

Veterans Home Care:
*A Look at State and Federal Service
Delivery Models*

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VETERAN NURSING HOME CARE: ALTERNATIVE CARE MODELS IN OTHER STATES

INTRODUCTION

Currently, the California Department of Veteran Affairs is charged with the responsibility of providing nursing care to eligible veterans residing in the state who desire to receive care in a state veteran home. The California State Veterans Home in Yountville was the first facility of its kind in the state to provide this type of care to veterans and their spouses. The Veterans Home is licensed as an acute care hospital and has an attached skilled nursing facility. Currently, most commercial and private skilled nursing facilities are stand-alone facilities that are not connected to or part of an acute care hospital. The California Legislature authorized the Department in 1996 to construct and operate new Veterans Homes (*California Military and Veterans Code Section 1011. (b) (1-5)*) in Barstow and Chula Vista. However, the state has had difficulty in maintaining the Yountville Home at authorized bed levels. The Barstow Home has also had problems. It actually operates at lower occupancy levels than the Yountville Home for the following reasons:

- The home's rural location,
- Veteran patients willing to reside at this location,
- An ambitious attempt to provide services ranging from acute care to domicile care in one location, and
- Available workforce.

These issues raise serious questions as to whether the method or formula used in planning for the construction and location of these facilities should be reconsidered. With more Veteran's Homes planned for construction, should the Legislature consider other methods for delivering and providing care to state veterans such as:

- Using State Department of Health Services staff,
- Limiting the ranges of services to skilled nursing and residential care,
- Contracting out professional staff service, and
- Locating new facilities in urban areas with access to acute care hospitals.

This Note examines the types of services provided to veterans by state and federal agencies, alternatives to the model of nursing care provided to California veterans, as well as how other state veteran departments provide nursing care.

BACKGROUND

California civil war veterans first began to receive state-sponsored care in Yountville in 1884. By 1921, California military veterans began to receive state-sponsored low interest rate loans to buy homes and farms. In 1938, qualified veterans were able to receive life insurance coverage for their purchases. By 1946, the Legislature authorized the consolidation of all state and local administered veterans programs under the new California Department of Veterans Affairs (CDVA).

Currently, the CDVA mission is to provide California veterans and their families with aid and assistance in presenting their claims for benefits under the laws of the United States, loans to acquire homes and farms, and residential, rehabilitative, and medical care in state veteran homes. The CDVA administers and provides these benefits under three major programs:

- The home and farm loan and disability insurance programs, now collectively called the Cal-Vet Home Loan Program, provides low interest 30 year loans up to a maximum of \$250,000 to veterans and/or National Guard members living, or planning on living in California. Underwriting and loan requirements for the program are the same as the United States Veteran Administration (USVA). The loans are financed through General Obligation and Revenue Bonds. California veterans are also eligible for home improvement loans for up to \$50,000 also financed through General Obligation Bonds, or \$15,000 through Revenue Bonds.
- The Division of Veteran Services coordinates all veteran programs in the state, offers informational and advisory services to agencies counseling veterans, and assists veterans and dependents in presenting claims against the United States to which they are entitled. The division, with the help of federal VA funds, also finances the county veterans service program, that helps veterans to initiate claims for themselves, their dependents and survivors to receive benefits and services that would otherwise be provided through public assistance programs. Other services include the Dependent's College Fee Waiver Program that provides tuition and fee waivers at state colleges and universities, Veterans License Plate Program that helps to defer certain costs to veterans, and the Veterans Memorial Registry Fund. The CDVA also helps with a host of other federally funded and volunteer services such as stand-down activities for homeless veterans and dependents who wish to receive social and health services.
- The Veteran Homes of California provide multiple levels of hospital care for individuals including acute, skilled and intermediate nursing care, residential, and domicile care (independent living). The first Veterans Home opened in Yountville in 1884 and is still open. An acute care facility (Nelson M. Holderman Hospital) is located on site, with various levels of nursing and residential care. All levels of care are licensed. The total number of beds for all levels of the home is 1,082. The Veterans Home at Barstow was opened in 1996 and is licensed for 180 skilled nursing beds and 56 residential care beds. It also has 164 domicile beds, for a design total of 400 beds. The newest Veterans Home built in 2000 is in Chula Vista. It is also

designed for 400 beds including 180 skilled nursing, 165 domicile, and 55 residential. However, at this time it is licensed only for residential care. In total, these homes can serve up to 1,882 veterans and their spouses.

