

Ohio Veterans' Home

- Increase in GRF appropriations of 0.9 percent in FY 2002 and 5.4 percent in FY 2003

OVERVIEW

One of the state's first human services programs, the Ohio Veterans' Home (OVH) is a nineteenth century creation that continues to meet a need at the turn of the twenty-first century. In 1886, the General Assembly, faced with a burgeoning population of aging Civil War veterans and inadequate local infrastructure to care for them, established the Ohio Soldiers' and Sailors' Home, located on a 100-acre campus in Sandusky. Currently, 95 similar veterans' homes operate in 43 other states. The Ohio Veterans' Home, renamed in 1979, is dedicated to "serving those who served" by providing a safe, healthful and home-like living environment for elderly, chronically ill, and disabled veterans. Since its opening in 1888, over 50,000 veterans have lived at the home. To be eligible for admission to the Home, a veteran must have served during wartime, been honorably discharged, and have been a resident of Ohio for five consecutive years prior to admission.

Currently, OVH provides long-term care to honorably discharged veterans in three different settings. The 293-bed Veterans Hall domiciliary provides independence and freedom comparable to community living for residents able to care for themselves. Currently, 236 of the 293 beds in the domiciliary are occupied. A second level of care, currently referred to as "dom-plus", offers an intermediate level of care for 42 residents. These "dom-plus" residents are located in a separate wing of Veterans Hall. The third level of care, Secrest-Giffin nursing home, adjoins the Veterans Hall, and provides a greater level of care for 425 residents who require more assistance with daily activities and those who require around-the-clock medical care.

OVH is funded through a mix of federal and state dollars and resident fees. Each resident is assessed a monthly fee for living at the Home. The fee is based on the level of care provided and the resident's ability to pay. Revenues from these assessments are placed in State Special Revenue (SSR) Fund 4E2 (80 percent) to be used for operating costs and SSR Fund 604 (20%) to be used for equipment and capital projects. OVH also receives state GRF funds and a per diem grant from the federal VA for residents meeting VA income eligibility requirements.

The need for an additional state veterans' home has been identified and efforts, as defined by H.B. 770 of the 122nd General Assembly, are underway to build a second, state-operated veterans home in Georgetown, Ohio. The federal Department of Veterans Affairs (VA) has identified Ohio as the most underserved state in terms of beds per veteran population. Most OVH residents come from Erie and

several surrounding counties, leaving the southern part of the state particularly underserved; a few residents come from south of Interstate 70. Am. Sub. HB 283 provided a \$4,200,000 appropriation, representing the State's share of the cost of construction for the second veterans home. It is anticipated that the Federal VA will provide a formal grant award letter for 65% of the cost of construction of the new facility this fall. According to an OVH officer, while it is certain that the construction phase of the project will be completed sometime during fiscal year 2003, it is not possible at this time to determine exactly when the facility will be fully operational. Therefore, operating costs for the new facility are not included in the FY 2002-2003 executive budget.

Executive Recommendations

The executive has recommended GRF appropriations of \$19,074,000 for FY 2002 (a 0.9 percent increase over FY 2001 estimated expenditures) and \$20,110,000 for FY 2003 (a 5.4 percent increase over FY 2002 recommended appropriation levels).

ADDITIONAL FACTS AND FIGURES

Ohio Veterans' Home Staffing Levels*						
Functional Area	1998	1999	2000	2001	Estimated	
					2002	2003
Administration	38	41	23	23	25	25
Secrest-Giffin Nursing Home	392.5	461	434	434	435	435
Veterans Hall Domiciliary	35.5	38.5	47.5	47.5	47.5	47.5
Services	N/A	N/A	63	63	67	67
Veterans Hall of Fame	N/A	1	1	1	1	1
Maintenance	37	37	40.5	40.5	40.5	40.5
Totals	503	578.5	609	609	616	616

*Staff numbers reflect all positions, including vacancies.

OVH staffing levels have increased 22 percent between 1998-2003. Two reasons account for this staff increase: in FY 1999 an additional nursing home unit was opened and additional staff were added to meet the Department of Health audit requirements, and in FY 2000 the 42-bed “Dom Plus” unit was opened in the Veterans Hall, which required additional staff.

