



NATIONAL ASSOCIATION OF STATE VETERANS HOMES

“Caring for America’s Heroes”

Statement of
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Before the
SENATE AGING AND VETERANS’ AFFAIRS COMMITTEES

Joint Hearing on
**HEROES AT HOME: IMPROVING SERVICES FOR
VETERANS AND THEIR CAREGIVERS”**

JUNE 5, 2024

Chairmen Casey and Tester, Ranking Members Braun and Moran, and Members of the Committees:

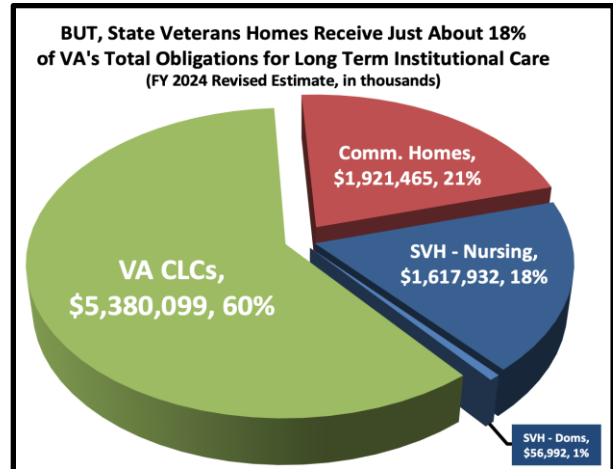
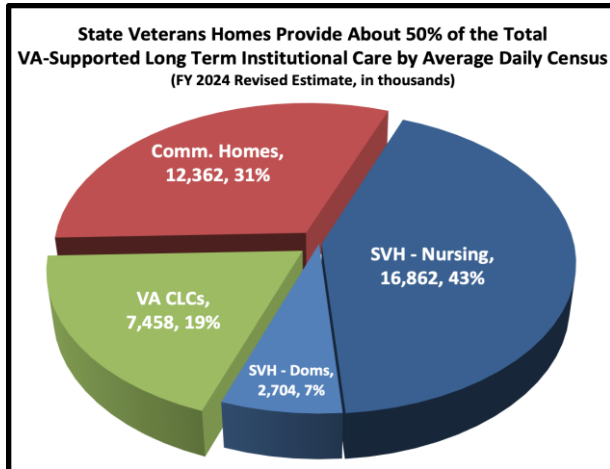
Thank you for inviting the National Association of State Veterans Homes (NASVH) to testify on ways to improve and expand support for aging veterans and their caregivers. As you may know, NASVH is an all-volunteer organization dedicated to promoting and enhancing the quality of care and life for the veterans and families in our Homes through education, networking, and advocacy. Today, there are 165 VA-recognized State Veterans Homes (SVHs) across the nation operating 158 skilled nursing care programs, 47 domiciliary care programs, and 3 adult day health care (ADHC) programs. All 165 SVHs are members of NASVH, the only organization that represents their collective interests, and our membership is expected to continue growing with 13 new Homes expected to seek VA recognition by the end of next year.

I am currently the Legislative Officer and a past President of NASVH, however my full-time job is Executive Director of the Long Island State Veterans Home at Stony Brook University, a 340-bed skilled nursing facility serving honorably discharged veterans and their families. I also serve as an adjunct professor in the Graduate Healthcare Administration Programs at Stony Brook University and Hofstra University, where I lecture on the topics of healthcare leadership and long-term care management.

