



Michigan Veteran Homes

FY25 Budget Presentation

Briefing Summary

- I. USDVA State Veteran Home Program Overview
- II. Michigan Veteran Homes Overview
- III. Funding Overview
- IV. Expenditure Breakdown
- V. MVH FY25 Budget – Executive Recommendation

USDVA State Veterans Homes Program Overview

Definition

State Veterans Homes are Federal-State partnerships

- Regulated by federal and state laws
- Must be owned & operated by the state
 - Owned = *State must own the building and the land*
 - Operated = *Must be at least one state employee providing oversight in each facility*
- Program oversight is provided by USDVA
 - Annual quality of care surveys performed by USDVA Medical Center inspectors for certification

USDVA SVH Program Benefit to Veterans

- Tailored environment for the unique population
- Financial benefits: no-cost or lower-cost care than other options



USDVA State Veterans Homes Program

USDVA Funding for Services Provided in SVHs

State veterans homes are eligible to receive “per diem” reimbursement that – unlike many other long-term care options - the VA pays towards the care of *all* veterans *indefinitely*.

The amount paid towards cost of care is determined by a veteran’s priority rating:

Full Daily Per Diem	Basic Daily Per Diem
<ul style="list-style-type: none"> • Veteran who has a combined service connected disability rating of 70% or more • Veteran who has a service-connected disability that the VA has specifically adjudicated to require nursing home care 	<p>All other honorably discharged veterans.</p>
<p>MVHGR: \$510.81/day MVHDJJ: \$486.98/day MVHCT: \$515.53/day</p>	<p>\$138.29/day</p>



Michigan Veteran Homes at Grand Rapids

History of Michigan's State Veterans Homes

Michigan Veteran Homes at Grand Rapids

Michigan Veteran Homes at Grand Rapids	
First Opened In	<ul style="list-style-type: none">- 1886- New Building Opened: 2021
Facilities & Land	<ul style="list-style-type: none">- 90 acres of land- 3 main buildings (New SN, Mann – 1988, McLeish – 1975)- Several additional outbuildings- 5,000 grave cemetery on 11.5 acres
Census	<ul style="list-style-type: none">- 128 skilled nursing beds, in private rooms- All beds are both VA-recognized and CMS-certified

Michigan Veteran
Homes at
Chesterfield
Township



History of Michigan's State Veterans Homes

Michigan Veteran Homes at Chesterfield Township

Michigan Veteran Homes at Chesterfield Township	
First Opened In	- 2021
Facilities & Land	<ul style="list-style-type: none">- Located on 30-acre site that previously served as base housing for Selfridge Airforce Base- Five connected buildings, which include main community center and four "neighborhood" buildings
Census	<ul style="list-style-type: none">- 128 skilled nursing beds, in private rooms- All beds are both VA-recognized and CMS-certified

Michigan
Veteran
Homes D.J.
Jacobetti
(Marquette)

D.J. JACOBETTI
HOME FOR VETERANS



History of Michigan's State Veterans Homes

Michigan Veteran Homes D.J. Jacobetti (Marquette)

Michigan Veteran Homes D.J. Jacobetti	
First Opened In	<ul style="list-style-type: none">- Current building construction as a hospital in 1954- Purchased by SoM and opened as SVH in 1981
Facilities & Land	<ul style="list-style-type: none">- One 4-story building, located on one city block
Census	<ul style="list-style-type: none">- <i>VA certified for:</i> 126 skilled nursing, 4 domiciliary (<i>program being phased out</i>)- <i>CMS certified beds:</i>* 26 Memory Care Unit, 55 Skilled Nursing

Facility Modernization

Performance Improvement &
Modernization Efforts

Funding for Construction of MVHDJJ
Replacement

State Match	\$34.2M
Federal Grant	\$63.4M
TOTAL PROJECT BUDGET	\$97.6M





Small Home Model
Home-like design, Single
Story Construction

Michigan Veteran Homes

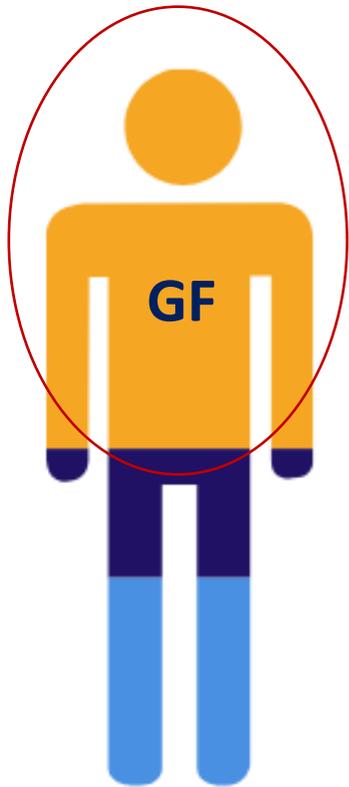
Breakdown of Funding

Primary Sources of Revenue

- **VA Per Diem (federal funding):** VA payments provided to State Veterans Homes to help cover the cost of care for veterans living in the Homes.
- **Income & Assessment (private pay funding):** Collections from veterans or family to help cover the cost of care for residents living in the Homes.
- **CMS – Medicaid/Medicare (federal funding) (NEW in last 6 years)** : Federal payments provided towards the care of eligible skilled nursing residents.
 - *Existing state GF funding serves as the “state match” for these payments.*
 - *Without CMS certification, the Homes receive federal Medicare & Medicaid revenue that constitutes ~1-2% of total annual revenue.*
- **General Fund (state funding):** Annual appropriation from Michigan’s General Fund to help cover the cost of operating the Homes.