Occupancy Rates Increase

In FY 2001, the Secrest-Giffin nursing home effectively reached full-occupancy and the Veterans Hall Domiciliary has dropped to 76 percent occupancy rate. Occupancy data are presented in the tables below:

Veterans Home Population Count and Occupancy Rates by Year						
Year	Secrest-Giffin Nursing Home		Veterans Hall Domiciliary		Ohio Veterans Home Total	
	Number of Residents	Percent Occupancy	Number of Residents	Percent Occupancy	Number of Residents	Percent Occupancy
1996	342	80	193	66	535	74
1997	371	87	203	69	574	79
1998	372	87	224	77	596	82
1999	424	99	235	80	659	91
2000	425	99	236	81	661	92
2001	427	100	221	76	648	90

Federal Veterans Administration Per Diem Grants Continue To Rise

OVH receives per diem grants from the federal Department of Veterans Affairs (VA) for each resident based on the level of care and the resident's ability to pay. Between 1993 and 2000, VA per diem rates increased 66 percent for the nursing home and 73 percent for the domiciliary. The fiscal year 2002-2003 biennium recommended budget was prepared without assuming any increase in the per diem rates. VA per diem rates are summarized in the following table:

Veterans Administration Per Diem Rates		
Year (rates effective 10/1)	Nursing Home Resident	Domiciliary Resident
1993	\$31.03	\$13.25
1994	\$35.37	\$15.11
1995	\$37.56	\$15.33
1996	\$39.74	\$16.13
1997	\$40.00	\$17.78
1998	\$43.92	\$19.52
1999	\$50.55	\$21.43
2000	\$51.38	\$22.93

Average Daily Costs

Average daily costs for residents in both the Secrest-Giffin nursing home and the Veterans Hall domiciliary continue to climb. Unlike other nursing homes the cost of care at the Veterans' Home includes all ancillary services, as well as physician, dental, and optometric care. The average daily costs are summarized in the table below:

AVERAGE DAILY COST OF CARE				
Fiscal Year	Veterans Hall Domiciliary	Percent Change	Secrest-Giffin Nursing Home	Percent Change
1996	\$63.79	N/A	\$147.80	N/A
1997	\$63.09	(1.1)	\$150.91	2.1
1998	\$64.82	2.7	\$156.36	3.6
1999	\$63.57	(1.9)	\$159.61	2.1

Source of Revenues

The largest source of revenue for OVH is the General Revenue Fund (GRF). The next largest source of revenue is federal grant moneys. GRF appropriations have decreased approximately 13 percent over the past six years, whereas federal grants have increased approximately 19 percent and resident assessment fees have increased approximately 31 percent.

Veterans Source of Revenue by percentage of Total				
Year	State GRF	Federal	Resident	Rotary Fund (SSR 484)
1995	67.06	21.54	11.40	N/A
1996	61.76	24.94	13.30	N/A
1997	60.46	25.07	14.46	N/A
1998	58.80	26.51	14.68	N/A
1999	59.27	24.98	15.75	N/A
2000	58.68	25.26	15.75	.31
2001	58.48	25.52	14.92	1.08

ANALYSIS OF EXECUTIVE PROPOSAL

OHIO VETERANS' HOME (OVH)

Purpose To “serve those who served” by providing a safe, healthful and home-like living environment for honorably discharged Ohio veterans who served in times of war.

The following table shows the line items that are used to fund the Ohio Veterans' Home as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002*	FY 2003*
GRF	430-100	Personal Services	\$13,870,000,	\$14,805,000
GRF	430-200	Maintenance	\$5,204,000	\$5,305,000
3L2	430-601	Federal Grants	\$9,823,000	\$10,059,000
4E2	430-602	Veterans' Home Operating	\$5,289,000	\$5,584,000
484	430-603	Rental and Service Revenue	\$457,000	\$510,000
604	430-604	Veterans' Home Improvement	\$726,000	\$670,000
Total funding: OHIO VETERANS' HOME			\$35,368,000	\$36,933,000