What Services are Provided by the U.S. Department of Veterans Affairs in California?

The USVA spent \$4.1 billion in California in FY 2000 on approximately 1.1 million veterans in the state. California has the largest number of veterans of any state in the country, with over 3 million. This represents over 12 percent of the nation's total veterans. In FY 2000, 306,013 state veterans received health care from the USDVA, 112,190 received geriatric care, and 265,973 received disability compensation or pension payments. More than 35,993 received GI Bill payments for their education, 346,230 owned homes purchased through USDVA home loan guarantees and 12,919 interments were conducted in California's six national cemeteries. *Conversely, CDVA served approximately 2,200 veterans in state homes. According to the state budget for FY 2001-02, the cost to operate veteran nursing homes is \$111.4 million. The CDVA has approximately 30,000 active Cal-Vet loans with a principal balance of approximately \$600 million.*

Health Care

In California, USDVA operates major medical centers or health care systems in Loma Linda, Long Beach, Los Angeles, San Diego, San Francisco, Martinez, Palo Alto, Sacramento, and Fresno. Combined, these medical centers and health care systems served 306,013 individual patients in 2000, including 47,649 inpatient stays, and 3.3 million outpatient visits.

To receive health care service or treatment, a veteran must first file a claim with the USDVA. For example, if a veteran has a service-related disability and needs treatment, he is usually referred to a USDVA medical facility while his or her claim moves through the process. To be admitted to a state veteran home, an able-bodied veteran can usually apply directly to the home for admission.

The type of health care services provided in USDVA facilities include acute medical, surgical, psychiatric, and nursing care. The medical centers are augmented by 45 community outpatient clinics throughout the state. Each of the medical facilities is affiliated with at least one major university. These universities, with the USDVA assistance, annually provide nearly 4,000 graduate and undergraduate students with programs in nursing, dental, dietetics, audiology and speech pathology, and social work.

The CDVA does not have the capacity or the license to provide this level of medical care to state veterans.

Geriatric and Nursing Care

In California, the USDVA geriatric programs served 112,190 veterans 65 years old and older in calendar year 2000. Two of only a handful of national Geriatric Research, Education and Clinical Centers (GRECCs) are located at USDVA facilities in Los Angeles. These centers serve as the focal point for geriatric research and education. GRECCs work in collaboration with other federal, state, county, and city programs for elderly and are responsible for sharing best practices in the treatment of disorders and conditions related to aging. In Northern California, the USDVA provides a wide range of geriatric health-care services, including home-based hospice programs. Nursing home programs are located in Los Angeles, Sepulveda, San Francisco, San Diego, two in Palo Alto, Livermore, Fresno, Loma Linda, Long Beach, and Martinez serving more than 6,000 veterans in 2000. Services offered in these programs include hospice, sub-acute, dementia, psychiatric, respite, and rehabilitation.

While not as extensive as the USDVA, nursing home services provided by CDVA are primarily for skilled nursing and residential care. There are veteran advocates who believe that the CDVA should provide a more focused nursing service for veterans suffering from Alzheimer's and other dementia. The Governor's Blue Ribbon Task Force on Veterans Homes concluded in November 2000 that the CDVA needs to assess special needs of veterans for Alzheimer's and other dementia. The Task Force said that such care should be provided at the Yountville Home, which would need to be modified to meet licensing requirements, for example, rather than building a new facility.

Nursing Home Construction

The USDVA has the largest nursing staff of any hospital system in the world. The USDVA is responsible for providing and monitoring three distinct levels of nursing care including hospital-based nursing (acute and sub-acute) care, community nursing home care (independent home and contract home care), and state veterans home care. States receive USDVA funds for up to 65 percent of new veteran home construction costs (*Title 38 USC, Section 8131-8137*) and share equally in the per diem costs for veterans who eventually reside in these facilities. Federal daily per diem is authorized under *Title 38 USC, Section 1741-1743* and pays \$21.63 per resident in domicile care, and \$50.55 for skilled nursing care, or up to 50 percent of Medi-Cal cap costs. According to USDVA officials, state veteran home services is the fastest growing care provider for veterans primarily, because spouses can also reside and receive care in these facilities. As part of its monitoring responsibility, USDVA regional staff are required to perform annual site surveys and evaluations at California's three state veteran's nursing homes (see Appendix A for details of site survey findings).¹

¹ *California Military and Veterans Code Section 1011. (b) 1-5* authorized the CDVA to establish a Veterans Home in Southern California on one or more sites. However, since the most recently constructed home was completed in Chula Vista in 2000, there are no immediate plans for further construction in Southern California.

