ‘The Brotherhood’ is for our combat Veterans. Unique and cutting-edge interventions are used to help our Veterans deal with PTSD; these include Music and Memory, and yoga. The social services department also arranges for community services for our short-term Veterans and Members who are discharged home after their stay with us.

FINANCE

This department ensures the accurate billing of Medicare, Medicaid, third party insurances, and private funds for services rendered. They also complete facility time an attendance and are responsible for maintaining the facility’s financial statements and other records. Members of this department will also assist Veterans and Members with Medicaid applications and managing their personal funds as needed.

Services Provided:

LONG TERM CARE

The facility currently has 130 skilled nursing facility beds. We are able to provide traditional nursing care services for individuals who are no longer able to reside independently or with family in the community. Long term care includes 24-hour care and supervision by licensed nursing personal, meals, medications, laundry services, housekeeping services, social work services, recreations services, chaplain services, and medical care.

SHORT TERM REHAB

Veterans or Members recovering from orthopedic or cardiac surgery, stroke or other major illness come to the facility immediately following a hospitalization to receive rehabilitation services which allow them to return home. In addition to the care and services provided to our long-term care Veterans and Members those individuals admitted for short term rehab receive services from physical, occupational and speech therapy. Our social work staff assists with arranging any and all necessary community services to help the Veteran or Member transition back to their previous living environment.

ALZHEIMER'S/DEMENTIA CARE

The facility maintains a 30-bed memory care neighborhood called Cardinal Point. This secure neighborhood provides our Veterans and Members with the ability to move around freely both inside and outside of the facility while ensuring for their safety. The Namaste Program, which provides care in a relaxing and comforting environment, was started at this facility with the help of consultant Joyce Simard. In an integral part of our memory care program. This program has been the subject of a book, "The Namaste Care Program for People with Dementia" now in its second edition and has been featured in various national healthcare publications. Ms. Simard travels the world education others on the benefits of the Namaste Program. More information on this program can be found at: <http://www.joycesimard.com/namaste-care-simard.html>

The facility was the only State Veterans' Home and the only skilled nursing facility in Vermont to be a recipient of a "Music and Memory" grant. This program provides iPods to those with cognitive loss. The music is individualized to each Veteran's or Member's personal preference and is used to help provide comfort and reassurance when needed. The use of music by those with cognitive loss has been shown to help reduce the use of antipsychotic medications in long term care facilities. More information on this program can be found at: www.musicandmemory.org

The Board of Trustees for The Vermont Veterans' Home funds an arts program with the Vermont Arts Exchange for our Veterans and Members on Freedom Village. This program allows those with cognitive loss to express themselves through various art mediums. A gallery exhibition is held annually both at the facility and a local art gallery. The trust funds established for the Board of Trustees prohibits the use of these funds for operational costs.

RESPITE CARE

Respite Care is just that, a respite for the caregiver of an individual requiring extensive medical care in the community. Community caregivers will have their loved one stay with us while they take a short vacation, have their own medical needs attended to or for just some time away from the demands of being a 24-hour caregiver. Respite care Veterans and Members have stayed for as little as a few days to a few months prior to returning home again.

PALLIATIVE/HOSPICE CARE

Palliative or end-of-life care is provided to the facility's long-term care Veterans and Members who are at the end of life and for those individuals admitted to the facility especially for end-of-life care. The facility has a dedicated room for end-of-life care called the Reagan Room. This private room and nearby living room provide ample private space for family and friends to visit with the Veteran or Member. Support services from Social Services and the Chaplain are provided in addition to high quality nursing care. Several staff members are trained in massage and Rikki; these services are provided to the Veteran or Member as requested.

The facility now has contracts with two Medicare Hospice provider. Veterans and Members now have the choice between the two providers when considering end of life care. These contracts allow us to offer end of life services and receive a higher reimbursement for the services provided. Additionally, this contract will deliver additional support services for the Veteran and their family members during the dying process.

