

DVA 21000

Agency Option Submission

Department of Veterans Affairs

Signed (Agency Head) 	Title <i>Acting Commissioner</i>	Date <i>Dec. 15, 2017</i>
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Fund	Agency Priority	Adjustment Title	FY 2019 Amount	FY 2020 Amount
11000 - General Fund				
	0		0	0
	Total		0	0
Total			0	0

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Department of Veterans Affairs

11000 - General Fund

Adjustment Type:

999 - Miscellaneous/Other - Other

Agency Title:

Agency Technical Adjustment request to maintain current CDH licensure

Agency Description:

Public Act 17-2 calls for DVA PS reductions of \$2M in FY19 - OPM proposed savings from licensure change on DVA's Healthcare Center (HCC) from Chronic Disease Hospital (CDH) to Skilled Nursing Facility (SNF). The Agency has conducted (1) Feasibility and impact of the proposed change based upon the patient care needs of our Veterans, (2) Revenue impact and (3) Administrative and transitional resource needs/impact as a Skilled Nursing Facility.

(1) Patient care needs assessment and impact of the proposed change from CDH -  
A complete care level review of the Agency's current 116 HCC veteran patients by the Agency Healthcare Administration concluded that there are a total of 415 diagnosis listed, ranging from cancer, diabetes, psychiatric disorders, paraplegia/quadruplegia, etc. On average, each veteran patient has 3.6 different diagnoses. On the patients' level of assistance -- There are 72 veterans that require "total" level of assistance in the performance of their Activities of Daily Living (ADL), 19 veterans require "extensive" level of assistance, 22 veterans require "moderate" level of assistance, and 3 veterans that are at "minimal" levels. On average, our Principle Physician visits their patients 4 times a month with many veteran patients being seen more often. DVA Pharmacists currently fills 2,597 of active prescription orders and 1,542 breathing treatments are performed per week. Psychiatry, podiatry, physical therapy, occupational therapy, speech pathology, and optometry care are provided to DVA HCC veterans on-site. The medical complexities of healthcare services compassionately delivered to our veteran patients' care needs are consistent with the Chronic Disease Hospital levels. Veteran patients current care needs would not be met with standards and care level of a skilled nursing facility without impacting healthcare services.

(2) Revenue impacts -  
· Medicaid rate - Currently DVA Medicaid rate is \$770 per day set by the CT Department of Social Services. Average skill nursing home rate is approx. \$250 per day. Assuming the reduced Medicaid rate applies, the annual Medicaid claims will be reduced by \$14M. As all DVA's reimbursement are contingent based upon total cost/expenditures; therefore, if our expenditures are reduced, the revenue reimbursement will be severely impacted and reduced accordingly.  
· DSH payment - With the licensure change, DVA will not be eligible to claim DSH (Disproportionate Share Hospital) revenue reimbursements for uncompensated healthcare cost in our CDH. Currently, the annual DSH payment is estimated between \$3.5 M to \$6.0M. (FY18 DSH certified public expenditure was \$5,253,331. DSH payment from 10/1/13 to 9/30/14 was certified at \$3,638,210 by the DSS contracted Auditor.)

(3) Administrative needs and transitional impact as a Skilled Nursing Facility -  
· Medicare Billing - Currently DVA only bills Medicare Part A through DAS when patients are in an acute status. DVA receives very small amounts of Medicare payment and it is often offsets by Medicaid payments if the veteran patient is on Medicaid. DVA currently does not bill nor has the skill sets/resources or knowledgeable staff to do the Medicare coding and billing that would be required under a SNF. Medicare Biller and Medical Coder positions will be needed, if licensure changes to SNF - current services/positions that are not currently funded.  
· Per DPH regulations, 120-bed nursing home capacity requires an Assistant Director of Nurses - a position that DVA currently does not have and also not funded in our current budget.  
· Transitional contractual services for changes in licensure to SNF - DVA will need to contract with local healthcare providers to provide primary medical services to our HCC veteran patients. DVA is not well informed as to whether or not these contracted providers can bill Medicare and/or insurers for the medically complex spectrum of care levels and services currently provided, and there will be ancillary cost to the Agency.  
· The DVA fiscal recommendation to mitigate transitional gaps in medical/clinical healthcare services to our veteran patients would be the contracting of an outside Healthcare Management Consultant (HMC) - contracting of a HMC would be an additional cost and not funded in our current budget.

Agency Priority:

0

System ID:

8469

SID	Agency 2017
Revenue	
	0
Total Revenue	0