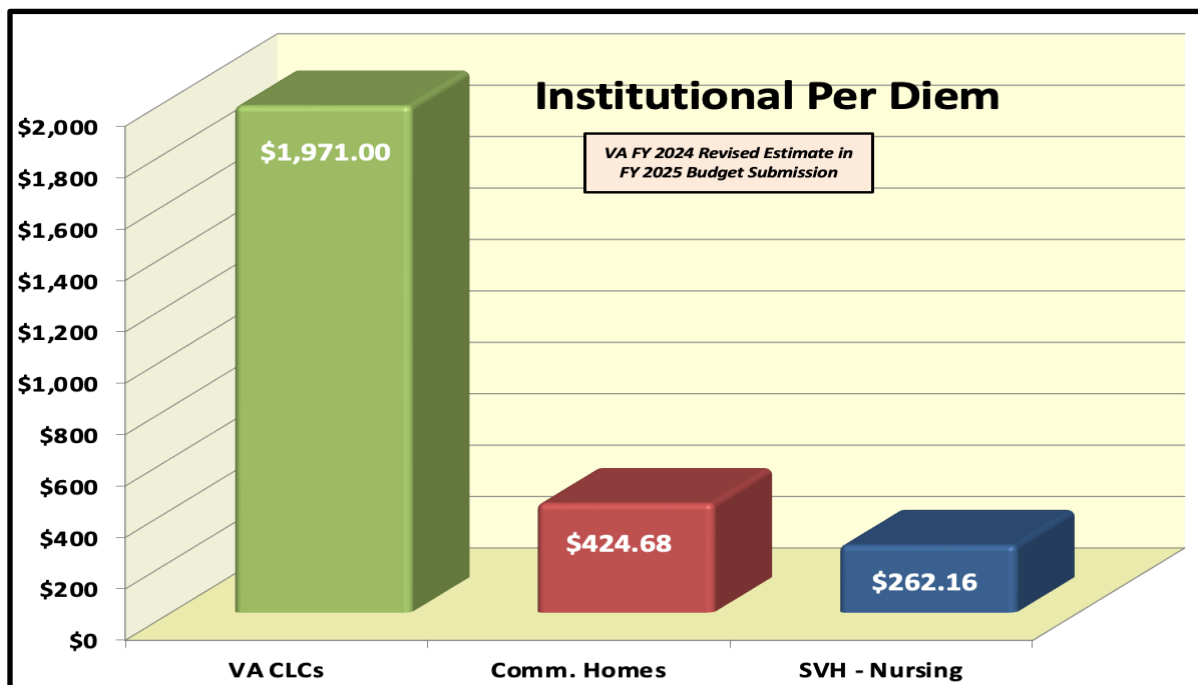
Background of the State Veterans Home System

Messers Chairmen, the State Veterans Homes program is a partnership between the federal government and State governments that dates back to the post-Civil War period. To help cover the cost of care for veterans who choose to reside in SVHs, VA provides per diem payments at different rates for skilled nursing care, domiciliary care, and ADHC. VA also provides State Home Construction Grants to cover up to 65 percent of the cost to build, renovate, and repair SVHs, with States required to provide at least 35 percent in matching funds.

Today, there are over 30,000 authorized State Home beds providing a mix of skilled nursing and domiciliary care. SVHs provide approximately half of all federally-supported institutional long-term care for our nation’s veterans according to VA’s most recent budget submission. However, State Veterans Homes will consume less than 20% of VA’s total FY 2024 obligations for veterans’ long term nursing home care.



According to VA, the institutional per diem for SVH skilled nursing care is approximately \$262; by comparison, the rate for private sector community nursing homes is about 60% higher (\$424), while the rate for VA’s Community Living Centers (CLCs) is about 750% higher (\$1,971). Although there are important differences among these programs that account for some of the cost differences, it’s clear that the SVH partnership provides tremendous value for VA by leveraging matching State funding for the benefit of the veterans we serve.



Oversight of State Veterans Homes

VA certifies and closely monitors the care and treatment of veterans in SVHs, which includes a comprehensive recognition survey before any new Home can be certified to receive federal financial support, and an annual inspection surveys to assure resident safety, high-quality clinical care, and sound financial operations. SVHs must meet extensive VA regulations covering more than 200 clinical standards, in addition to dozens of fire and life safety standards.

About 75 percent of State Veterans Homes are also certified to receive Medicare support for their residents and must undergo annual inspections by the Centers for Medicare and Medicaid Services (CMS) to assure safety and quality care. In addition, State Veterans Homes usually function within or are overseen by a state's department or division of veterans' affairs, public health, or other accountable agency, and typically operate under the governance and oversight of a board of trustees, a board of visitors, or other similar accountable public body.

Aging Veterans Need a Full Spectrum of Long Term Care Options

Today, there are an estimated 8.3 million living veterans aged 65 or older, approximately 4.9 million who are 75 or older, and 1.3 million who are 85 or older. VA data shows that SVHs care for a significantly older veteran population than either VA CLCs or community (contracted) nursing homes. State Homes also provide more long-stay care and more end-of-life care, as would be expected for their older veteran population. In total, the average daily census (ADC) for all VA-supported nursing home, both long and short stay, is only about 32,000 veterans; which is less than one-half of 1% of the approximately 8.3 million living veterans 65 or older, and just over 2% of those 85 plus; and these percentages are projected by VA to drop in future years.