RESIDENTIAL/DOMICILIARY CARE

The facility has an 8-bed residential/domiciliary (Dom) care offering. This is similar to assisted living care. Veterans and Members who reside in the "Dom" require little assistance with bathing, dressing, and medication management. Meals, laundry services, social services, recreational programs, chaplain services, and limited nursing care are provided.

OUTPATIENT REHABILITATION SERVICES

Rehabilitation services such as physical therapy, occupational therapy, and speech and language therapy are provided to Veterans and Members residing in the community. These individuals do not need or require 24-hour care and supervision; however, they could benefit from some additional therapy services to improve their independence in the community. These services are arranged directly

with our contract rehabilitation company. Therapy services are provided at a frequency determined by the medical professionals, usually a few times a week.

Guest Room

The facility has a guest room that family member may use free of charge overnight. Reservations are required and are on a first come first serve basis. The room was renovated with a generous donation from the Vermont American Legion. It is now like a hotel room with a queen size bed, couch and a table with chairs. Meals can be purchased through our Dietary department. Additionally, with this generous donation, VVH will expand its guest room inventory by an additional two rooms in unused space on the third floor of the original house. This was completed prior to COVID -19 pandemic.

Revenue Sources

Revenue to operate this facility is derived from three (3) sources which include: Federal Funds, Special Funds and General Funds. Federal Funds consists of Medicare, Veteran's Administration (VA) Per Diem and VA Stipend. Special Funds consists of Medicaid, both Vermont and New York, Private Pay and Commercial Insurance. General Funds are from the Legislature. **It is important to note that over eighty-eight percent (88.4%) or \$21,604,199 of the facility's revenue comes from sources other than General Funds.**

General Funds

Our General Fund request is \$2,843,321, which is a decrease of \$15,058 or 0.5% lower than our FY2021 request. In discussing our FY2022 budget with Finance & Management, the recommendation was to keep our General Fund request level and to request a Budget Adjustment for FY2022. Management believes the Budget Adjustment request will be in excess of \$4 million dollars.

Medicare

Medicare revenue is obtained for those Veterans and Members who are eligible for care and services paid for through the federal Medicare program. In order for care and services to be paid for at this facility an individual must have had a qualifying hospital stay, a 3-day hospital stay in the 30-days prior to admission to the facility or have been discharged from another skilled nursing facility for which Medicare paid for care and services within 60-days of their admission to this facility. Once that criterion is met Medicare will

pay for a short period of time, not to exceed 100 days. Medicare pays 100% of the cost of care for the first 20 days of admission to the facility. From days 21 to 100 there is a per day Medicare copay paid with private funds, Medicaid or commercial insurance. Currently this co-pay amount is \$184.50. Individuals must have a Medicare skilled need for care and services to be covered by Medicare. When they no longer meet this need, Medicare discontinues payment; there is no guaranteed number of Medicare covered days. A daily rate of reimbursement is determined for each individual based on the care and services provided. Due to the Center for Medicare and Medicaid Services (CMS) implementation of reimbursement called Patient Driven Payment Model (PDPM), every seven (7) days after the initial 20 days, reimbursement rates are decreased by 2.0%. We are expecting an average daily reimbursement rate of \$475 per day.

Medicaid

Medicaid revenue is received from the states of Vermont and New York for Veterans and Members who have been deemed eligible by their respective state, for Medicaid coverage. On October 24, 2016, the Vermont Agency of Human Services (AHS) received approval for the State to expand the Medicaid program under section 1115(a). Special Terms and Conditions (STCs) number 23 states that reimbursement is no longer subject to the upper payment limits specified in 42 CFR 447.362. Basically, the upper payment limit is the maximum that Medicaid could reimburse if the patient were Medicare. On August 24, 2018, VVH received a letter from the Division of Rate Setting stating that our new daily interim rate will be \$475, which is an increase of \$230 from our previous interim rate of \$245. In our FY22 budget, VVH used an interim daily rate of \$475.00. As in the current budget year, we have not included any settlement monies in our FY2022 budget.

