

Agency Purpose

The mission of the Veterans Homes Board is to fulfill the commitment by state government to provide the highest possible quality programs for housing, health care, and supportive services to our Minnesota veterans and their spouses while developing new and innovative solutions to meet the challenges of changing times.

M.S. 198.01 charges the Veterans Homes Board to "provide nursing care and related health and social services to veterans and their spouses who meet eligibility and admission requirements." Veterans eligible for admission to our homes must have served 181 days of active duty service, have either "served in a Minnesota regiment or have been credited to the state of Minnesota, or have been a resident of the state preceding the date of application for admission." There are approximately 445,000 veterans in the state and a majority of them meet this basic requirement. Spouses of eligible veterans are also eligible for admission if they are "at least 55 years of age, and have been residents of the state of Minnesota preceding the date of application for their admission." Veterans or spouses must be unable by reason of wounds, disease, old age, or infirmity to properly care for themselves.

At A Glance

- ◆ FY 2006-07 operating budget - \$130.9 million with resources from:
 - ⇒ 53% state appropriation;
 - ⇒ 23% Department of Veterans Affairs (USDVA) per diems; and
 - ⇒ 24% patient pay.
- ◆ 859 operating beds.
- ◆ 98% occupancy, statewide.

Core Functions

There are five veterans homes operating in Minnesota. These include skilled nursing facilities at Minneapolis (341 beds) Silver Bay (87 beds), Luverne (85 beds), and Fergus Falls (85 beds) with domiciliary beds at Minneapolis (61 beds) and Hastings (200 beds). The Minneapolis facility also operates a 16-bed inpatient program for homeless veterans with a mental health and substance abuse history. Hastings has a transitional housing program for veterans who have been previously homeless and have completed their inpatient treatment. Both of these programs are funded jointly by the U.S. Department of Housing and Urban Development (HUD) and the Veterans Homes Board. Services provided are listed below:

- ◆ skilled nursing;
- ◆ special care units – dementia and Alzheimer's;
- ◆ physical therapy;
- ◆ occupational therapy;
- ◆ speech therapy;
- ◆ recreational therapy;
- ◆ chiropractic (with doctor's order);
- ◆ dental;
- ◆ podiatry;
- ◆ optometry exams;
- ◆ outpatient services (Fergus Falls – USDVA community based outpatient clinic).
- ◆ domiciliary (board and care);
- ◆ hospice;
- ◆ social services;
- ◆ work therapy;
- ◆ drug and alcohol treatment;
- ◆ transitional care;
- ◆ spiritual care;
- ◆ volunteer programs;
- ◆ mental health;
- ◆ homeless programs; and

The agency's core values are:

- ◆ quality performance;
- ◆ customer satisfaction;
- ◆ public acceptance; and
- ◆ pursuit of excellence.

Operations

A nine-member board is appointed by the governor whose responsibility is to oversee the management of the agency. An executive director is hired by the board and is responsible for all operational aspects of the agency. Board staff provide operational assistance of functional areas which include human resources, financial management, quality management, corporate compliance, legal issues, legislative and public affairs, project management, safety, veterans benefits, and information systems management. Board staff work closely with

their counterparts in other state agencies and outside organizations. Administrators provide day-to-day leadership at the five facilities located throughout the state. Each facility is organized into functional units based upon size and type of patient care delivered. Typical skilled care facilities encompass nursing, dietary, housekeeping, social services, therapeutic recreation, facility maintenance, administration, admissions, a business office, mental health, speech, physical and occupational therapy, chaplain, and other services provided through contractual arrangements. Boarding care facilities focus on medical and mental health management, substance abuse treatment and counseling, mental health, and transitional services. Veterans homes throughout the state also provide training opportunities for various health care occupations. Approximately 100 students participate through affiliations with educational institutions, annually, in a variety of clinical service areas.

Budget

The agency's operating resources come from three sources - state appropriations (53%), patient pay amounts (24%), and USDVA per diems (23%). The revenue from the federal per diem payments and resident maintenance charges when combined with the General Fund appropriation, finance the operations of the agency's facilities.

