



National Association of State Veterans Homes
“Caring for America’s Heroes”

TESTIMONY OF

BRAD SLAGLE

PRESIDENT

NATIONAL ASSOCIATION OF STATE VETERANS HOMES

IN SUPPORT OF H.R. 3180

SUBMITTED TO THE

HOUSE COMMITTEE ON VETERANS’ AFFAIRS

MARCH 27, 2014

Chairman Benishek, Ranking Member Brownley and Members of the Subcommittee –

Thank you for the opportunity to submit testimony on behalf the National Association of State Veterans Homes (NASVH) in support of H.R. 3180, legislation introduced by Congresswoman Marcy Kaptur of Ohio. H.R. 3180 was drafted to remove existing legal and financial barriers that effectively prevent State Veterans Homes from operating certain homeless veterans programs. We applaud Congresswoman Kaptur for her lifelong commitment to supporting veterans, including homeless veterans, and for her leadership in introducing this legislation. If properly implemented, this legislation could have the effect of utilizing excess existing capacity in some State Home domiciliaries to support new homeless veterans programs. Although there may need to be some language changes made to H.R. 3180 to strengthen the bill, we hope that the Subcommittee will work with the bill's sponsor, VA and NASVH to move this important, innovative and commonsense legislation.

Mr. Chairman, as you know, NASVH is an all-volunteer, non-profit organization whose primary mission is to ensure that each and every eligible U.S. veteran receives the benefits, services, long term health care and respect which they have earned by their service and sacrifice. NASVH also ensures that no veteran is in need or distress and that the level of care and services provided by State Veterans Homes meets or exceeds the highest standards available. The membership of NASVH consists of the administrators and senior staffs at 146 State Veterans Homes in all 50 States and the Commonwealth of Puerto Rico.

Mr. Chairman, the State Veterans Homes system is a mutually beneficial partnership between the States and the federal government that dates back more than 100 years. Today, State Homes provide over 30,000 nursing home and domiciliary beds for veterans and their spouses, and for the gold-star parents of veterans. Our nursing homes assist the VA by providing long-term care services for approximately 53 percent of the VA's long-term care workload at the very reasonable cost of only about 12 percent of the VA's long-term care budget. VA's basic per diem payment for skilled nursing care in State Homes is approximately \$100, which covers about 30 percent of the cost of care, with States responsible for the balance, utilizing State funding and other sources. On average, the daily cost of care of a veteran at a State Home is less than 50 percent of the cost of care at a VA long-term care facility. The VA per diem for adult day health care is approximately \$75 and the domiciliary care rate is approximately \$43 per day.

The bill before the Committee, H.R. 3180, is intended to address a problem in Title 38 that effectively prevents State Homes from operating certain homeless veterans programs, even when a domiciliary has excess capacity that could be used in other ways to help fight the pernicious problem of homelessness amongst veterans. According to the Department of Housing and Urban Development, on any given night

there are almost 60,000 homeless veterans, and more than twice that many experience homelessness at some point each year. This shameful fact led VA Secretary Shinseki to make ending homelessness amongst veterans by 2015 one of his highest priorities and enactment of H.R. 3180, properly crafted and implemented, could add State Veterans Homes to his arsenal of tools in that effort.

Mr. Chairman, some State Homes currently have unused bed capacity in their domiciliary programs that could be used to operate specialized homeless veterans programs. For example, the Ohio Veterans Home in Sandusky, Ohio has both a 427 bed nursing home program and a separate 300 bed domiciliary program. While the nursing home program has a 98 percent or higher occupancy rate, the domiciliary is currently operating at less than 60 percent occupancy, leaving more than 125 beds available at any given time. The administrators at Sandusky have been exploring ways to use a small number of their unused domiciliary beds to help homeless veterans.

However, eligibility requirements for admission to the Ohio Veterans Home domiciliary program limit or restrict admission for most homeless veterans. To be admitted to the domiciliary, a veteran must provide a current medical history and physical completed by a physician, along with detailed financial documentation demonstrating need for this assistance, as well as other information. Often homeless veterans lack the resources to obtain such information required for possible admission so the Ohio Veterans Home has been looking for other ways to use their facility to support homeless veterans.

Learning about VA's Health Care for Homeless Veterans (HCHV) program, which provides grants to community homeless programs, the Sandusky Home drew up plans for a small homeless program using HCHV funding as a source of support. Under this proposed program, they would be able to admit homeless veterans without the tighter domiciliary requirements, allowing them immediate access to food, shelter, primary care, social services and other services. There are also a number of recently deployed veterans that may need a stable transition facility for post-acute care but who don't fall into the admissions criteria outlined in the VA domiciliary care program regulations. Because homeless veterans generally need more intense services initially to help them to stabilize and adjust, the Home also developed plans to work collaboratively with the VA Homeless Coordinators in an effort to help the veteran with any specific needs they may have, which could include education, job training and long term housing.

After approaching VA with this proposal, the Sandusky Home was told that under Title 38 regulations, State Homes are only authorized to use their federally-supported homes to operate three programs: skilled nursing care, adult day health care and domiciliary care. According to VA's Office of General Counsel, if a State Veterans Home applied for and received a grant to operate a homeless veterans program, VA would have to recapture a portion of the construction grant funding previously

awarded to the State Home over the past twenty years. This recapture of federal funds would be such a severe financial penalty that it would effectively prevent any State Veterans Home from even considering new homeless veterans programs, even though domiciliaries were built to provide housing for veterans without homes.

In order to remove this obstacle, H.R. 3180 was drafted to amend the recapture provisions (38 USC § 8136) by providing an exemption for State Homes that receive a contract or grant from VA for residential care programs, including homeless veterans programs through HCHV. This legislation would not require VA to award grants or contracts to State Homes; VA would retain the authority and discretion to determine when and where it might make sense for a State Home to use a portion of its empty beds to help homeless veterans. Nor would it open the door to State Homes converting domiciliary beds into new homeless program beds on their own; only VA's decision to provide funding through a grant or contract, such as HCHV, would exempt them from the recapture provisions. This innovative and practical proposal would not increase federal spending, rather it would simply allow State Veterans Homes to compete for existing VA grants just as private community organizations presently do.

However, in further exploring how this legislation could be interpreted and implemented, we have become aware that the language may not be specific enough in terms of either the intended facilities or the intended programs. The broad exception in the current draft of the bill providing the Secretary the ability to award grants and contracts for resident care without triggering the recapture provision could theoretically be used for any number of residential programs, not just at domiciliaries, but at skilled nursing facilities as well. Moreover, there are some concerns that even though the Secretary would have broad new authority to award grants and contracts for additional residential programs, there is no guarantee VA would actually use this authority to support new homeless veterans programs in domiciliaries through HCHV.

Mr. Chairman, although H.R. 3180 as currently drafted could achieve its intended purpose, we would recommend that the Subcommittee work with the bill's sponsor, VA and NASVH to tighten and strengthen the language in the bill. We are confident that working together we can refine this legislation to create new opportunities for State Homes with underutilized bed capacity in their domiciliary programs to help VA end the scourge of homelessness amongst veterans using existing programs, such as HCHV.

####