*Numbers are rounded to the nearest thousand

Specific programs within the OVH budget that this analysis will focus on include:

- **VETERANS HALL DOMICILIARY**
- **SECRET-GIFFIN NURSING HOME**
- **OHIO VETERANS HALL OF FAME**

VETERANS HALL DOMICILIARY

Program Description: This program area provides OVH residents who are able to care for themselves with an independent lifestyle comparable to community living. Veterans Hall has 293 beds, 236 of which are currently occupied.. In FY 2000, OVH opened a 42-bed wing of the currently under-occupied Veterans Hall to add a third, intermediate level of care (“dom-plus”) that serves residents in need of assisted living, but for whom admission to the nursing home would not be appropriate. Many of the Dom-plus residents were transferred from the domiciliary, but some were direct admissions from outside the OVH living facilities.

Funding Source: GRF, SSR, FED

Line Items: 430-100 and 430-200 (GRF); 430-602, 430-603, and 430-604 (SSR); and 430-601 (FED)

Implication of the Executive Recommendation: The appropriation amounts recommended by the executive will permit this program area to continue at approximately the same level of service.

SECRET-GIFFIN NURSING HOME

Program Description: The nursing home provides around-the-clock medical and nursing care for elderly and disabled residents who require more assistance with the activities of

daily living. The nursing home is divided into ten units, four of which are specially equipped and staffed to care for residents suffering from Alzheimer's and other wandering-type dementias.

Funding Source: GRF, SSR, FED

Line Items: 430-100 and 430-200 (GRF); 430-602, 430-603, and 430-604 (SSR); and 430-601 (FED)

Implication of the Executive Recommendation: The executive has recommended a decrease in total funding for the Secrest-Giffin Nursing Home. At this point in time, OVH is reviewing possible options given the recommended level of funding; one option is to close existing nursing home beds.

OHIO VETERANS HALL OF FAME

Program Description: The Veterans Hall of Fame was established to honor veterans for outstanding endeavors suggesting a pattern of life-long achievement to veterans and the community following their period of military service. The Hall of Fame sponsors an induction ceremony in Columbus in November and a dedication ceremony in May at the Home. The Hall of Fame, the Ohio State Fair and the Governor's Office of Veterans Affairs sponsor the Governor's Color Guard Competition at the Ohio State Fair each summer. This program was transferred from the Bureau of Employment Services (OBES) to OVH by an Executive Order dated August 18, 1998. One FTE coordinates these activities, as was the case when the program was administered through OBES.

Funding Source: GRF

Line Items: 430-100 and 430-200

Implication of the Executive Recommendation: The appropriation amount recommended in the executive budget maintains the Ohio Veterans Hall of Fame program at current levels of service. Funding is provided for the continuation of one FTE.

PERMANENT AND TEMPORARY LAW

There are no permanent or temporary law provisions for the Veterans' Home.

REQUESTS NOT FUNDED

The Executive recommended total OVH funding of \$35,368,000 in FY 2002 and \$36,933,000 in FY 2003 \$664,000 and \$938,000 below the requested level of funding in FY 2002 and FY 2003, respectively. OVH requests that were not funded are as follows:

- *Expansion of wandergaurd beds within the nursing home* – Currently, the ninety existing wanderguard beds include residents in the advanced stages of Alzheimer’s or dementia. According to an OVH officer, the waiting list for wanderguard beds is roughly three times the size of the standard care waiting list (which is approximately 150 veterans on any given day). OVH requested but did not receive, funds for the conversion of 50 existing standard care nursing home beds to wanderguard beds.
- *42-bed Dom Plus Unit* – Eight four beds in the Veteran’s Domiciliary were originally built to nursing home standards. After the first 42 were converted to a Dom-Plus Unit in October 1999 there remained a unoccupied 42 bed unit. According to an OVH officer, converting these remaining beds would have provided a higher level of care for the existing domiciliary residents, as well as provide assisted living beds for incoming veterans in need of this level of care.
- *Maintain Secrest-Giffin Nursing Home Beds* – OVH sought funding to maintain nursing home beds in B and C Units in the Giffin Nursing Home. At this point in time, OVH is reviewing possible options given the recommended level of funding; one option is to close existing nursing home beds.