Research

In California there are three USDVA medical research hospitals, in San Francisco, Los Angeles, and San Diego. USDVA funding of \$166 million supports more than 2,900 research projects in California. The San Diego medical facility has the highest total research budget of any USDVA hospital in the country.

The CDVA has no plans or capability to conduct geriatric-related research in the facilities they operate.

Homeless

According to the USDVA, nearly 25 percent of homeless people are veterans and many more veterans who live in poverty are at risk of becoming homeless. More than 7,000 transitional beds are available for homeless veterans throughout the country. Stand-downs and benefits assistance fairs were held in 47 states including California during the millennium "Stand-Down" effort. Stand-Down activities are similar to on site benefit fairs where health care professionals and counselors provide services such as health care and mental health care screening, social service evaluations and referrals, and job referrals. USDVA homeless programs in both Northern and Southern California are nationally recognized. There are residential housing programs for homeless veterans with substance abuse problems located in Long Beach in conjunction with Loma Linda medical center, and a new site at the former Norton Air Force Base in San Bernardino.

A USDVA homeless center was established in 1999 in San Francisco. The center provides outreach assessment, stabilization and placement at transitional housing sites in Oakland, Alameda, Treasure Island, San Jose, Fresno, Monterey, Sacramento, San Francisco, Novato, and Eureka. The San Francisco center was also chosen as one of 10 national sites piloting a program focusing on homeless women veterans and their children. *The CDVA has helped fund and coordinate veteran Stand-Down activities for homeless veterans and their families in various areas of California.*

STATE VETERAN PROGRAMS AND SERVICES IN OTHER STATES

All 50 states and four commonwealths and territories provide veteran services. The most common of these services is the county veterans service program. These programs, which are funded in part or totally by states, help veterans and/or their dependents initiate claims for services through the federal process. California's veteran program services and benefits are as comprehensive as any state in the country.

The two largest veteran programs offered by states across the country are nursing home care (hospital and nursing services) and veteran home loans. While nearly all state veteran departments provide nursing home care, only six provide home loans, including California. There are also a number of states with variations on the type of benefit programs for veterans such as property tax exemptions, loan set-asides, personal loans, or other type of exemptions. It should be noted that several states that initially developed low interest home loan programs for veterans no longer do so.

State	Nursing Home Care	Home Loans
California	Yes-licensed & certified by state and federal agencies	Yes-30,000 accounts worth \$600 million (7% defaults)
Mississippi	Yes-licensed & certified by state and federal agencies	Yes-2,500 accounts worth \$1.75 million (1% defaults)
Wisconsin	Yes-licensed & certified by state and federal agencies	Yes-13,370 accounts worth \$721 million (.022% defaults)
Texas	Yes-licensed & certified by state and federal agencies	Yes-36,809 land and 18,921 home loans accounts worth \$1.733 billion (.03% defaults)
Maine	Yes-licensed & certified by state and federal agencies	Yes-(small business loans only)
Oregon	Yes-licensed & certified by state and federal agencies	Yes-22,300 accounts worth \$671.3 million (.005% defaults)
Source: U.S. Department of Veteran Affairs, 2001		

VETERANS NURSING SERVICES PROVIDED IN OTHER STATES

A significant part of the USDVA's long term care strategy is to partner with states to provide nursing care through the State Home Grant Program. The program provides grants to states for the construction and support of state veteran homes. The state home program substantially augments USDVA's capacity to provide a continuous residence for veterans in need of long term care, especially in rural areas. While this relationship dates back to the post-Civil War era, it has grown dramatically over the last ten years.

Today, there are approximately 107 state veteran homes across the country in 48 states, with approximately 25,600 beds that provide various levels of nursing, domicile, and residential care. According to the USDVA, in FY 2000, occupancy rates at state veteran homes for skilled nursing and domicile beds were 94 percent and 92 percent respectively.

