



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

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Joint Committee on Finance

Paper #702

Priority for Admission to Veterans Homes (Veterans Affairs -- Veterans Homes, Cemeteries, and Memorials)

[LFB 2013-15 Budget Summary: Page 497, #7(part)]

CURRENT LAW

The Department of Veterans Affairs (DVA) is required to administer a priority system for individuals who are admitted to the state's veterans homes ("members"). The priority order is as follows:

- | | |
|-----------------|---|
| First Priority | •Veterans (must be a state resident at the time of admission). |
| Second Priority | •Spouses of veterans (no residency requirement). |
| Third Priority | •Spouses of deceased veterans, if the spouse was a state resident for at least 12 months preceding application. |
| Fourth Priority | •Parents of veterans, if the parent was a state resident for at least 12 months preceding application. |

DVA may deviate from this priority schedule to prevent the separation of a husband and a wife.

Veterans who are not state residents on the date of admission, or do not meet other specified statutory requirements, are not eligible for admission to the veterans homes. Spouses, surviving spouses, and parents are only eligible based on the eligibility of the veterans who are their family members. Surviving spouses and parents of eligible veterans are not eligible for admission to the veterans homes at King or Union Grove unless a veterans home's overall occupancy level is below an optimal level, as determined by the Board of Veterans Affairs.

GOVERNOR

Maintain the current four priority categories. However, within each of the current priority categories: (a) provide first priority to state residents who have resided in the state for more than six continuous months before the date of application for membership; (b) provide second priority to individuals who are residents on the date of application and who have been residing continuously in the state for a period of six months or less immediately preceding the date of application membership; and (c) provide third priority to individuals who are not Wisconsin residents on the date of application for membership.

DISCUSSION POINTS

1. This proposal would serve two primary purposes. First, it would permit veterans who are not state residents to be admitted to the state's veterans homes. Second, it would create a second tier of priority criteria within each of the four current priority categories to ensure that, within each category, the highest priority is given to individuals who have lived in Wisconsin for at least six months, then to individuals who have lived in Wisconsin for fewer than six months, and finally, to nonresidents.

2. Table 1 shows the current census of veterans, spouses, surviving spouses and parents at each of the DVA care facilities.

TABLE 1

**Census of DVA Care Facilities, By Type of Admission
As of April 24, 2013**

	<u>King</u>	<u>Union Grove</u>		<u>Chippewa Falls</u>	<u>Total</u>	
		<u>Skilled Nursing</u>	<u>Assisted Living</u>		<u>Number</u>	<u>Percent</u>
Veterans	548	109	38	49	744	83%
Spouses	44	4	0	4	52	6
Surviving Spouses	92	6	0	2	100	11
Parents	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	684	119	38	55	896	100%

The table shows that approximately 83% of the residents at DVA facilities are veterans, 11% are surviving spouses, and 6% are spouses. No parents of eligible veterans currently reside in these facilities.

3. DVA indicates that the Veterans Home at Union Grove currently has 30 applicants on a wait list for the new 38-bed skilled nursing home that will open later this year, while the Veterans Home at Chippewa Falls has 16 available beds, but 25 applications in process. The Veterans Home at King has 36 available beds, but seven approved applications.

The administration has offered several arguments in support of the proposal to admit nonresidents to the state veterans homes. First, the proposal would increase the number of individuals who would potentially be eligible for admission, resulting in higher resident populations, which, in turn, would increase revenue for the homes, improve their financial solvency, and increase revenues to support all veterans programs (due to the provision in AB 40 to credit all revenue from the veterans homes to the segregated veterans trust fund), including future modernization and expansions of services provided at the veterans homes. The administration has not estimated the number of nonresidents that might be admitted to the veterans homes as a result of this provision, nor has it explicitly incorporated the estimate into the agency's revenue model. However, the Department's occupancy and revenue estimates for the veterans homes may reflect some effect of the proposed policy change.