Currently New York Medicaid reimburses VVH at \$232.39 per day. There is no information regarding if New York applied for or received approval to expand Medicaid like Vermont did. These rates include all the services listed under the long-term care heading above. At least annually Veterans and Members receiving Medicaid benefits must provide updated documentation to shown they remain eligible for Medicaid benefits. We are projecting a lower daily census for New York Medicaid based upon our recent history. Currently, we are not actively marketing for New York Medicaid recipients because of their stringent regulations and prior approval.

Private Pay

When Veterans and Members are not eligible for Medicare, Medicaid, Veterans' Administration Benefits, or other commercial insurance they are responsible for the daily per diem rate which is \$335 for a private room and \$315 for a semi-private room. This daily rate includes room, board, activities, and social work services. All other services including pharmacy and rehabilitation services

are an additional charge. The Veterans' Administration Stipend, which is explained below, decreases the daily rate for Veterans only, to \$219.38 for a private room and \$199.38 for a semi-private room.

Veterans Administration Per Diem

For Veterans who are determined to be 70% or more service-connected disabled by the Veterans' Administration (VA), the VA will pay a daily rate of \$439.67. This rate includes room, board, medical care, pharmacy, laboratory services, rehabilitation services, activities, social work, and transportation. Specialty medical equipment can be provided by the VA as long as the equipment needed is related to their service-connected disability.

Veterans Administration Stipend

The VA will pay a daily stipend to all Veterans admitted to the nursing home, with the exception of Veterans who are 70% or more service-connected disabled. This stipend is used to reduce the out of pocket expense when a Veteran is private pay and to offset the shortfall between the actual cost of care and Medicaid reimbursement for Vermont and New York Medicaid Veterans. The daily stipend of \$115.62 is included in our FY 2022 budget.

Commercial Insurance

Commercial insurances such as AARP, TriCare, and Blue Cross Blue Shield will pay the co-pay starting at day 21 of a Medicare stay and, in some cases, pay a per diem rate which varies per policy. In some instances, a pre-authorization is needed, and if the facility is not within the provider's network, they will not approve admission to the facility for the individual Veterans.

Key Budget Issues

CENSUS

Over the past 10 years the average daily census at the Vermont Veterans' Home has steadily declined from 150.1 in 2010 to 119.9 in FY 2020. This decline is related to the increase focus on keeping individuals' home as long as possible prior to placing them in a nursing home. The impact of COVID-19 has hit nursing homes particularly hard which continued in the latter half of FY2020 and continues in FY 2021. Our census has decreased from the 122 in the early part of FY2020 to the most recent average daily census

(ADC) of 95. In order to keep COVID-19 from entering the building, VVH has taken the proactive steps to reduce admissions to 1 per week. VVH has vaccinated over 94% of our veterans and members and almost 50% of staff, which, when compared to other nursing homes, reflects a very high participation rate. VVH anticipates that our census will return to pre-COVID levels early in FY22. Until recently, we were proud that we have not had a single case of COVID at VVH. This is a major effort with our frontline clinical staff, our Medical Director Dr. Peter King and many others. Unfortunately, we did experience two cases with one American Hero passing. Per the Department of Disabilities, Aging and Independent Living website the latest utilization statistics is from September 2020. Overall nursing facilities in the state reflected an average occupancy rate of 75.02% and 73.39% for Bennington County. The Vermont Veterans' Home is currently at 73.1% and was at 84.03% in the report for September 2020.

https://dail.vermont.gov/sites/dail/files/documents/DRS_occupancy_sep_2020.pdf

VVH has established our FY 22 budget with a census goal of 125.