Over the past decade, VA has been placing greater focus and resources on home- and community-based services (HCBS) and NASVH strongly supports expanding these services to provide aging veterans a full spectrum of long term care options. However, the amount of nursing home care offered by VA today is woefully inadequate compared to the overall number of eligible veterans. Although the need for nursing home care may diminish as the veteran population declines in future years, it will never go away: there will always be significant numbers of veterans who lack adequate family support to allow them to age at home. There are also many of veterans who will be able to utilize HCBS to remain in their homes for as long as possible but will eventually reach an age and stage where traditional nursing home care is necessary. For these reasons, Congress and VA must continue to make smart investments to sustain and expand traditional bed-based care. VA should expand home- and community-based care, but it should be an addition to, not a subtraction from facility-based care.

NASVH and our member State Veterans Homes will continue to seek new and innovative ways of delivering long term services to aging and ill veterans, including through a range of graduated care options for veterans who need support to age in place. SVHs understand aging veterans' needs and have expertise in connecting them with their VA benefits and services. With our clinical knowledge and extensive infrastructure, State Veterans Homes could serve as hubs in communities across the country, particularly in rural areas, to offer aging veterans a full spectrum of long term support services, including home-based care.

Opportunities to Expand SVH Adult Day Health Care Programs

In addition to skilled nursing and domiciliary care programs, SVHs are authorized to offer Adult Day Health Care (ADHC), which is a non-institutional alternative to a skilled nursing facility for aging veterans who have sufficient family support to remain in their own homes, but who need or will benefit from a day program that promotes wellness, health maintenance, and socialization. ADHC can help to maximize the participant's independence and enhance their quality of life, as well as provide much-needed respite for family caregivers.

Medical Supervision Model ADHC provides a higher level of care, including comprehensive medical, nursing, and personal care services combined with social activities for physically or cognitively impaired adults. This program is staffed by teams of multi-disciplinary healthcare professionals who evaluate each participant and customize an individualized plan of care specific to their health and social needs. There are currently only three State Veterans Homes operating ADHC programs – New York, Minnesota, and Hawaii – although several other states are working on plans that could lead to additional programs in the future.

At the Long Island State Veteran Home, we have a 40 slot Medical Model ADHC program, with about 75 veterans currently enrolled. We operate a 6 day-a-week program, Monday through Saturday, for six hours each day, from 9:00 AM to 3:00 PM. We also provide door-through-door transportation that is fully wheelchair accessible, with ambulettes picking up the veterans and returning them home at the end of the day. We provide these veterans with the full array of clinical services offered at our skilled nursing facility, while allowing them to live in their own home. Those services include physical, occupational, and speech therapies; clinical nutritional counseling, along with three meals (includes dinner to go); recreational activities provided by a Certified Therapeutic Recreation Specialist (CTRS); along with personal care, including bathing, grooming, and hair care. Our ADHC program helps to improve the quality of life and maintain the independence of the veteran. We also help stabilize chronic medical conditions, reduce emergency room visits and potential hospitalizations, delay or prevent nursing home placement, and provide significant respite support for caregivers. In fact, we can save a caregiver multiple trips it would take to provide all the services we are able to provide in one day.

ADHC programs can be a critical lifeline for both veterans and their caregivers, as shown in the story of one of our residents, West Point graduate and Army Colonel Mike Grabel. After a heavily decorated 27 year military career, that included three tours in Iraq and Afghanistan, Mike had a stroke. For the next two years, he required hospital care and faced the knowledge that he would need significant physical therapy and extensive support for the rest of his life. His wife Jeannine was with him every step of the way during his recovery. Due to the level of support Mike required, and the need for Jeannine to return to work, they had to consider whether the best option was placement in a skilled nursing facility. Fortunately, we were able to offer Mike the option of enrolling in our Adult Day Health Care program. Today, Mike receives the care and support he requires 6 days a week, including door-through-door transportation, nutritious meals, and comprehensive medical and personal care services. Jeannine was able to return to work as a school nurse, secure in the knowledge that her loved one is in good hands.

To increase veterans' access to SVH ADHC programs, NASVH offers two recommendations. First, VA and Congress should modify and/or clarify current regulations so that the State Veterans Home Construction Grant program can be used to construct, modify, or expand SVH facilities to operate new or expand existing ADHC programs. VA's current interpretation of federal regulations does not allow a SVH to apply for a construction grant in order to begin a new ADHC program; it may only seek a grant to expand or replace a facility being used currently for ADHC. Although dozens of states have expressed interest and taken steps towards offering adult day health care services, the single greatest barrier to entry is the construction of new or modification of existing space to properly operate an ADHC program. We call on Congress to work with VA to make this commonsense adjustment to encourage expansion of SVH ADHC programs.