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

<i>Fund ALI ALI Title</i>	Revised Estimated 2001	As Introduced 2002	House Sub Bill 2002	% Change Est. 2001 to House 2002	As Introduced 2003	House Sub Bill 2003	% Change House 2002 to House 2003
<i>OVH Ohio Veterans' Home</i>							
GRF 430-100 Personal Services	\$13,843,901	\$ 13,869,975	\$ 13,592,576	-1.8%	\$ 14,804,831	\$ 14,508,734	6.7%
GRF 430-200 Maintenance	\$5,294,719	\$ 5,203,741	\$ 5,099,666	-3.7%	\$ 5,305,264	\$ 5,199,159	2.0%
General Revenue Fund Total	\$ 19,138,620	\$ 19,073,716	\$ 18,692,242	-2.3%	\$ 20,110,095	\$ 19,707,893	5.4%
3L2 430-601 Federal Grants	\$8,395,998	\$ 9,823,259	\$ 9,823,259	17.0%	\$ 10,059,342	\$ 10,059,342	2.4%
Federal Special Revenue Fund Group Total	\$ 8,395,998	\$ 9,823,259	\$ 9,823,259	17.0%	\$ 10,059,342	\$ 10,059,342	2.4%
484 430-603 Rental and Service Revenue	\$354,755	\$ 457,060	\$ 457,060	28.8%	\$ 509,737	\$ 509,737	11.5%
4E2 430-602 Veterans Home Operating	\$4,300,000	\$ 5,288,525	\$ 5,288,525	23.0%	\$ 5,583,806	\$ 5,583,806	5.6%
604 430-604 Veterans Home Improvement	\$607,411	\$ 725,699	\$ 725,699	19.5%	\$ 670,096	\$ 670,096	-7.7%
State Special Revenue Fund Group Total	\$ 5,262,166	\$ 6,471,284	\$ 6,471,284	23.0%	\$ 6,763,639	\$ 6,763,639	4.5%
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Total All Budget Fund Groups	\$ 32,796,784	\$ 35,368,259	\$ 34,986,785	6.7%	\$ 36,933,076	\$ 36,530,874	4.4%

General Revenue Fund

GRF 430-100 Personal Services

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$10,579,727	\$12,168,231	\$13,832,625	\$13,943,901	\$13,869,975	\$14,804,831
	15.0%	13.7%	0.8%	-0.5%	6.7%

Source: GRF

Legal Basis: ORC 5907.

Purpose: The funds in this line item are for expenses associated with payroll and fringe benefits. A percentage of these funds goes toward purchased services.

GRF 430-200 Maintenance

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$4,656,498	\$4,877,159	\$5,085,709	\$5,294,719	\$5,203,741	\$5,305,264
	4.7%	4.3%	4.1%	-1.7%	2.0%

Source: GRF

Legal Basis: ORC 5907.

Purpose: The funds in this line item are for maintenance expenses.

Federal Special Revenue Fund Group

319 430-732 Renovate Secret Bath Areas

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$42,535	\$0	\$0	\$0	\$0	\$0
	-100.0%	N/A	N/A	N/A	N/A

Source: FED: (federal Department of Veterans Affairs Grant to States for State Home Facilities, CFDA 64.005)

Legal Basis: originally established by Controlling Board, October 28, 1996

Purpose: These funds represent a Federal Department of Veterans Affairs grant used to install new fixtures, ceilings, walls, floors, shower tiles, and lights in the six bath areas in the Secret Nursing Home and to replace one bathtub in each unit with a whirlpool bather. The Home had been cited by the Ohio Department of Health for failure to meet the standards for bath and toilet facilities. This grant funded 65 percent of the total project cost; the remaining 35 percent was covered by CAP-732, Renovate Secret Bath Areas in Am. Sub. H.B. 790 of the 120th G.A. There will be no future appropriations for this line item.

