The National Association of State Directors of Veterans Affairs, Inc.

April 21, 2025

State for the Record for HVAC Subcommittee on Health hearing April 29, 2025.

The State Veterans Home (SVH) Program represents the largest and most cost-effective partnership between the federal and state governments for veterans. SVHs provide over 50% of the total VA long-term care across all 50 states and the Commonwealth of Puerto Rico, operating through **171 SVHs**. These homes offer essential services to elderly and disabled veterans, providing more than 30,000 authorized beds for skilled nursing care, domiciliary care, and adult day health care.

NASDVA and the NASVH (National Association of State Veterans Homes) share a strong, collaborative working relationship. Both NASDVA and NASVH are committed to significantly funding the VA's State Veterans Home Construction Grant Program. This program is the largest grant initiative between the Federal and State VAs. The VA provides up to 65% of construction, rehabilitation, and repair costs, while states are required to provide at least 35% in matching funds. The FY2024 Priority List includes 81 Priority Group 1 projects where states have already secured matching funds, necessitating a federal share of approximately $1.3 billion, which represents an increase of about 30% over the previous fiscal year. The FY2024 appropriation of $171 million was sufficient for only nine projects. The VA's FY 2025 appropriation for State Veterans Home Grants is projected to be just $147 million. The demand for long-term care services among veterans is rising. An estimated 8.4 million living veterans are 65 years or older, including approximately 2.6 million who are 80 years or older and 1.3 million who are 85 years or older. Therefore, it is crucial for our nation's senior veterans to maintain the existing backlog of projects in the Grant Program at a manageable level to ensure life safety upgrades and new construction. To address the growing need and backlog, and to fund at least half of the pending Priority Group 1 grant requests, Congress should allocate at least **$650 million**.

NASDVA also has concerns about behavioral health and future incidences of PTSD, TBI, and other conditions in the aging Veteran population. While there are war-related traumas that lead to PTSD in younger OEF/OIF Veterans, aging Veterans can be exposed to various catastrophic events and late-life traumas that may cause the onset of PTSD or trigger the reactivation of pre-existing PTSD. PTSD has been observed more frequently in recent years among World War II, Korean, and Vietnam War Veterans and has proven difficult to manage. The VA offers limited care for Veterans with a propensity for combative or violent behavior, and the community expects the VA or SVHs to serve this population. NASDVA and NASVH recommend a new Grant Per Diem scale that reflects the staffing intensity required for psychiatric beds and medication management. SVHs and VA Community Living Centers are unable to serve intensive care psychiatric patients; therefore, the VA cannot allocate hospital psychiatric beds due to a lack of community psychiatric step-down capacity. This level of care is

critically needed in our states. The VA is responsible for specialty care for Veterans in SVHs, particularly when the care is in response to a service-connected condition. Often, when coverage requires specialized healthcare services such as psychiatric care, the VA does not cover the cost. Psychiatric services are outside the scope of primary care provided to SVH residents; however, they should be treated as allowed specialty care, similar to cardiology and urology.

The nationwide shortage of direct-care providers, including doctors, RNs, LPNs, and Certified Nursing Assistants, is well-documented. COVID-19 exacerbated the decades-long decline as fewer healthcare professionals are recruited, while many providers are leaving the workforce or retiring in large numbers. The national competition for providers is also creating an untenable situation, further worsened by burnout among nursing professionals due to the rigors of care and the salaries offered by large, well-financed hospital groups. Maintaining the SVH resident census is challenging because of chronic staff shortages, which result in fewer Veterans being served and providers struggling to cope with financial losses caused by lower reimbursement rates linked to a reduced resident census. Vulnerable Veterans in need of care are being denied access due to insufficient staffing to meet the demand. SVHs appreciate VA's *Nurse Recruitment and Retention Grant Program*, which promotes the hiring and retention of nurses. It has been effective. However, this applies only to the positions of RNs, LPNs, Licensed Vocational Nurses, and Certified Nursing Assistants. Expanding the grant program should include other critical staffing roles, such as Physicians, Physical Therapists, Dieticians, and Social Workers. This expansion would help SVHs compete with private sector facilities that offer sign-on bonuses, higher salaries, and better benefits. SDVA and VA must continue their recruitment and retention efforts to ensure the quality and quantity of providers needed to care for eligible Veterans.

VA is authorized to cover up to 50% of the cost of care through per diem for residents receiving care in an SVH. However, the current basic rates cover less than one-third of the costs. Many factors, including competitive labor costs, higher pharmaceutical expenses, rising food prices, unfunded mandates, and overall medical inflation, have diminished the value of per diem. Honorably discharged Veterans are eligible for a daily VA per diem payment. The FY2024 rates are as follows: Nursing Care $144.10 per veteran, per day; Adult Day Healthcare $114.81 per veteran, per visit; and Domiciliary Care $62.20 per veteran, per day. Both NASDVA and NASVH recommend a new Grant Per Diem scale; thus, the rates need to be increased. Veterans with a service-connected disability of 70% or higher are eligible for no-cost nursing care at the SVH; however, the VA does not cover high-cost medications for this cohort. Certain medications, such as chemotherapy and biologicals, can cost thousands of dollars per month. Community contract nursing homes with the VA are reimbursed when these costs exceed a certain percentage (typically 8.5%) of the per diem. Congress needs to legislate that SVHs receive the same reimbursement as addressed in *H.R.1970 – Providing Veterans Essential Medications Act.*

VA's ***Geriatrics and Gerontology Advisory Committee*** was established to advise the Secretary of VA on all matters related to geriatrics and gerontology. It is our understanding that the committee has been suspended. This committee was positioned to offer recommendations on the procedures and policies governing SVHs. If the committee is reinstated, it would be appropriate for it to include a <u>voting member</u> who is a licensed nursing home administrator

currently serving as an SVH administrator or supervising an SVH, which would benefit the committee.

Oral health issues have a direct connection to overall physical and mental health. The VA offers comprehensive dental care benefits to over 600,000 qualifying Veterans, and their dental issues must be directly related to their military service to be eligible. Many residents in SVH do not qualify. A veteran is generally required to have a service-connected dental disability, be rated as 100% disabled due to other service-related conditions, or be a former Prisoner of War. Veterans who do not meet the eligibility criteria must seek oral health care outside of SVH. For many, this is difficult due to out-of-pocket expenses, travel distances, their physical condition, or a lack of dentists in the community near the SVH. Maintaining good oral health can lead to a reduction in heart disease. Presumptive conditions, such as diabetes from Agent Orange exposure, can also negatively impact oral health. Veterans struggling with mental health challenges may neglect daily tasks like brushing their teeth and may even experience dry mouth from the medications they are taking. These compounding issues may cost the VA healthcare system more money because they then become secondary ailments to the initial mental health disorder. NASDVA supports efforts to expand the eligible pool of Veterans entitled to dental care services through the VA to include SVH residents, which may, in turn, reduce other healthcare challenges associated with poor oral care.

SVHs are subject to duplicate inspections. The VA performs an annual survey that reviews clinical practices and life safety protocols while also conducting a financial audit. Furthermore, many SVHs are certified by CMS to qualify for CMS reimbursements, which requires them to undergo a separate CMS inspection. The VA and CMS surveys are identical in their examination of the clinical and life safety sections. NASDVA and NASVH recommend that SVHs undergo a single annual survey conducted by the VA, which should be acceptable to CMS.

We respect the HVAC Subcommittee on Health's operational oversight and funding input for the State Veterans Homes. Your understanding and support of this vital service to our nation's patriots are important. Thank you for the opportunity to submit this Statement for the Record.

Respectfully,

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