Fixed Costs

\$19,228,578 or 78.7% of the FY 22 budget are fixed costs which include:

Salaries and Benefits	\$ 16,982,960
Medicaid Bed Tax	\$ 639,470
State Allocations (DII, HR, Insurances)	\$ 981,288
Utilities	\$ 624,860

Cost of Care

Veterans are requiring higher levels of care when compared to just 5 years ago. Today's nursing home residents were hospital patients just a few short years ago. Medications are becoming increasingly expensive and often times fall on the facility to pay for. Currently, over 88% of our Pharmacy expense is for Service-Connected Veterans. This has been increasing steadily from 56.6% in FY13 to its current level due to Vietnam era veterans who were injured or exposed to Agent Orange during their service to our country. **Per Federal regulations for State Veterans Homes, VVH is required to cover the cost of pharmacy expenses for Service Connected-Veterans. Without a change in federal regulations VVH cannot obtain medications for these Veterans from the VA or bill any other insurance they may have which would offset this cost.** With increased frequency, a Veteran's or Member's insurance will not cover the cost of medication, and there is not a more cost effective alternative available.

Worker's Compensation

In FY 2021, we originally did not anticipate an increase in our Worker's Compensation (WC) costs from FY2020 of \$468,638 to \$634,270. Our FY 2022 budget reflects a \$86,223 or 13.6% decrease.

Accounts Receivable

The facility has had some success in collecting outstanding debt, but there remain several large accounts that are pending in probate court. Despite the judgment the facility has yet to receive any funds from the party involved. We have followed up many times during the past year with the Attorney and there has been no change. The estate is still in probate.

Veterans, Members, and their families continue to voice their opinion that care and services at the facility should be free of charge. A member of the facility's business office meets with the Veteran, Member and/or responsibly party prior to admission to explain their financial responsibility to the facility. Due to COVID, we have been experiencing some delays in families renewing their Vermont Medicaid eligibility which means that Vermont Medicaid does not pay.

Overtime and Family Medical Leave Act Use

Despite changes in the nursing schedule that afforded every member of the nursing staff (every other weekend off) the call out rate at the facility remains relatively unchanged over the past 3 years, averaging between 8% to 9%. FY 20 average call out rate was 8.5% and we used 13,933.4 hours of FMLA. The reason for the increase in FMLA usage is due to COVID policies that were implemented. Overtime use is directly related to the number of employees who call to say that they will not be able to work their scheduled shift, Veterans requiring one on one staffing, and those on extended absences. Our actual FY20 Overtime was \$778,202 and that is what is being budgeted for FY2022. Additionally, VVH spent over \$380,000 for COVID-19 pay to employees during FY20 and into FY21. We have experienced an increase in 1:1 hours due to behavioral issues over the past several years. In calendar year 2018, we had 32,424 hours (15.6 FTEs); calendar year 2019 36,727 hours (17.7 FTEs) and calendar year 2020, 43,863 hours (21.1 FTEs). This represents a 16.3% compounded annual growth rate over the past three years. This has impacted staffing and the increased utilization of agency staffing. As stated later in the narrative, we have increased agency staffing expense.

The Impact of COVID-19 on the Home

COVID-19 has had a dramatic impact on our operational budget. The increases in cost come from the increase expense of purchasing Personal Protective Equipment, increase staff cost associated with daily employee screening and regular staff testing, and the supervision of visits between family members and our Veterans.

VVH had to prohibit staff who work at other healthcare facilities from working at our facility. This decision was made to reduce the risk of transmission of COVID-19 from one healthcare facility to another. This prohibition and the need for several of our staff members to remain at home with their school aged children resulted in an increase in temporary agency staff use.

Admissions were initially placed on hold when the pandemic started but we are now admitting one Veteran or Member per week. We slowed admissions due to the need for new admissions to quarantine and to ensure we have adequate personal protective equipment (PPE) supplies in the event the home experiences an outbreak. We have worked with Buildings and General Services (BGS) who has been helpful in securing new vendors to purchase PPE from. At times it does take a while for supplies to be received and VVH has ordered reusable isolation gowns, gloves, N95 masks and face shields through BGS. A sample of price increases over the past year: Gloves in January 2020 was \$3.72 per box of 100, now it is \$24.00 for the same box. Procedure masks were \$0.13 each in June 2019 and now they are \$0.52 each.