The occupancy rates in FY 2000 for the California veteran homes in Yountville and Barstow were 80 percent and 16 percent respectively. While there are only four state veteran home programs with hospital beds in service (454), the occupancy rate for all hospital beds was 46 percent.

According to the USDVA, Geriatric State Grant Program, under criteria developed before 1999, several states including California were considered to have a “great need” for more veteran nursing home beds (see table 2). This need determination was based in part on the number of veteran home beds per 1,000 veteran population in a given state. The planning and construction of new homes in Barstow, Chula Vista, and Lancaster was authorized by the California Legislature (*California Military and Veterans Code Section 1011. (b) (1-5)*) in 1996. Since then, the *Millennium Health Care and Benefits Act of 1999 (P.L. 106-117)* was enacted by Congress redefining how the USDVA and states were to administer federal funds. Under the Act, the USDVA issued new guidelines on June 22, 2001, to determine how states would qualify for funds and how they were to determine future bed need. According to a USDVA official of the Office of Geriatric and Extended Care, new guidelines (*CFR 38, Part 59*) require states to assess future bed demand using the following criteria:

- Define service catchment area based on the health needs of the veteran,
- Availability of professional and medical staff in service catchment area,
- Site location of home is in reasonable proximity to a sufficient population of veterans that are 65 years and older, and
- The home will be fully occupied when completed.¹

In California there are approximately 3 million veterans living in the state. Other than California, only the states of Florida and New York with veteran populations of over 1.2 million had significant need for more nursing beds prior to the issuing of new guidelines on June 22, 2001. Nonetheless, it is difficult to compare California nursing bed needs to other urban states with similarly large military veteran populations. As stated earlier, 112,000 California veterans 65 years and older receive geriatric service through the USDVA health care system. This is the largest state veteran population in the country receiving health and nursing care. If the new criteria were used in planning for construction of new homes in 1996, it is likely that California would still have a significant need for more nursing home beds. However, if the geographic boundaries of a catchment area are used, it would appear likely that the location of the Barstow Home and the consideration of a new home in Lancaster would not qualify for state home grant funds.

Listed in table 2 are states with the largest number of beds in veteran homes including beds per 1,000 veteran population as used prior to 1999.

State	Number of Homes	Current Authorized Beds (all levels of care) per 1,000 veteran population
California**	3***	1,882-(7.2/1,000)
Pennsylvania**	6***	1,468-(10.8/1,000)
Illinois**	4 (and one contract facility)	1,273-(12.8/1,000)
Oklahoma**	6	1,227-(31.4/1,000)
Michigan	2	988-(11.4/1,000)
New Jersey	2	968-(15.2/1,000)
New York *	5*** (one is a teaching hospital and one is a contract home)	962-(7.4/1,000)
Nebraska	4	940-(59.4/1,000)
Wisconsin	2	905-(18.5/1,000)
Kansas	4	878-(35.4/1,000)
Minnesota	3	866-(20.1/1,000)
Missouri	7	849 (14.9/1,000)
Iowa	1	804 (30/1,000)
Massachusetts	2	798 (14.9/1,000)
Georgia	2 (one home is a university teaching hospital)	742 (9.7/1,000)
Mississippi	4	600-(24.1/1,000)

Source: U.S. Department of Veteran Affairs, 2001
 *Licensed and staffed by State Department of Health Services
 **Coed facilities
 ***In great or significant need of beds according to criteria of the U.S. Department of Veteran Affairs.

Dementia and Alzheimer's Care in State Veteran Homes

According to a 1996 USDVA poll, 37 of the 50 state veteran homes across the United States and Territories reported that they accepted Alzheimer's and dementia patients and had programs for their treatment (California is not one). However, a California Research Bureau (CRB) telephone survey found that only 11 state veterans nursing programs have facilities dedicated to providing care to veterans suffering from aging-related diseases such as Alzheimer's, Parkinson's, and other dementia. Those states are listed below.