Second, VA should authorize and take actions to encourage SVHs to establish satellite ADHC programs outside their facilities and campuses in more conveniently located areas where there are high concentrations of veterans who could use these services. The Long Island State Veteran Home's ADHC program can only serve veterans in Suffolk County because of the distance they would have to travel. However, we have been working for several years to open a satellite ADHC program in Nassau County, which would open up this life-changing service as an option to thousands of additional veterans and family caregivers.

Additional Home-Based Care Services in State Veterans Homes

In addition to expanding ADHC programs, NASVH also recommends that Congress and VA explore other ways for SVHs to develop new home-based programs, including ones similar to VA's Home Based Primary Care, Homemaking Home Health Aide Care, Respite Care, Palliative Care and Skilled Home Health Care. For example, during the COVID pandemic, I was forced to temporarily shut down our ADHC program under State orders intended to protect veterans. However, I was able to pivot to an innovative program that supported the veterans enrolled in our ADHC program by providing meals, PPE, telehealth, and home care visits. VA was able to support this temporary program using emergency powers granted to the Secretary during the pandemic.

Given the flexibility and financial benefits to VA from partnering with State Veterans Homes, there are myriad possibilities for better addressing the changing demographics, needs and preferences of veterans today and in the future. Many State Veterans Homes already offer a number of medical and therapeutic services that could be provided on an outpatient basis for veterans participating in home-based programs.

With our expertise on the needs of aging veterans, SVHs could develop an array of home-based services to support veterans who want to age in their own homes. When they are no longer able to remain at home, SVHs could ease their transitions to facility-based skilled nursing care. Such an integrated non-institutional program could begin as a pilot program, with different states customizing it to meet local circumstances. NASVH recommends that Congress consider establishing pilot programs to explore new arrangements for providing integrated home- and community-based programs through and in partnership with State Veterans Homes, offering a full spectrum of support from home care to skilled nursing care.

Expanding the Spectrum of Care in State Veterans Homes via Assisted Living

State Homes currently offer two levels of residential care: skilled nursing care for those who need significant support completing activities of daily living (ADLs) and domiciliary care, for those who are able to complete their ADLs, but require shelter, food, and other basic necessities. With millions of aging veterans no longer able to live independently, but whose needs fall in between these two levels of VA-supported care, NASVH believes it is time to begin offering assisted living programs in State Veterans Homes, which could offer greater support than offered by domiciliary care and would cost less than skilled nursing care.

NASVH was pleased to offer our strongest support for S. 495, the *Expanding Veterans' Options for Long Term Care Act*, legislation that would authorize VA to create a three-year pilot program to provide assisted living care for veterans. In particular, we appreciated the inclusion of State Veterans Homes. We understand that a scaled-down version of the pilot program is part of the omnibus *Senator Elizabeth Dole 21st Century Veterans Healthcare and Benefits Improvement Act* and we hope that all Senators will support this legislation. On behalf of our member State Homes and the veterans we serve, I want to thank Senators Tester and Moran for introducing this legislation.

Continuing Challenges Facing State Veterans Homes

Messers Chairmen, State Veterans Homes are still recovering from the severe impacts of the COVID pandemic, particularly with regard to their financial operations, as every State Home had to significantly increase expenditures for PPE, cleaning and sanitizing supplies, and laundry services. Homes also had enormous increases in personnel costs to cover wages, overtime, hazard pay, sick leave and temporary agency staffing. In addition, many Homes made modifications to buildings and rooms for isolation and further enhanced sanitization measures to include new technologies and new equipment.

During this same time, occupancy levels in most SVHs declined because new admissions were suspended, leaving an increasing number of beds empty. Today, SVHs still face significant challenges in bringing their occupancy rates back up to normal levels, primarily due to national staffing shortages that are impacting all health care facilities. As a result, the level of VA per diem support provided each year to State Veterans Homes has declined significantly in recent years, creating serious financial challenges for Homes to remain solvent at a time when their State budgets are also in crisis. Although VA is authorized to pay a basic per diem that covers up to 50% of the cost of a veteran's care, the basic per diem rate in recent years has been less than 30% of the actual cost. NASVH is seeking new legislation that would set the basic per diem rate permanently at 50% of the daily cost of care.

NASVH is also seeking support from Congress to fully fund the State Home Construction Grant program. Over the past decade, annual appropriations for this program have been extremely volatile: typically providing funding for only a small portion of the qualified state matching grants, with occasional bursts of funding to catch up to the full demand. The backlog of Priority Group 1 State Home Construction Grants, which includes critical life-safety projects, continues to rise far beyond available federal funding. When the overdue FY 2024 Priority list is released

later this year, it is expected to show a need for at least \$1.2 billion in federal funds to match what the States have already made available.