Contact

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Phone: (651) 296-2073
Toll Free: (877) 682-2673

The Minnesota Veterans Homes web site at www.mvh.state.mn.us gives visitors important information about the Veterans Homes. Types of information available through the site include history, bed availability, rules, agency initiatives, board meeting minutes, newsletters, vacancy data, and board member information. Applications can also be downloaded.

Dollars in Thousands

	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	32,478	33,820	33,820	33,820	67,640
Forecast Base	32,478	33,820	37,765	37,765	75,530
Change		0	3,945	3,945	7,890
% Biennial Change from 2006-07					13.9%
 <u>Expenditures by Fund</u>					
Direct Appropriations					
General	0	0	37,765	37,765	75,530
Statutory Appropriations					
Misc Special Revenue	64,806	68,976	31,088	32,905	63,993
Federal	237	245	0	0	0
Miscellaneous Agency	1,877	2,049	2,049	2,049	4,098
Gift	521	609	609	609	1,218
Total	67,441	71,879	71,511	73,328	144,839
 <u>Expenditures by Category</u>					
Total Compensation	51,118	55,848	55,421	57,000	112,421
Other Operating Expenses	14,526	14,123	14,182	14,420	28,602
Payments To Individuals	1,791	1,908	1,908	1,908	3,816
Local Assistance	2	0	0	0	0
Other Financial Transactions	4	0	0	0	0
Total	67,441	71,879	71,511	73,328	144,839
 <u>Expenditures by Program</u>					
Veterans Homes	67,441	71,879	71,511	73,328	144,839
Total	67,441	71,879	71,511	73,328	144,839
 Full-Time Equivalent (FTE)	 937.5	 925.3	 877.0	 876.5	

Program Description

The veterans homes provide skilled nursing care, special care units for the treatment of dementia, domiciliary (boarding care), and residential programs for homeless veterans. These services are provided in facilities located in Minneapolis, Hastings, Silver Bay, Luverne, and Fergus Falls. The board office, located in Saint Paul, houses a centralized management team that supports each home and the board of directors.

Nursing home care consists of compassionate medical, rehabilitative, and end-of-life care in a residential setting staffed by well-qualified personnel. Care is designed and delivered by integrating the components required by each resident. The goal is to restore, optimize, and/or maintain each resident's level of function, personal autonomy, and dignity. We also recognize the individual's service to their country in a variety of ways with the assistance of the various veterans' service organizations.

Domiciliary care is a residential rehabilitation program that provides rehabilitative and long-term psychosocial care for veterans having a medical need for care at the board and care level. This resident population may require ongoing treatment and therapy for their mental health and/or substance abuse disorder. Dual diagnosis (mental health and substance abuse) services are available to veterans with the goal of reintegration back into society.

Facility Description

The Minneapolis Veterans Home was established as the Minnesota Soldiers Home in 1887 to house Union soldiers of the Civil War and has continued in operation since that date. The home offers skilled care, a special care unit for the treatment of Alzheimer's, domiciliary care and is located in south Minneapolis bordered by Wabun Park, the Mississippi River, and Minnehaha Creek. This scenic setting provides a wonderful backdrop for 17 buildings that are located on the grounds.

The Hastings Veterans Home became a veteran's home in 1978 after originally being a state hospital. The 140-acre site contains 16 buildings that date to the early 1900s. The home provides boarding care with expanded clinical and programmatic services in the areas of chemical dependency, dual diagnosis, mental health care, job training, and general medical care. In addition, the home provides a supportive housing program with emphasis on rehabilitation and reintegration into the community.

The Silver Bay Veterans Home is located on Minnesota's north shore just north of Two Harbors in Lake County. This nursing facility was originally built as an elementary school in 1953. Upon receipt of a federal grant, legislation in 1989 authorized the retrofit of the facility. The home offers skilled care and a special care unit for the treatment of Alzheimer's. The home's recently expanded dementia unit wandering area and tactile gardens are utilized in caring for persons with dementia related disorders.