State	Facilities/Units	Beds
New Jersey	1	32
Pennsylvania	1	200
New York	4	60
Oklahoma	3	132
Texas	4	96
Kansas	1	32
North Dakota	1	38
Illinois	4	48
Oregon	1	22
Arizona	1	50
Florida	3	100

Source: U.S. Department of Veteran Affairs, 2001

How Veterans in Other States Receive Nursing Home Care

According to a past president of the national association of veteran nursing home administrators, “the mission of veteran nursing homes is to provide a higher standard and level of care to veterans than is required by law.”² What this means for veterans is to live in a community whereby acute care hospital services, nursing services, residential care, ancillary services, and domicile living are available in one location. While there are state veteran homes that utilize this model (California included), most state’s veteran nursing home programs do not provide acute care hospital services. Despite the growing demand for nursing services, most states do not use acute care hospitals as part of the veteran home care because of the enormous start-up costs and the professional health care personnel needed to meet state and federal standards. Most of the nearly 107 state veteran nursing homes in the country are freestanding facilities, which are typical of most private sector nursing facilities. According to a veteran home administrator in Oklahoma, states that have expanded veteran homes services over the last ten years using this model of care (California-Barstow included) have had problems in recruiting and retaining sufficient personnel, resulting in licensing violations and in some cases, suspension of federal per diem reimbursements.³

There are some variations from state to state in how veterans are admitted to a state nursing home or a USDVA facility, but the process is similar. Veterans usually must apply at their local county veteran service office to initiate a claim for medical treatment or to receive nursing service. If a veteran has a military service-related disability and needs treatment, he is usually referred to a USDVA medical facility while his or her claim moves through the process. While under the care of a USDVA physician, a veteran will typically remain in the federal VA medical system. To be admitted to a state veteran home, an able-bodied veteran can usually apply directly to the home for admission. In some cases, including California, a veteran in the USDVA system can even transfer to a state veteran home if he or she chooses to do so. While all states are not the same, most will admit a veteran and/or his/her spouse on a first come, first serve basis.

Most state veteran homes have conditions under which they will not admit a veteran including those with serious mental disorders (such as schizophrenia, manic depression, or dual-diagnosed disorders) alcoholism, drug abuse, and contagious diseases. In California, veteran home admission policies do not necessarily exclude a veteran with these types of conditions. However, a person cannot be admitted to a veteran home with a medical or psychological condition for which the facility cannot provide the required level of care.

The typical benefits covered by veteran nursing homes include private or semiprivate rooms, around-the-clock nursing care, medical supervision, daily prescription drug allowance, oxygen, I.V. therapy, orthotic/prosthetic devices, diet supplements, preventive dental care, social work services, patient education, rehabilitative therapy, medical transportation, housekeeping, meals, color TV, recreational and social activities, haircuts, laundry, and library and chapel services.

Most of the state veteran departments across the country operate and staff their own veteran homes and nursing facilities. According to a former official of the national association of veteran nursing home administrators, however, there is a great deal of variation in how and who provides care to the veterans. For example, a number of states that have or are opening new veteran homes use contract providers to staff their facilities. There are also states that contract out all veteran-related nursing and domicile services including Oregon, Texas, and Alabama. There are some assumptions as to why states are using contract services. First, it is widely believed that it is easier to control costs by using contract employers rather than civil service employees. There are also numerous nursing home care corporations and hospital-based HMOs with the resources to operate and staff nursing facilities almost anywhere in the country. According to one state veteran home administrator, this trend to use contract personnel to operate veteran nursing home will continue in the future as long as it remains cost effective.⁴

Another developing trend is that many new veteran nursing homes are locating in urban or coastal areas. The prevailing wisdom is that many aging veterans are retiring or relocating to these areas, and it is easier to attract new employees or to relocate employees who desire working in these settings. While many established veteran nursing homes are located in rural areas and are staffed with residents who have lived in these communities for much of their careers, it may be that once they retire it is difficult to replace them.

Conversely, New York is the only state veteran program in the country that operates and staffs veteran homes with state department of health service employees. According to New York veteran officials, state health services have always operated and staffed state owned health care facilities so that there is continuity of care and resources available at all times. New York, along with Georgia, also built new veteran nursing homes adjacent to university and veteran teaching hospitals and have contractual arrangements with these hospitals to care for their veterans. These are the only state veteran facilities in the country that are fully integrated into the health and educational mission of major university teaching and research hospitals. Similarly, Pennsylvania uses a “health communication system” in its newest veterans home that provides a television link between the home and teaching hospitals at Temple, Penn State, and the University of Pittsburgh. With this system, the medical staff can consult with experts at these locations.

