

**Vermont Veterans' Home**  
SFY 2024 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, an airsoft rifle and pistol range, 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 provides mental health services 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.

The Activities staff partners with Rehabilitation staff to provide evidenced based exercise programs: Tai Chi and Silver Sneakers.

## **BEHAVIORAL HEALTH**

This professional department includes Licensed Independent Clinical Social Workers (LICSW), Masters' level social workers (MSW), Bachelor's level social workers as well as support staff known as "companion buddies". 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](http://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 Chaplin 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-two percent (82.6%) or \$19,323,375 of the facility's revenue comes from sources other than General Funds.**

### **General Funds**

Our General Fund request is \$4,199,478, which is an increase of \$130,745 or 3.2% higher than our FY2023 request. VVH will be back for a budget adjustment in January 2024 to account for the Vermont Medicaid Settlement and expense increases.

### **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 \$200.00. 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 June 28, 2022, the Vermont Agency of Human Services (AHS) received approval for the State to renew the expansion of the Medicaid program under section 1115(a). Special Terms and Conditions (STCs) Section 6.3(c) 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. This waiver is effective from July 1, 2022 through December 31, 2027. In our FY24 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 FY24 budget.

We are currently not budgeting for any out of state Medicaid monies and 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 23 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 119.7 in 2015 to 93.3 in FY 2022. The impact of COVID-19 hit nursing homes particularly hard. Our current census of 98 is lower than our budget of 110. As we are "opening up" we have a backlog of referrals primarily to our certified dementia ward. While we can accommodate some of these referrals, we need to be cautious so we can keep safe those veterans/members currently on that unit. We are keeping our budgeted census low at 110 because in a couple of years, we will be embarking on the demolition of a wing and the re-building of it, rather than having to transfer 15-20 veterans/members to other facilities.



## Fixed Costs

\$17,901,238 or 74.1% of the FY 24 budget are fixed costs which include:

Salaries and Benefits	\$15,279,365
Medicaid Bed Tax	639,470
State Allocations (ADS, HR, Insurances)	1,003,403
Utilities	979,000

## 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

The Worker's Compensation allocation from the State is \$525,492 which is a decrease of \$38,996 for FY 2023's budget of \$564,488.

## 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**

Overtime is being budgeted at actual FY 2022's amount of \$627,503. The reason for the continued decline is that VVH, along with other nursing homes, have been facing a decline in workers. Currently there are 64 open positions at VVH, with 56 being in the clinical departments - RNs, LPNs, LNAs and Social Workers. We are budgeting our vacancy savings at \$5,523,651, which is an increase of \$2,138,553 from the FY23 budget of \$3,385,098. This will be evaluated again in December 2023 as we prepare for our Budget Adjustment request.

### **The Impact of COVID-19 on the Home**

Our ability to take admissions changes week by week depending on the Covid positivity rate of our staff, Veterans and members. Our goal is to admit at least one Veteran per week. Admissions were completely on hold in the beginning of the pandemic and then 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. Prices have moderated for some of the hard to procure items during the pandemic such as gloves, masks, gowns, etc. where prices for a single box of procedure gloves increased to \$24.00/100 are now at \$5.25/100 and procedure masks which were \$0.52 each are now \$0.16 each. However, there are other supply chain issues related to food items and hard goods for our Safety/Security project.

### **Budget Assumptions**

The FY2024 budget assumes an average daily census of 110 which is level with our FY2023 request. 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 to be at 88% occupancy. Below in Table 1 shows recent trends in average daily census.

Table 1

Payor	Act FY19	ACT FY20	ACT FY21	ACT FY22	Bud FY23	Bud FY24
VT Medicaid	51	53	49	43	55	57
NY Medicaid	5	4	2	1	2	0
Private Pay	29	26	24	24	24	24
Medicare	5	3	2	3	2	2
VA	<u>31</u>	<u>33</u>	<u>23</u>	<u>22</u>	<u>27</u>	<u>27</u>
<b>Total</b>	<b>121</b>	<b>119</b>	<b>100</b>	<b>93</b>	<b>110</b>	<b>110</b>
Domiciliary	7	7	6	6	7	7
<b>Grand Total</b>	<b>128</b>	<b>126</b>	<b>106</b>	<b>99</b>	<b>117</b>	<b>117</b>

Vermont Medicaid reflects an increase in net revenues, anticipated daily census is increasing from 55 to 57 while private pay is remaining level at 24. Table 2 below shows the net revenue comparison from FY23 to FY24.