The Luverne Veterans Home was a newly constructed facility that opened in 1994. The home offers skilled care, a special care unit for the treatment of Alzheimer's, and has incorporated a more home-like atmosphere with emphasis on the use of plants and animals, as opposed to a traditional institutional setting.

The Fergus Falls Veterans Home, is Minnesota's newest home, and offers skilled care and a special care unit for the treatment of Alzheimer's. A U.S. Department of Veterans Affairs (USDVA) medical clinic has been established at the facility under a shared use agreement. New concepts of nursing care have also been introduced with their innovative nursing universal worker position.

Program at a Glance

- ◆ 955 Full-time (FY 2007)
 - ◆ Minneapolis – 512
 - ◆ Hastings – 101
 - ◆ Silver Bay – 104
 - ◆ Luverne – 112
 - ◆ Fergus Falls – 113
 - ◆ Board – 13

- ◆ 859 Operating Beds (FY 2007)
 - ◆ Minneapolis – 341 skilled nursing beds, 61 domiciliary beds, 16 homeless beds
 - ◆ Hastings – 200 domiciliary beds
 - ◆ Silver Bay – 87 skilled nursing beds
 - ◆ Luverne – 85 skilled nursing beds
 - ◆ Fergus Falls – 85 skilled nursing beds

Population Served

The mission of the Veterans Homes Board is to provide high quality care through a variety of programs in both skilled nursing and domiciliary levels of care. In addition residents can be seen by a medical provider in out-patient clinics at nearby medical centers. Transportation to and from these centers is provided daily by the agency.

There are approximately 445,000 veterans in Minnesota and it is anticipated that this population will decrease by approximately 35% over the next 20 years. While the veteran population is expected to decrease over the next 20 years, the number of veterans 75 and older is expected to grow approximately 9% from today's rates.

At least 50% of the patients cared for in veteran's homes are between the ages of 75-84 and 21% over the age of 85. This is compared to private sector long-term care where approximately 31% are between the ages of 75-84 and 52% over 85. In addition, the veteran population is 86% male as compared to 27% in the private sector. Case mix (a standard measure of level of care requirements) in the state averages 2.51 while the veteran's homes ranges from 2.58 to 2.72. The top five primary diagnoses for skilled care in the veterans homes system is dementia, Alzheimer's, coronary vascular disease, diabetes, and chronic obstructive pulmonary disease. For domiciliary care, the top five primary diagnoses are alcohol dependence/abuse, chronic obstructive pulmonary disease, hypertension, and diabetes.

As a result of factors such as age, gender, case mix, diagnosis, and demographic changes, this agency has developed programs to meet the needs of the aging veteran population and has developed a strategic plan for future health care demands. It has also considered existing services for veterans provided by the USDVA and others to limit duplication of services, conducted gap analysis to identify unmet needs, and considered the strategic direction of the state's long-term care task force recommendations, master plan documents for the metro area facilities, and other information to develop future planning initiatives.

Historical Perspective

In 1988, the legislature established the Veterans Homes Board of Directors consisting of nine members appointed by the governor. The board was charged with restructuring the homes along the lines of the medical model of operations and turning them into high quality health care facilities while also taking into consideration the special needs of the veteran population. To accomplish this dual focus, the board's membership consists of representatives from both the health care field and veterans organizations. The board has assured that facilities are operated according to stated goals and standardized practices, policies and procedures, that residents' rights are recognized and respected, and that a high quality of life is maintained for the veterans who are residents of the homes.

The veterans' organizations serve as a bridge between the concepts of the veterans homes as medical facilities and the veterans homes as special places of recognition for the service the veteran residents have provided for their country. The veteran community plays four essential roles relative to veteran residents of the homes: those of promoters, advocates, watchdogs/protectors, and donors. The veteran community has always been very supportive of the veterans homes and keeps the veteran population at large aware of the availability of services at the homes.