Veteran Home Nursing Costs

USDVA daily per diem payments per veteran resident cover up to half the cost of care (*Title 38 USC, Section 17411743*). According to the USDVA, they provide a daily subsidy of up to \$50.55 for skilled nursing care and up to \$21.63 for domicile care. States also receive payments for reimbursements under Medicare (Medi-Cal in California). As part of their responsibility to reimburse states for providing veteran care, USDVA personnel, along with state oversight agencies (usually state health services departments), conduct site review surveys to ensure that veteran homes are in compliance with federal and state rules and regulations.

States decide how to meet the cost gap between what is reimbursed from federal sources for care and what it costs them to provide that care. Some states allow veterans to receive care if they are unable to pay. However, most states require the veteran to pay part of the nursing costs or a maintenance fee. Most veterans who have financial resources must either spend down those resources (Medicaid level) to be eligible to receive care, pay a formula-based maximum based on the their income, or pay a percentage of their income. There are a variety of ways that veterans pay for nursing home costs in state homes. The amount paid by a veteran or his/her family may come from military or civilian retirement, USVA compensation or USVA non-service connected pension, Social Security, or personal funds.

Most state nursing homes charge their veterans a daily rate that is below the prevailing private sector rate. In California for example, a veteran will pay less per day to stay in a veteran home than it would for a Medi-Cal recipient to stay in a skilled nursing facility. The average cost per day to veterans to stay in a veteran home depends on the state where they live and variations in the cost of living.

The following table illustrates the variation from state-to-state in the maximum cost per day for veterans and the cost to states and the USDVA to provide this care.

State	Skilled Nursing costs per day to vets	Domicile cost per day to vets	Average skilled nursing cost per diem shared by US/State-VA	Domicile cost per diem shared by US/State-VA
New York	*\$159	NA	\$210	NA
Pennsylvania	*\$139	*\$98	\$179	\$102
Oklahoma	*\$120	*\$62	\$140	\$84
Wisconsin	*\$115	*\$75	\$150	\$129
Texas	*\$113 (contract)	NA	No reported costs	NA
New Jersey	*\$99	NA	\$151	NA
Florida	*\$89	*\$52	\$122	\$55
California	**\$87	**\$39	***\$256	\$108
California	\$113-Medi-Cal rate			
Oregon	**\$70 (contract)	NA	\$115	NA
Michigan	**\$65	**\$43	\$150	\$76
Kansas	**\$52	**\$41	\$129	\$41
Mississippi	**\$46	NA	\$105	NA
Illinois	**\$31	**\$24	\$142	\$79
Source: California Research Bureau State Veteran Home telephone survey, 2001, and USDVA statistics. *private pay with a cap rate from \$2000-4000/month and or a Medicaid /Medi-Cal cap rate of \$2000/month ** state formula rate ***Average cost for both California homes				

OVERSIGHT AND REVIEW OF CAL-VET NURSING PROGRAMS

State and federal oversight agencies with authority to review veteran home nursing and residential programs in California include

- The California Department of Health Services (DHS), Licensing and Certification Division,
- The California Department of Social Services (DSS), Community Care Licensing Division, and
- The United States Veterans Administration.

The California Bureau of State Audits also has authority to audit state programs and services at the request of the Legislature. According to the DHS and DSS since 1996, both the Barstow and Yountville Veterans Homes have been cited for numerous compliance and deficiency violations related to management of the homes as well as citations for serious health violations including residential deaths. The Department of Health Services has also cited both homes for staffing problems related to quality of care.

Since the Barstow Home came on line in 1996, it has failed to pass its initial annual certification survey on four different occasions.⁵ The Barstow Home is one of only three state homes in the country from which the USDVA withheld per diem payments in 2000 for failing the certification survey process.⁶ According to the USDVA, Office of Geriatrics and Extended Care, as of December 2000, the total nursing home occupancy rate at the Barstow Home is among the lowest in the country (16 percent). According to utilization reports from the Office of Statewide Health Planning and Development (OSHPD), since 1999, the Yountville facility has maintained below average occupancy rates for skilled nursing and intermediate care beds (78-83%) compared to the national veteran home rate. Moreover, only 425 or about 39 percent of the 1,082 licensed beds at the facility are operational.⁷