Table 2

Payor	FY 23	FY 24	Increase (Decrease)
VT Medicaid	\$ 9,748,055	\$ 9,882,375	\$ 134,320
NY Medicaid	169,645	0	(169,645)
Private Pay	1,834,169	1,645,391	(188,778)
Medicare	346,750	346,750	0
VA	<u>4,332,948</u>	4,842,353	509,405
<b>Total SNF</b>	<b>\$ 16,431,567</b>	<b>\$ 16,716,869</b>	<b>\$ 285,302</b>
Domiciliary	<u>140,755</u>	128,031	(12,724)
<b>Total Net Revenue</b>	<b>\$ 16,572,322</b>	<b>\$16,844,900</b>	<b>\$ 272,578</b>
VA Stipend	\$ 2,751,053	\$ 3,122,126	\$ 371,073
<b>Grand Total Net</b>	<b>\$ 19,323,375</b>	<b>\$ 19,967,026</b>	<b>\$ 643,651</b>
General Fund	<u>\$ 4,068,733</u>	\$ 4,199,478	\$ 130,745
<b>Total Income</b>	<b>\$ 23,392,108</b>	<b>\$ 24,166,504</b>	<b>\$ 774,396</b>

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

<b>Payor</b>	<b>Reimbursement Rate</b>
Vermont Medicaid	\$ 475.00
Private Pay	\$ 187.83
Medicare	\$ 475.00
VA	\$ 491.36
Domiciliary	\$ 50.11
VA Stipend	\$ 127.17
Dom VA Stipend	\$ 54.89

Salary expense is budgeted for a net decrease of \$2,232,849 and an increase in Benefits of \$675,349. The increase in Benefits is due to changes in Health Insurance and the allocation for Retirement Expense. Table 4 shows the changes in Salary Expense.

Table 4

<b>Line item</b>	<b>Budget FY23</b>	<b>Budget FY24</b>	<b>Increase (Decrease)</b>
Salaries	\$ 9,494,034	\$ 9,878,198	\$ 384,164
Temp Employees	1,542,644	1,196,127	(346,517)
Overtime	691,503	627,503	(64,000)
Shift Differential	174,022	175,000	978
Market Factor	1,015,399	946,478	(68,921)
Vacancy Turnover	(3,385,098)	(5,523,651)	(2,138,553)
<b>Total</b>	<b>\$ 9,532,504</b>	<b>\$ 7,299,655</b>	<b>(\$ 2,232,849)</b>

Table 5 shows the changes in Benefit Expense.

Table 5

<b>Line item</b>	<b>Budget FY23</b>	<b>Budget FY24</b>	<b>Increase (Decrease)</b>
FICA	\$ 803,251	\$ 826,218	\$ 22,967

<b>Line item</b>	<b>Budget FY23</b>	<b>Budget FY24</b>	<b>Increase (Decrease)</b>
Health Insurance	3,006,156	3,517,288	511,132
Retirement	2,648,900	2,856,665	207,765
Dental	164,629	162,070	(2,559)
Life	45,859	48,652	2,793
LTD	4,643	6,695	2,052
EAP	6,435	6,630	195
Workers' Compensation	564,488	525,492	(38,996)
Unemployment	60,000	30,000	(30,000)
<b>Total</b>	<b>\$ 7,304,361</b>	<b>\$ 7,979,710</b>	<b>\$ 675,349</b>

**Non-Salary** increases total \$2,331,896 and are summarized as follows:

<b>Line Item</b>	<b>FY 2023 Budget</b>	<b>FY 2024 Budget</b>	<b>Increase (Decrease)</b>
Contracted & 3 <sup>rd</sup> Party	\$ 1,843,032	\$2,890,266	\$ 1,047,234
Per Diem & Other Personal Service	14,000	18,000	4,000
Equipment	32,200	32,000	(200)
IT/Telecom Services Equipment	795,335	706,596	(88,739)
IT Repair & Maintenance Services	18,775	5,000	(13,775)
Other Operating Expenses	762,287	1,202,570	440,283
Other Rental	80,475	107,100	26,625
Other Purchased Services	462,917	574,507	111,590
Property & Maintenance	200,950	406,500	205,550
Supplies	2,294,195	2,897,200	603,005
Travel	51,077	47,400	(3,677)
<b>TOTAL</b>	<b>\$ 6,555,243</b>	<b>\$ 8,887,139</b>	<b>\$ 2,331,896</b>