

National Association of State Directors of Veterans Affairs

Annual Conference

Asheville, North Carolina

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Resolution

Whereas Public Law 109-461 enacted December 22, 2006 authorized VA to pay higher per diems for care in SVHs to veterans with service-connected disabilities (aka 70% disabled veterans program) and;

Whereas the 2 ½ year implementation period has resulted in uncertainty and substantial record keeping and administrative challenges and;

Whereas under the new VA per diem program, each Medicare/Medicaid certified State Veterans Home is likely to receive a per diem payment from VA (the OMB A-87 Rate or the published VA Rate) that would be less than its actual daily cost of care and would lose all Medicare revenue for a resident's stay, including Medicare Part B revenue (such as physicians, x-rays, and labs) and Medicare Part D (drugs) revenue and would lose all Medicaid revenue and all "Medicaid Offset" revenue available under 38 USC 1741 (e) and would lose in summary, substantial amounts of revenue for each eligible veteran admitted to the home,

Now Therefore be it Resolved that Congress pass a clarifying amendment to Section 211 of the Veterans Benefits, Health Care, and Information Technology Act of 2006 (Public Law 109-461) (the "Act") postponing for two years, for Medicare-certified and Medicaid-certified State Veterans Homes and for other State Veterans Homes which may be adversely affected, the mandatory implementation of the Program while any adverse economic effects of the program on State Veterans Homes can be studied using cost data for actual veterans residing in State Veterans Homes during this period and allow State Veterans Homes, in the interim, to serve service-connected disabled veterans under the existing VHA Community Nursing Home Provider Agreements and;

Be it further Resolved that at the end of 18 months, the National Association of State Veterans Homes (NASVH) supported by the National Association of State Directors of Veterans Affairs (NASDVA) shall report to the Committees of Veterans Affairs of the United States Senate and House of Representatives with any recommendations that it has to modify the provisions to the Act and during this time, cost and payment data for residents of Medicare-certified and Medicaid-certified State Veterans Homes shall be compared among the Program, existing Medicare and Medicaid programs, and contracted programs between the VA and Private nursing homes for the care of veterans with service-connected disabilities and;

Be it finally Resolved that in seeking solutions to these challenges that it is recognized that VA rate calculations are too low and transfer all risk to the SVHs and that OMB Circular A-87 does not capture the total costs of care but obligates the SVHs to pay for them and that what was meant to be a good deal for veterans threatens the financial viability of SVHs and puts veterans at risk from unintended consequences which include state budgets being forced to assume cost burdens of underfunded SVHs which can force cuts in services and/or admissions or at worst, the closure of SVHs due to lack of funding.

Dated this 16th Day of September, 2009

Charles F. Smith, President
NASDVA