Quality of care issues cited in California Department of Health Services surveys include the qualifications of administrators and other health care professional staff, under-trained and under-staffed health professionals, and a high turnover ratio of health care staff. Similar findings were reported in the Governor's Task Force Report on Veteran Homes in California that included recruitment and retention of qualified health care professionals, better training regimes, better distribution of work load, better automation and documentation for the delivery of medical services, and better planning for future home expansion. Recently, the veteran's home in Barstow handed over management and operations responsibility for the skilled nursing program to a private contractor (Country Villa Health Services). The task of the contractor is to bring the facility into compliance with requirements for participation in Medi-Cal and Medicare. This task requires that the facility pass a re-certification survey conducted by both state and federal regulatory agencies.

Since 1994, the California State Bureau of Audits has been requested to conduct audits of CDVA programs and services. In 1994, the Bureau audit found that the Yountville

Veterans Home did not maximize revenues from residents and reimbursements from the federal government. In 1997, another audit found that the Yountville home was not utilizing accepted industry and managed care practices and standards to provide quality care to residents.

OPTIONS FOR IMPROVING NURSING CARE

While not necessarily recommendations of the author or the Bureau, the following are potential options for action should the Legislature consider alternatives to the current law that authorizes construction of additional veteran homes in California.

The CDVA is accountable for funding or administering state and federal mandates (*Title 22, and Health and Safety Code requirements*) as they relate to the veteran's homes in California. Because of compliance problems with the Barstow facility, the CDVA has not been able to operate the facility at average or above average occupancy rates.

- If and when the Barstow Home comes into compliance with state and federal licensing requirements, the Legislature could require the CDVA to phase out skilled nursing services while continuing to operate and improving the occupancy rates of domicile and residential care beds. This would allow the CDVA to better concentrate professional health care staff at the Yountville and the Chula Vista Home when it is ready to begin nursing care operations.

According to the National Association of State Home Administrators, using contractual agreements with private vendors to manage skilled nursing veteran homes is a growing trend in state veteran homes across the country.

- The Legislature could require the CDVA to contract out part or all of skilled nursing services at the Barstow facility where appropriate with health plans and medical service groups. The potential advantage of doing so would be to better control costs during the bidding process.
- Another possible option is to consider an inter-agency contract with the DHS to staff and operate the facility. New York State Veteran Homes are managed by their state department of health services and have successfully done so since the 1940s, based on certification surveys and compliance with state and federal regulations for operating nursing homes.

The CDVA currently does not operate a licensed facility that provides direct care for Alzheimer's or other dementia patients. Currently there are 11 state veteran's home programs in the country that have dedicated Alzheimer's or dementia facilities.

- Given the growing need for Alzheimer's care for veterans in California, and the absence of a CDVA facility, the Legislature could require that any new construction of a CDVA facility be dedicated to serving Alzheimer's and other dementia patients.

- Any future construction of a CDVA veteran home or a related-nursing facility should be consistent with USDVA needs criteria outlined in *U.S. CFR, Part 59*, and should also consider the following: patient demand, available professional community resources, proximity to acute care facilities, and ability to meet professional medical standards of care.

Military veterans who are homeless and suffer from mental illnesses, drug abuse, and alcoholism do not have easy access to treatment and care through the public health care system. Many end up in the criminal justice system, which is required to administer to their health care and mental health needs.

- The Legislature could require that the CDVA develop a process to identify and refer these individual veterans to a state system of care.

ENDNOTES

¹ Telephone interview conducted with Frank Salvis, Geriatric and Extended Care Manager, USDVA, November 11, 2001

² Telephone interview conducted with Phillip Driscoll, Director of Veterans Nursing Home Services, Oklahoma Department of Veterans Affairs, October 2001.

³ Ibid.

⁴ Telephone interview conducted with Lloyd Manley, Veteran Nursing Home Administrator for Illinois, October 2001.

⁵ California Governor's Blue Ribbon Task Force Report on Veteran Homes, Sacramento, CA, September 2000.

⁶ United States Department of Veteran Affairs, Office of Geriatric and Extended Care, site inspection reports on California Barstow, Utah, and New Mexico veteran's homes, October 2001.

⁷ California Department of Health Services, Licensing Report of General Acute Care Hospitals, October 2001.