Unfortunately, Congress appropriated just \$164 million for FY 2024, less than 15% of the amount required to fully fund the program. For FY 2025, VA requested just \$141 million, though the House Appropriations Committee proposed slightly increasing that funding level to \$154 million in a vote last week. NASVH is seeking support from Congress to substantially increase funding for the State Home Construction Grant program – to at least \$600 million in FY 2025.

The funding gap is even worse than it looks due to VA’s unwillingness to provide “*Build America, Buy America Act*” (BABAA) waivers for State Home Construction Grants. As you may know BABAA – which was approved in 2022 and became effective in 2023 – requires the federal government and recipients of federal grants to buy most materials and products from US manufacturers. However, the law included a waiver provision for projects that would have a very hard, if not impossible, time complying with the new domestic content requirements due to the unavailability U.S. made components and materials, or the extremely high cost of U.S. made products. There is particularly a sourcing problem for HVAC systems, refrigeration, generators, transformers, electrical controls, and LED lighting fixtures, that are virtually impossible to procure from U.S. manufacturers.

A number of States that previously received conditional grant approvals from VA prior to BABAA’s effective date, and who have already expended significant funds for planning, design, and/or long-lead procurement, are now threatened with the loss of federal matching funds, which will almost certainly force them to delay or cancel these much-needed construction projects. Without this legislation and these BABAA waivers, many States will have to cancel vital construction projects, and as a result thousands of aging and disabled veterans would lose the opportunity to receive high-quality long term care in a State Veteran Home.

Legislation was introduced in the Senate and House (“WAIVER Act”, S. 3886 & H.R. 7514) to require that VA use its statutory authority to provide State Veterans Homes one-time transitional waivers from certain “*Build America, Buy America Act*” (BABAA) requirements that would otherwise prevent many State Veterans Homes from receiving VA funding for critical construction projects. We would urge all Senators to consider supporting this legislation.

Clinical Staffing Challenges

Messers Chairmen, the biggest challenge facing State Veterans Homes is the shortage of clinical professionals. As these Committees are certainly aware, there is a national staffing crisis affecting virtually every health care system, especially for nurses and other critical clinical positions, and particularly in rural and remote areas. State Homes are already challenged in hiring and retaining staff because of workforce shortages and the significant competition from local hospitals, higher-paying transitional agency positions (e.g., traveling nurses), and other private employers. Current staffing shortages are impacting veteran access to care since many SVHs are turning away new admissions due to their inability to recruit, hire, and retain sufficient staffing.

Furthermore, the recent promulgation by CMS of new minimum staffing standards will further exacerbate our challenges. It is estimated that nearly 94 percent of nursing homes nationwide do not currently meet at least one or more of the three proposed CMS requirements. Although many SVHs are already in compliance, these new standards will increase competition for a limited labor pool – particularly for nurses. These new staffing minimums could result in SVHs being forced to restrict the number of veterans they can serve, and it is possible we could see some SVHs close altogether, with both scenarios leaving aging and disabled veterans at risk.

We have been grateful for VA’s Nurse Recruitment and Retention Scholarship program which has had a positive impact on a number of SVHs. We are asking Congress to expand that program so that more Homes can benefit from it. At the same time, we believe that a similar program for other critical staffing vacancies – such as physical therapists, dieticians, social workers, etc. – could help boost the ability of SVHs to compete with private sector employers who are able to offer higher salaries and benefit packages. We hope to work with Congress to develop new and innovative programs that will help SVHs recruit and retain sufficient staffing to allow more veterans to be served by our Homes.

Strengthening NASVH-VA Partnership

Finally, to maximize the effective use of State Veterans Homes’ resources and capabilities. VA must finally commit itself to a full and meaningful partnership with States. Too often, SVHs are an afterthought in VA’s planning and budgeting processes. This is exemplified by the continuing lack of representation by State Veterans Homes on VA’s Geriatrics and Gerontology Advisory Committee (GGAC), despite NASVH having nominated multiple highly-qualified State Home administrators and leaders in recent years.

Messers Chairmen, State Veterans Homes can and must play a greater role in meeting the needs of aging veterans and their caregivers in partnership with VA and other federal agencies. NASVH looks forward to continuing to work with these Committees and your colleagues in the Senate to ensure that veterans have greater access to a full spectrum of long term care options, whether at home or in nursing homes. That concludes my statement, and I would be pleased to answer any questions that you or Members of the Committees may have.
