



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #811

Veterans Home at Union Grove -- Staff for Skilled Nursing Facility (DVA -- Homes and Facilities for Veterans)

[LFB 2005-07 Budget Summary: Page 520, #2]

CURRENT LAW

The Department of Veterans Affairs (DVA) currently operates two veterans homes (King and Union Grove) that provide residential care, nursing and medical services, food services, and social and counseling opportunities to veterans and dependents. The veterans home at Union Grove opened in 2001 and includes a 42-bed residential care apartment complex (Gates Hall) and two community-based residential facilities (Shemanske and Fairchild Halls) that provide 86 beds. Construction on the new 120-bed skilled nursing facility is anticipated to be completed in November, 2005.

2003 Wisconsin Act 33 (the 2003-05 biennial budget act) provided \$1,267,400 PR and \$460,800 (\$191,800 GPR and \$269,000 FED) in MA benefits funding and 44.50 PR positions, beginning in 2004-05, to staff the new skilled nursing facility in 2004-05.

GOVERNOR

Provide \$259,000 PR in 2005-06 and \$5,281,500 PR in 2006-07 and 85.0 positions, beginning in 2006-07, to fully staff and operate the new 120-bed skilled nursing facility at the Wisconsin Veterans Home at Union Grove, beginning July 1, 2006. The funding in AB 100 would support the following: (a) salary and fringe benefits for 24.0 support staff and 61.0 nursing staff, beginning in July, 2006 (\$4,002,500 in 2006-07); (b) one-time supplies and service costs (\$259,000 in 2005-06); and (c) ongoing supplies and services costs (\$1,279,000 in 2006-07).

DISCUSSION POINTS

1. DVA currently operates four separately licensed nursing facilities at King. These facilities include 721 licensed beds: 205 beds in Ainsworth Hall, 116 beds in MacArthur Hall, 200 beds in Olson Hall, and 200 beds in Stordock Hall. Currently, there are 720 veterans and their dependents residing in these nursing facilities. During the past several years, the Veterans Home at King has been nearly fully occupied. The overall occupancy rate for nursing facilities statewide ranged from 84.5% in 2000 to 87.3% in 2003.

2. According to the USDVA official projections, there will be approximately 238,900 veterans in 2005-06 and 242,300 veterans in 2006-07 residing in Wisconsin who are at least 60 years of age. DVA indicates that approximately 30% of veterans of all ages in Wisconsin currently live in Racine or in adjoining counties. Further, DVA estimates that approximately 29,700 veterans and 37,600 veterans over the age of 75 reside within 50 and 75 miles of the veterans home at Union Grove, respectively. Based on the current occupancy rate at King and the potential demand for services from the facility in southeastern Wisconsin, it appears that the new nursing home at Union Grove could be fully occupied after the facility opens in 2006-07.

3. Under state law, nursing homes that do not primarily serve the developmentally disabled are required to provide a minimum number of hours of care by registered nurses (RNs), licensed practical nurses (LPNs), and certified nurse's assistants (CNAs). These standards, which vary based on level of care, are as follows: (a) 3.25 hours per day (0.65 of which must be provided by an RN or LPN) for residents at the intensive skilled nursing (ISN) level of care; (b) 2.5 hours per day (0.5 of which must be provided by an RN or LPN) for residents at the skilled nursing facility (SNF) level of care; and (c) 2.0 hours per day (0.4 of which must be provided by an RN or LPN) for residents at the intermediate care facility (ICF 1 or 2) levels of care. A review of staffing levels at the veterans home at King, indicates that the nursing facilities at King had a nurse staffing percentage equal to 107.5% of the state's minimum requirements in January, 2004.

4. According to the most recent consumer information report for nursing homes prepared by the Department of Health and Family Services, each nurse (RN or LPN) or nurse aide (CNA) at King supported between 10 and 119 residents, depending upon the shift (day, evening, or night). The following table identifies the average number of residents supported by each nurse or nurse aide, by shift.

Veterans Home at King Ratio of Staff to Residents per Shift

	<u>Day</u>	<u>Evening</u>	<u>Night</u>
Nurses (RNs & LPNs)	1 to 26	1 to 30	1 to 119
Nurse Aides	1 to 10	1 to 13	1 to 25

5. There are currently 342.50 budgeted nurse and nurse aid positions at King, including 46.0 RN positions, 49.5 LPN positions and 247.0 CNA positions. A review of the current staff-to-resident ratios at King indicates that a total of 61.0 nursing staff would be required to support the 120 residents at the Union Grove facility. However, 2003 Wisconsin Act 33 (the 2003-05 biennial budget act) provided position authorization and funding to support 44.5 full-time equivalent positions -- 25.5 of which were nurse or nurse aide positions. Therefore, if the Committee wishes to provide staffing at Union Grove that is equivalent to the staffing levels provided at King, 35.50 nurse and nurse aide positions and 5.5 other nursing positions (such as supervisors and instructors) would be required, in order to support a total of 61.0 nurse and nurse aid positions. In recognition of the nurse and nurse aide positions that have already been authorized for Union Grove in Act 33 and that are part of the agency's base budget, AB 100 could be amended to delete \$957,700 PR and 20.0 PR positions in 2006-07 to staff the new facility based on the current staff-to-resident ratios at King.

6. Alternatively, the Committee could fund staffing levels at Union Grove that are equivalent to the average number of nurses and nurses aides hours per resident statewide. In general, the residents at King have lower acuity levels than those residents of nursing homes statewide. However, the acuity levels at Union Grove may be closer to the average statewide than King because Union Grove operates three assisted living facilities on campus where individuals with lower level of care needs could reside.