Key Measures

The primary measurement of service is quality of care. A minimum data set (MDS) is completed on each resident upon admission, quarterly, annually and when there is a significant change in their health status. The data is sent to the Center for Health System Research and Analysis (CHSRA) for collating. The CHSRA report compares twenty-four quality indicators which have been adopted by the Center for Medicare and Medicaid Service (CMS) as the primary quality monitoring tool for skilled nursing care. The center looks at issues such as: hydration, new fractures, falls, weight loss, medication usage, functionality, and pressure ulcers. The facility's quality indicators are compared to peer group averages. The measures that are above or below peer group averages are reviewed with the goal of developing action plans to eliminate negative variances or accepting the variance and understanding why it exists. These quality of care reports are also used by surveyors in the quality monitoring process.

A second performance measure is budget management. Facilities are measured not only on how they generate revenues, but on how they manage expenses. The agency is currently developing additional staffing benchmarks and measures which will allow comparison of the operations of the veterans' homes with other like operations in the private, long-term care sector. This information, adjusted for the difference in our resident population, will help us better understand and explain areas where there are deviations from community data.

A third performance measure is bed occupancy. At the current time, occupancy rates are 98% statewide with significant waiting lists for admission at Fergus Falls, Luverne, and Minneapolis. Hastings and Silver Bay operate at a high occupancy level. Since the agency retains resident maintenance payments and the Veterans Affairs (VA) per diem, high occupancy maximizes revenues for the agency.

Program Funding:

The agency receives funding from three sources: a General Fund appropriation, resident payments, and federal VA per diem reimbursements. The General Fund appropriation is transferred into the special revenue fund for expenditure, and makes up about 53% of budget. Payments by the residents comprise about 24%, and are made based upon a cost of care calculation and the resident's ability to pay. VA per diem reimbursements account for about 23% of the agency's resources.

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VETERANS HOME BOARD
 Program: VETERANS HOMES

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	32,478	33,820	33,820	33,820	67,640
Technical Adjustments					
Current Law Base Change			3,945	3,945	7,890
Forecast Base	32,478	33,820	37,765	37,765	75,530
<u>Expenditures by Fund</u>					
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Statutory Appropriations					
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Federal	237	245	0	0	0
Miscellaneous Agency	1,877	2,049	2,049	2,049	4,098
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Local Assistance	2	0	0	0	0
Other Financial Transactions	4	0	0	0	0
Total	67,441	71,879	71,511	73,328	144,839
<u>Expenditures by Activity</u>					
Board Of Directors	1,994	1,801	1,829	1,835	3,664
Mpls Veterans Homes	35,666	37,272	36,629	37,566	74,195
Hastings Veterans Home	8,151	9,080	9,067	9,268	18,335
Silver Bay Veterans Homes	7,352	7,914	8,023	8,258	16,281
Luverne Veterans Home	7,133	8,065	8,132	8,333	16,465
Fergus Falls Veterans Home	7,145	7,747	7,831	8,068	15,899
Total	67,441	71,879	71,511	73,328	144,839
Full-Time Equivalent (FTE)	937.5	925.3	877.0	876.5	

VETERANS HOME BOARD

Agency Revenue Summary

Dollars in Thousands

	Actual FY2006	Budgeted FY2007	Current Law		Biennium 2008-09
			FY2008	FY2009	
<u>Non Dedicated Revenue:</u>					
Taxes:					
General	(18)	1	1	1	2
Total Non-Dedicated Receipts	-18	1	1	1	2
<u>Dedicated Receipts:</u>					
Departmental Earnings:					
Misc Special Revenue	29,547	30,299	31,269	32,041	63,310
Federal	7	0	0	0	0
Grants:					
Federal	228	225	0	0	0
Other Revenues:					
Misc Special Revenue	322	346	345	345	690
Miscellaneous Agency	247	302	302	302	604
Gift	680	622	615	615	1,230
Other Sources:					
Misc Special Revenue	6	0	0	0	0
Miscellaneous Agency	1,622	1,760	1,760	1,760	3,520
Taxes:					
Misc Special Revenue	29	0	0	0	0
Total Dedicated Receipts	32,688	33,554	34,291	35,063	69,354
Agency Total Revenue	32,670	33,555	34,292	35,064	69,356