

Office of the  
Legislative Fiscal Analyst

## **FY 2002 Budget Recommendations**

Joint Appropriations Subcommittee for  
Health and Human Services

Utah Department of Health  
**Veterans' Nursing Home**

Contents:

- 1.0 Summary
- 3.0 Programs
- 4.0 Additional Information



**1.0 Department of Health - Veterans' Nursing Home**

**Summary**

The 1995 Legislature passed Senate Bill 197, "Utah Veterans' Home", which authorized the construction of the Utah State Veterans' Nursing Home, an 81-bed long-term care facility to provide both skilled and intermediate levels of care to Utah's veterans and eligible spouses who are residents of Utah.

In accordance with House Bill 140, passed by the 2000 Legislature, the governance of the Veterans' Nursing Home passes to the National Guard after 30 June 2002.

	<b>Analyst FY 2002 Base</b>	<b>Analyst FY 2002 Changes</b>	<b>Analyst FY 2002 Total</b>
<b>Financing</b>			
Federal Funds	1,519,100		1,519,100
Dedicated Credits Revenue	1,802,000		1,802,000
Beginning Nonlapsing	32,000		32,000
Closing Nonlapsing	(26,000)		(26,000)
<b>Total</b>	<u>\$3,327,100</u>	<u>\$0</u>	<u>\$3,327,100</u>
<b>Programs</b>			
Veterans' Nursing Home	3,327,100		3,327,100
<b>Total</b>	<u>\$3,327,100</u>	<u>\$0</u>	<u>\$3,327,100</u>
<b>FTE/Other</b>			
Total FTE	1		1

### 3.1 Veterans' Nursing Home

**Recommendation**

The Analyst recommends funding in the amount of \$3,327,100 for the Veterans' Nursing Home for FY 2002. The two major sources of funding are patient fees and federal Veterans' Administration funds. Patient fees (listed as dedicated credits), together with the federal revenue, are used for the day-to-day operation of the facility. The Department has established a schedule of charges for residents in cases where those residents have available resources (UCA 71-11-5 (1)(b)).

The current ongoing costs are covered by a combination of federal per diem revenues and direct patient contributions to care. The daily rate is \$112.33. Of this amount, \$3 (from Federal Funds) goes to cover administrative costs, with the remaining \$48.38 of Federal Funds plus \$60.95 from the patient going to pay the contractor. There is no Medicaid certification or participation in the facility.

The Legislature appropriated \$500,000 from the General Fund in FY 1996 for the initial operating costs of the home. Unspent funds from this appropriation have been carried as non-lapsing for the past several years. The funds that still remain unspent will be carried into future fiscal years for replacement costs of furnishings at the Nursing Home.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
Federal Funds	888,542	1,518,500	1,519,100	600
Dedicated Credits Revenue	7,838	1,788,800	1,802,000	13,200
Beginning Nonlapsing	576,267	44,700	32,000	(12,700)
Closing Nonlapsing	(44,693)	(32,000)	(26,000)	6,000
<b>Total</b>	<u>\$1,427,954</u>	<u>\$3,320,000</u>	<u>\$3,327,100</u>	<u>\$7,100</u>
<b>Expenditures</b>				
Personal Services	69,108	89,500	87,300	(2,200)
In-State Travel	316	400	400	
Current Expense	1,128,721	3,191,000	3,200,300	9,300
DP Current Expense	9,006	9,100	9,100	
Capital Outlay	14,000			
Other Charges/Pass Thru	206,803	30,000	30,000	
<b>Total</b>	<u>\$1,427,954</u>	<u>\$3,320,000</u>	<u>\$3,327,100</u>	<u>\$7,100</u>
<b>FTE/Other</b>				
Total FTE	1	1	1	

**Purpose**

The Utah State Veterans' Nursing Home is an 81-bed; long-term care facility that provides both skilled and intermediate levels of care to Utah's veterans and eligible spouses who are residents of Utah.

In addition to the \$500,000 appropriated for initial operating costs, the Legislature appropriated \$1.8 million in FY 1996 as the state's share of the construction costs for the Veteran's Nursing Home. These funds qualified for federal matching funds from the United States Department of Veteran Affairs in the amount of \$3.6 million. Additional funds were collected from various sources, including contributions from veterans' organizations that also qualified for federal matching funds, making the total available for the project of approximately \$6.5 million.