319 430-734 Secrest Air Conditioning

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$283,466	\$0	\$0	\$0	\$0	\$0
	-100.0%	N/A	N/A	N/A	N/A

Source: FED: (federal Department of Veterans Affairs Grant to States for State Home Facilities, CFDA 64.005)

Legal Basis: originally established by Controlling Board, January 13, 1997

Purpose: These funds represent a U.S. Department of Veterans Affairs grant to be used to update and replace the air conditioning system in the Secrest Nursing Home. This line item was also used to make other energy management improvements to increase efficiency. This grant funded 65 percent of the total project cost; the remaining 35 percent was covered by CAP-733, Update Secrest Air Conditioning and CAP-734, Energy Management Improvements in Am. Sub. H.B. 790 of the 120th G.A. There will be no future appropriations for this line item.

319 430-746 Community Based Outreach Clinic

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$91,159	\$179,815	\$0	\$0	\$0	\$0
	97.3%	-100.0%	N/A	N/A	N/A

Source: FED: (federal Department of Veterans Affairs state home construction grant)

Legal Basis: originally established by Controlling Board, January 26, 1998

Purpose: Funds in this line item were used to renovate an area of the Administration Building for use as a Community Based Outreach Clinic by the VA. The renovation was 100 percent federally funded and completed in FY 1998.

319 430-747 Kitchen ETAL

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$637,166	\$0	\$0	\$0	\$0
	N/A	-100.0%	N/A	N/A	N/A

Source: FED: (federal Department of Veterans Affairs Grant to States for State Home Facilities, No. 64.005)

Legal Basis: originally established by Controlling Board, March 2, 1998

Purpose: Reimburses 65 percent (\$714,350) of the costs of three combined capital projects: nursing home emergency exit installation; fire and nurse-call systems replacement; Secrest-Giffin kitchen renovation. The remaining 35 percent (\$384,650) is funded through State Special Revenue Fund 604 with appropriations authorized in Am. H.B. 748 of the 122nd General Assembly.

3L2 430-601 Federal Grants

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$6,869,927	\$6,620,214	\$8,212,120	\$8,395,998	\$9,823,259	\$10,059,342
	-3.6%	24.0%	2.2%	17.0%	2.4%

Source: FED: (per diem grants from the federal Department of Veterans Affairs, CFDA 64.014 and 64.015; prior to Sub. H.B. 715, all such per diem grants were deposited to the credit of the GRF)

Legal Basis: ORC 5907.141 (originally established by Sub. H.B. 715 of the 120th G.A. in 1995)

Purpose: Moneys in this account are used to pay Veterans' Home operating expenses.

State Special Revenue Fund Group

484 430-603 Rental and Service Revenue

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$88,778	\$111,013	\$354,755	\$457,060	\$509,737
	N/A	25.0%	219.6%	28.8%	11.5%

Source: SSR: (moneys collected from temporary use agreements for Ohio Veterans' Home buildings and grounds, from the sale of meals, pharmacy revenues, and from rentals, leases or sharing agreements for the use of OVH facilities, supplies, equipment, utilities or services)

Legal Basis: ORC 5907.15; originally established by H.B. 770 of the 122nd General Assembly

Purpose: Appropriations from this rotary fund will be used to purchase food products or to maintain the areas of the Home that are rented or leased.

4E2 430-602 Veterans Home Operating

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$3,173,424	\$3,838,932	\$4,386,557	\$4,300,000	\$5,288,525	\$5,583,806
	21.0%	14.3%	-2.0%	23.0%	5.6%

Source: SSR: (80 percent of the fees collected from OVH residents, based upon their ability to pay)

Legal Basis: ORC 5907.13 and ORC 5907.131

Purpose: OVH is required to use the moneys in this account to fund operating costs.

604 430-604 Veterans Home Improvement

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$630,225	\$694,386	\$776,960	\$607,411	\$725,699	\$670,096
	10.2%	11.9%	-21.8%	19.5%	-7.7%

Source: SSR: (20 percent of the fees charged to OVH residents, based upon their ability to pay)

Legal Basis: ORC 5907.13 and ORC 5907.14

Purpose: Funds in this line item are used to pay the cost of equipment and capital improvements at Veterans' Home, including projects involving participation by the federal government or other governmental agencies.