Budget Assumptions

The FY2022 budget assumes an average daily census of 125 which is no change from the current FY2021 budget. Reviewing historical trends, there has been a slight payor mix change from Vermont and New York Medicaid to VA Service connected and Private Pay. Our budget assumes that the Domiciliary continues to be at 100% occupancy. Below in Table 1 shows recent trends in average daily census.

Table 1

Payor	Act FY17	Act FY18	Act FY19	ACT FY20	Bud FY21	Bud FY22
VT Medicaid	54	50	51	53	54	56
NY Medicaid	11	7	5	4	3	3
Private Pay	20	27	29	26	27	24
Medicare	4	5	5	3	6	6
VA	29	30	31	33	35	36
Total	118	119	121	119	125	125
Domiciliary	8	7	7	7	8	8
Grand Total	126	126	128	126	133	133

Vermont Medicaid reflects an increase in net revenues, anticipated daily census is increasing from 54 to 56 while private pay is decreasing from 27 to 24. Table 2 below shows the net revenue comparison from FY21 to FY22.

Table 2

Payor	FY 21	FY 22	Increase (Decrease)
VT Medicaid	\$ 9,438,244	\$ 9,787,475	\$ 349,231
NY Medicaid	254,467	254,467	-
Private Pay	2,006,675	1,746,569	(260,106)
Medicare	1,040,250	1,073,939	33,689
VA	<u>5,462,604</u>	<u>5,777,264</u>	<u>314,660</u>
Total SNF	\$ 18,202,240	\$ 18,639,714	\$ 437,474
Domiciliary	<u>158,906</u>	<u>80,431</u>	<u>(78,475)</u>
Total Net Revenue	\$18,361,146	\$ 18,720,145	\$ 358,999
VA Stipend	<u>\$ 2,810,722</u>	<u>\$ 2,884,054</u>	<u>\$ 73,332</u>
Grand Total Net	\$ 21,171,868	\$ 21,604,199	\$ 432,331
General Fund	<u>\$ 2,858,379</u>	<u>\$ 2,843,321</u>	<u>\$ (15,058)</u>
Total Income	\$ 24,030,247	\$ 24,447,520	\$ 417,273

Our daily charge for a semi-private room remains the same at \$315 and the private room daily charge remains level at \$335. Reimbursement rates the payor sources are as follows in Table 3

Table 3

Payor	Reimbursement Rate
Vermont Medicaid	\$ 475.00
New York Medicaid	\$ 232.39
Private Pay	\$ 199.38
Medicare	\$ 475.00
VA	\$ 439.67
Domiciliary	\$ 55.09
VA Stipend	\$ 115.62
Dom VA Stipend	\$ 49.91

Salary expense is budgeted for a net decrease of \$1,244,469 and a decrease in Benefits of \$53,192. Table 4 shows the changes in Salary Expense.

Table 4

Line item	Budget FY21	Budget FY22	Increase (Decrease)
Salaries	\$ 9,305,060	\$ 9,302,670	\$ (2,390)
Temp Employees	1,598,313	1,548,049	(50,234)
Overtime	661,042	778,202	117,160
Shift Differential	299,225	173,913	(125,312)
Market Factor	959,513	940,256	(19,257)
Vacancy Turnover	(577,569)	(2,154,365)	(1,576,796)
Personal Services	<u>(412,360)</u>	-	<u>412,360</u>
Total	\$ 11,833,224	\$ 10,588,755	\$ (1,244,469)

Table 5 shows the changes in Benefit Expense.