If the proposal results in a greater percentage of veterans to nonveteran residents at the veterans homes, revenue to the homes could increase, as DVA receives approximately \$97 per day as a federal per diem payment for each veteran that resides at a state veterans home to support costs of operating the veterans homes, but does not receive this payment for each spouse or other family member that resides at a veterans home.

4. In addition, the administration argues that veterans, no matter where they live in the country, should have priority over spouses and other family members (including spouses and family members who are state residents), due to their service. DVA indicates that many other states do not have residency requirements for their veterans homes. Consequently, the bill would provide veterans in other states who wish to receive nursing home care in a state veterans home a greater number of choices -- they could apply to Wisconsin's veterans homes, in addition to the veterans homes in their own states or other states that do not have the residency requirement. This choice is already available to Wisconsin's veterans, who may apply for admission to the state's veterans homes or out-of-state homes that do not have state residency requirements.

5. Several counter arguments could be offered. First, there may be sufficient demand for services provided by the state's veteran homes without this change. Both the Veterans Home at Union Grove and the Veterans Home at Chippewa Falls are very close to full capacity. Only the Veterans Home at King appears to have a number of vacant beds without a waitlist of new applicants ready to fill them. From 2010-11 to 2011-12 the average number of members at the Veterans Home at King increased from 664 members per month to 697 members per month. A year of similar growth in residents would bring the Veterans Home at King close to full occupancy, as well.

6. Second, the state's veterans homes are partially supported by all state taxpayers because the state's medical assistance (MA) program supports services for residents who are enrolled in the MA program. Approximately 80% of the residents at the Veterans Home at King and over 70% of the residents at the skilled nursing facility at Union Grove are MA recipients; while only 9% at the Veterans Home at King and 16% of the residents at the Veterans Home at Union Grove pay for their care primarily through member contributions. Under AB 40, the amounts budgeted for MA payments to the three veterans homes totals approximately \$97.4 million (\$40 million GPR and \$57.4 million FED) in the 2013-15 biennium. It is not clear how the state would

benefit from providing nursing home services, funded partially from state MA funds, to nonresidents.

7. Three alternatives are presented in the paper. The Committee could: (a) adopt the Governor's recommendations, relating to priority for admissions, including the provision to permit nonresident veterans to be admitted to the veterans homes (Alternative 1); (b) modify the bill to prohibit any veterans, spouses, surviving spouses or parents who are not state residents from applying for membership to the veterans homes, but retain the other priority categories recommended by the Governor; and (c) delete all provisions relating to priority for admissions to the veterans homes from the bill. In addition, each alternative would modify current law to clarify that admissions regarding spouses, surviving spouses and parents under s. 45.51(3)(b) includes the veterans home at Chippewa Falls, in addition to the veterans homes at King and Union Grove.

ALTERNATIVES

1. Adopt all of the Governor's recommendations in the bill relating to the priority for admissions to the state veterans homes. In addition, clarify that admissions regarding spouses, surviving spouses and parents under s. 45.51(3)(b) includes the veterans home at Chippewa Falls, in addition to the veterans homes at King and Union Grove.

2. Modify the Governor's recommendation by deleting provisions in the bill that would permit veterans who are not Wisconsin residents to be admitted to the state veterans homes. In addition, delete current provisions that authorize DVA to admit any nonresident spouses, surviving spouses, or parents who are not residents, effective 60 days after the bill's general effective date. Retain provisions in the bill that would give priority to applicants who have resided in Wisconsin for more than six months over applicants who have resided in Wisconsin for six months or less. In addition, clarify that admissions regarding spouses, surviving spouses and parents under s. 45.51(3)(b) includes the veterans home at Chippewa Falls, in addition to the veterans homes at King and Union Grove.

3. Delete all provisions in the bill relating to priority for admissions to the state veterans homes. In addition, clarify that admissions regarding spouses, surviving spouses and parents under s. 45.51(3)(b) includes the veterans home at Chippewa Falls, in addition to the veterans homes at King and Union Grove.

Prepared by: Charles Morgan