Construction began in late 1996 and was completed in May of 1998. On May 27, 1988, the nursing home began admitting patients and quickly reached a census of 80 patients.

### **History of Federal Certification**

Two years ago, the Veterans' Nursing Home's lack of federal certification was a major point of concern for the Legislature. From the home's opening in May 1998 until January 1999, the facility was not federally certified and thus did not receive any reimbursement from federal funds. From January 1999 until September 15, 1999, the facility was operating with federal certification, receiving federal funding. On September 15, 1999, the facility lost its federal certification and the State revoked the contract with Quality Health Care, Inc. On September 11, the Department approved a new contract with Traditions Health Care, effective through September 2002. Traditions operated the facility without federal certification until November 5, 1999, when federal certification (and the accompanying federal funds) was restored. During the time that Traditions was operating the facility without federal certification, the Department of Health utilized some of the original \$500,000 start-up appropriation to cover the federal share of the operating costs. Traditions Health Care has been the contractor since October 1999, and the facility has been operating smoothly since that time.

The facility's census, as of November 20, 2000, was 81, (78 veterans and 3 spouses) with a current waiting list for future openings.

**4.0 Additional Information: Veterans' Nursing Home**

**4.1 Funding History**

	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>Financing</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>
Federal Funds		396,265	888,542	1,518,500	1,519,100
Dedicated Credits Revenue	63,036	1,454,491	7,838	1,788,800	1,802,000
Transfers		(68,600)			
Beginning Nonlapsing	597,973	658,987	576,267	44,700	32,000
Closing Nonlapsing	(654,709)	(576,267)	(44,693)	(32,000)	(26,000)
<b>Total</b>	<b>\$6,300</b>	<b>\$1,864,876</b>	<b>\$1,427,954</b>	<b>\$3,320,000</b>	<b>\$3,327,100</b>
<b>Programs</b>					
Veterans' Nursing Home	6,300	1,864,876	1,427,954	3,320,000	3,327,100
<b>Total</b>	<b>\$6,300</b>	<b>\$1,864,876</b>	<b>\$1,427,954</b>	<b>\$3,320,000</b>	<b>\$3,327,100</b>
<b>Expenditures</b>					
Personal Services		101,700	69,108	89,500	87,300
In-State Travel		1,376	316	400	400
Current Expense	6,300	269,962	1,128,721	3,191,000	3,200,300
DP Current Expense		5,030	9,006	9,100	9,100
Capital Outlay		6,580	14,000		
Other Charges/Pass Thru		1,480,228	206,803	30,000	30,000
<b>Total</b>	<b>\$6,300</b>	<b>\$1,864,876</b>	<b>\$1,427,954</b>	<b>\$3,320,000</b>	<b>\$3,327,100</b>
<b>FTE/Other</b>					
Total FTE		2	1	1	1

**4.2 Federal Funds**

<b>Program</b>		<b>FY 2000 Actual</b>	<b>FY 2001 Estimated</b>	<b>FY 2002 Analyst</b>
Veterans' Nursing Home Administration	Federal	\$201,940	\$345,110	\$88,695
	Required State Match*	0	0	0
	<b>Total</b>	<b>201,940</b>	<b>345,110</b>	<b>88,695</b>
Veterans' Nursing Home Contract Operations	Federal	686,596	1,173,374	1,430,355
	Required State Match*	7,835	1,788,798	1,801,987
	<b>Total</b>	<b>694,431</b>	<b>2,962,172</b>	<b>3,232,341</b>
	<b>Federal</b>	<b>888,536</b>	<b>1,518,484</b>	<b>1,519,050</b>
	<b>Required State Match*</b>	<b>7,835</b>	<b>1,788,798</b>	<b>1,801,987</b>
	<b>Total</b>	<b>\$896,371</b>	<b>\$3,307,282</b>	<b>\$3,321,036</b>

\* The Required State Match is paid by the nursing home residents.

### 4.3 Fees

	<u>Current</u> <u>FY 2000-01</u>	<u>Proposed</u> <u>FY 2001-02</u>	<u>Difference</u>	<u>Projected</u> <u>Revenue</u>
VETERANS' NURSING HOME				
<b>Veterans' Nursing Home</b>				
Patient Fee				
Cost, per patient, per day	not to exceed 150.00	not to exceed 150.00		