Table 5

Line item	Budget FY21	Budget FY22	Increase (Decrease)
FICA	\$ 785,236	\$ 783,584	\$ (1,652)
Health Insurance	2,624,000	2,615,859	(8,141)
Retirement	2,120,863	2,171,639	50,776
Dental	158,004	157,168	(836)
Life	43,013	35,887	(7,126)
LTD	1,771	1,781	10
EAP	6,240	6,240	-
Workers' Compensation	634,270	548,047	(86,223)
Unemployment	60,000	60,000	-
Catamount Health	14,000	14,000	-
Total	\$ 6,447,397	\$ 6,394,205	\$ (53,192)

Non-Salary increases total \$1,714,934 and are summarized as follows:

1. Temporary Employment Agencies - \$1,057,462
2. Physical Health/3rd Party – (\$336,236)
3. IT/Telecomm Services - \$148,048
4. Rehab Services - \$512,295
5. Single Audit Allocation - \$9,800
6. Admin Services Fee - \$79,765
7. Admin Misc - \$99,631 (Feasibility study)
8. Insurances – (\$17,195)
9. HR Allocation – (\$2,754)
10. Dues - \$14,850
11. Utilities – (\$170,511)
12. Motor Vehicles - \$9,000

13. IT - \$62,600
14. Other Maintenance - \$12,500
15. Rentals Vehicles - \$3,975 (Fleet Vehicle leases)
16. Building Supplies - \$68,359
17. Office Supplies – (\$5,000)
18. IT Supplies - \$5,000
19. Food – (\$134,719)
20. Lab Supplies - \$47,737 (continued COVID-19 testing)
21. Medical and Lab Supplies - \$201,735 (COVID supply cost increases)
22. Drugs – (\$25,150)

Fiscal Year 2022 Budget Development Form - Vermont Veterans' Home

	General \$\$	Transp \$\$	Special \$\$	Tobacco \$\$	Federal \$\$	Interdept'l Transfer \$\$	All other \$\$	Total \$\$
Approp #1 Vermont Veterans' Home: FY 2021 Approp	\$ 2,946,782	\$ -	\$ 11,896,497	\$ -	\$ 9,343,583	\$ -	\$ -	\$ 24,186,862
Other Changes: (Please insert changes to your base appropriation that occurred after the passage of the FY21 budget]	(88,403)		(38,205)		(30,007)			(156,615)
FY 2021 After Other Changes	(88,403)	0	(38,205)	0	(30,007)	0	0	(156,615)
Total Approp. After FY 2021 Other Changes	\$ 2,858,379	\$ -	\$ 11,858,292	\$ -	\$ 9,313,576	\$ -	\$ -	\$ 24,030,247
Payor Mix Changes	(432,331)		10,650		421,681			0
Salary & Wages	(1,244,469)							(1,244,469)
Fringe Benefits	(53,192)							(53,192)
Contracted 3rd Party	743,039							743,039
Equipment	2,800							2,800
IT/Telecom	148,048							148,048
Other Operating	706,820							706,820
Other Purchased Service	(16,367)							(16,367)
Property & Maintenance	56,091							56,091
Rental Other	3,975							3,975
Supplies	83,951							83,951
Travel	(13,423)							(13,423)
								0
								0
Subtotal of Increases/Decreases	(15,058)	0	10,650	0	421,681	0	0	417,273
FY 2022 Governor Recommend	\$ 2,843,321	\$ -	\$ 11,868,942	\$ -	\$ 9,735,257	\$ -	\$ -	\$ 24,447,520
Vermont Veterans' Home FY 2021 Appropriation	\$ 2,946,782	\$ -	\$ 11,896,497	\$ -	\$ 9,343,583	\$ -	\$ -	\$ 24,186,862
Reductions and Other Changes	(88,403)	0	(38,205)	0	(30,007)	0	0	(156,615)
SFY 2021 Total After Reductions and Other Changes	2,858,379	0	11,858,292	0	9,313,576	0	0	24,030,247
TOTAL INCREASES/DECREASES	\$ (15,058)	\$ -	\$ 10,650	\$ -	\$ 421,681	\$ -	\$ -	\$ 417,273
Vermont Veterans' Home FY 2022 Governor Recommend	\$ 2,843,321	\$ -	\$ 11,868,942	\$ -	\$ 9,735,257	\$ -	\$ -	\$ 24,447,520