7. The following table lists the number of nurse and nurse's aide hours per resident per day for the nursing facilities at King and provides a comparison to the average statewide and the average nationwide. The nursing staff-to-resident ratios at King are considerably lower in every category than both the statewide and the nationwide averages. These lower staffing ratios can be explained, in part, by the lower acuity level of residents at King.

**Number of Nurses and Nurse Aides Hours Per Resident
Per Day
2004-05 (thru April 15, 2005)**

<u>Nursing Facility</u>	<u>Number of Residents</u>	<u>Number per Resident</u>			<u>Total</u>
		<u>RN</u>	<u>LPN</u>	<u>CNA</u>	
King	711	0.41	0.37	1.91	2.69
Statewide Average	88	0.70	0.50	2.40	3.60
National Average	90	0.70	0.80	2.40	3.90

8. After accounting for the positions that were authorized under the 2003-05 biennial budget act, supporting staffing levels at Union Grove equal to the number of nurses and nurse aide hours per resident statewide would require the addition of 71.0 nursing positions, beginning in 2006-07, as follows: (a) 8.0 full-time RNs and 9.0 half-time RNs; (b) 7.0 full-time LPNs and 6.0 half-time LPNs; (c) 29.0 full-time CNAs and 28.0 half-time CNAs; and (d) 5.0 full-time and 1.0

part-time other nursing positions. In comparison, the administration recommends the addition of 61.0 nursing staff, beginning in 2006-07, as follows: (a) 6.0 full-time RNs and 4.0 half-time RNs; (b) 6.0 full-time LPNs and 4.0 half-time LPNs; (c) 26.0 full-time CNAs and 27.0 half-time CNAs; and (d) 5.0 full-time and 1.0 part-time other nursing positions. If the Committee wished to provide staffing at this level, an additional \$321,400 PR and 10.0 PR positions in 2006-07 would need to be added to the bill.

9. Funding for operations at the veterans homes is primarily supported by member contributions, medical assistance (MA) payments, and USDVA per diem payments. In 2003-04, approximately 43.2% of the funding came from MA payments, 23.9% from VA per diem payments, and 32.9% from member contributions, including VA pensions, and other revenue sources. Approximately 79% of the residents at King are supported under MA. MA funding is composed of approximately 42% state and 58% federal funds. The Governor's bill did not increase MA benefits funding to support additional costs of operating the second and third floors of the new skilled nursing facility at Union Grove. Consequently, each alternative in this paper would provide this funding to reflect additional costs to the MA program of fully operating this facility.

10. For the purposes of determining the amount of PR funding that could be lapsed to the general fund from the appropriation that supports the operations of the veterans homes at King and Union Grove, the administration did not assume any additional MA benefit payment revenues as a result of opening this facility. For this reason, if additional MA benefits funding is provided to support the Union Grove facility (42% GPR and 58% FED), an equal amount of PR could be lapsed to the general fund from the veterans homes' PR operations appropriations. Conversely, if the Committee increases PR expenditures in this item above the funding level in AB 100, the amount of PR that could be lapsed to the general fund would be reduced.

ALTERNATIVES

1. Modify the Governor's recommendations by: (a) increasing MA benefits funding by \$2,510,200 (\$1,067,400 GPR and \$1,442,800 FED) in 2006-07 to reflect the additional cost to the MA program of operating the skilled nursing facility at Union Grove; and (b) lapsing \$2,510,200 in 2006-07 from the appropriation that supports the operations of the veterans homes to the general fund.

<u>Alternative 1</u>	<u>GPR-REV</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
2005-07 REVENUE (Change to Bill)	\$2,510,200			
2005-07 FUNDING (Change to Bill)		\$1,067,400	\$1,442,800	\$2,510,200

2. Reduce funding and positions in the bill by \$957,700 PR in 2006-07 and 20.0 positions, beginning in 2006-07, to staff the skilled nursing facility at a level that is equivalent to the nurse and nurse aide staffing levels at the veterans home at King. In addition: (a) increase MA benefits funding by \$911,400 (\$387,500 GPR and \$523,900 FED) in 2006-07 to reflect the

additional cost to the MA program of operating the skilled nursing facility at Union Grove; and (b) lapse \$1,869,100 in 2006-07 from the appropriation that supports the operations of the veterans homes to the general fund.

<u>Alternative 2</u>	<u>GPR-REV</u>	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
2005-07 REVENUE (Change to Bill)	\$1,869,100				
2005-07 FUNDING (Change to Bill)		\$387,500	\$523,900	-\$957,700	-\$46,300
2006-07 POSITIONS (Change to Bill)		0.00	0.00	- 20.00	- 20.00

3. Increase funding in the bill by \$321,400 PR in 2006-07 and 10.0 positions, beginning in 2006-07, to support staffing levels at Union Grove that are equivalent to the number of nurse and nurse aides hours per resident statewide. In addition: (a) increase MA benefits funding by \$1,519,300 (\$646,000 GPR and \$873,300 FED) in 2006-07 to reflect this change; and (b) lapse \$1,197,900 PR in 2006-07 from the appropriation that supports the operations of the veterans homes to the general fund.

<u>Alternative 3</u>	<u>GPR-REV</u>	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
2005-07 REVENUE (Change to Bill)	\$1,197,900				
2005-07 FUNDING (Change to Bill)		\$646,000	\$873,300	\$321,400	\$1,840,700
2006-07 POSITIONS (Change to Bill)		0.00	0.00	10.00	10.00

4. Modify any of the alternatives by deleting the program revenue lapse from the appropriation that supports the operations of the Veterans homes to the general fund.

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