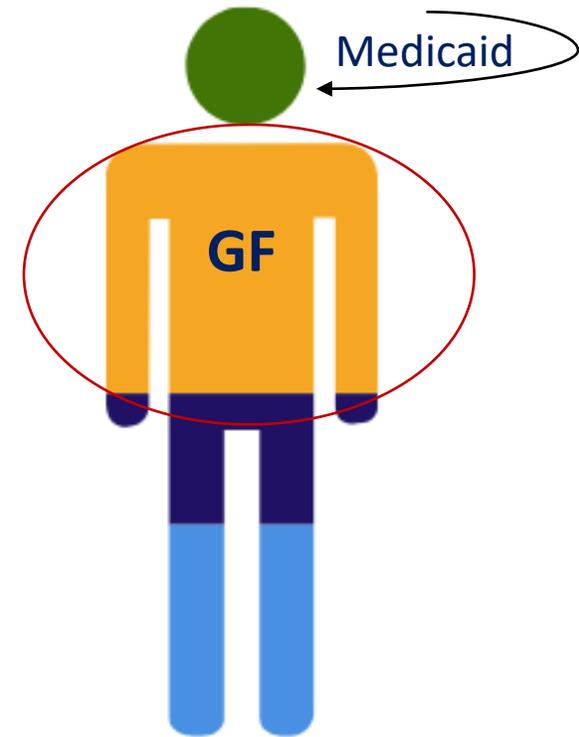
Funding/Revenue Diversification

Performance Improvement & Modernization Efforts



CMS revenue, in the form of Medicaid revenue, helps reduce the impact declining I&A revenue has on General Fund needs.

Medicaid funding is available for those individuals who do not have the ability to pay for their care and is funded by a combination of federal funding (~64% in Michigan) and a state match.



Michigan Veteran Homes

Breakdown of Expenditures

	FY24 Projected	% of Total	Description
Salaries & Fringe	\$ 44,861,732	47.5%	<i>SOM employee salaries & benefits</i>
Contract Nursing	\$ 22,335,113	23.7%	<i>CNA contracts at MVHGR & MVHCT</i>
CSS&M	\$ 13,832,637	14.7%	<i>Includes contracted labor costs for housekeeping services (all), dining services (CT, DJJ), Security (GR, CT)</i>
Contracted Professional Services	\$ 4,542,089	4.8%	<i>Physician services, therapy services, behavior & mental health services</i>

Michigan Veteran Homes

Breakdown of Expenditures

	FY24 Projected	% of Total
Utilities & Fuel	\$ 2,777,000	2.9%
Medical Supplies	\$ 1,812,000	1.9%
Information Technology	\$ 1,738,842	1.8%
Pharmaceuticals	\$ 1,329,000	1.4%
Food	\$ 736,000	0.8%
Workers Compensation	\$ 242,000	0.3%
Equipment	\$ 125,000	0.1%
Travel	\$ 56,000	0.1%
Unemployment	\$ 8,000	0.0%

Labor-Related Performance Improvement Efforts

Performance Improvement & Modernization Efforts

- Comprehensive review of MVH's entire organizational structure
- Adjust practices to include closer monitoring of staffing levels to ensure efficient staffing practices
- Increase employee engagement efforts
- Improve performance management practices across organization, with support from central leadership

Financial & Accounting-Related Improvement Efforts

Performance Improvement & Modernization Efforts

Financial and Business Processes

MOU with DTMB to provide accounting services

- Developed general ledger and chart of accounts
- Includes procurement and contract negotiation
- Accounting office in each home to manage member funds, billing, vendor payments
- Increased transparency and communication
- Member Medicaid Eligibility project to ensure active benefits and timely applications
- Increased controls, separation of duties, audits, and reconciliations

Michigan Veteran Homes

FY25 Budget - Executive Recommendation

		General Fund	Gross
Sec. 104			
MVH Administration	<i>Ongoing</i>	4,622,600	4,622,600
Information Technology SVCS & Projects	<i>Ongoing</i>	428,800	1,734,300
MVH - Chesterfield Township	<i>Ongoing</i>	12,144,500	32,511,400
MVH - D.J. Jacobetti (Marquette)	<i>Ongoing</i>	8,731,200	25,927,700
MVH - Grand Rapids	<i>Ongoing</i>	21,027,200	38,827,500
Veterans Cemetery	<i>Ongoing</i>	90,200	90,200
		47,044,500	103,713,700
Sec. 105			
Special Maintenance	<i>Ongoing</i>	500,000	500,000
TOTAL		47,544,500	104,213,700



Michigan Veteran Homes

FY25 Budget - Executive Recommendation

	MVFA CSB Adjustments	GF	Gross
Sec. 104			
	MVH Administration	941,900	941,900
	MVH - Chesterfield Township	3,026,300	5,034,400
	MVH - D.J. Jacobetti (Marquette)	278,000	1,640,000
	MVH - Grand Rapids	6,866,500	9,723,700
	TOTAL	11,112,700	17,340,000

Michigan Veteran Homes

Opportunities & Challenges

Current Opportunities

Demand for Services = Opportunity to Serve Those Who Have Served

- >50% of Michigan's 530k veterans are 65 or older

Federal Investment Dollars

- Availability of Federal investment dollars via the USDVA SVH per diem and construction programs

Current Challenges

Recruitment & Retention Healthcare Professionals

- Industry-wide challenges with recruitment and retention of HCP

Addressing Fiscal Challenges While Maintaining High Quality of Care

- Balancing the need to address fiscal climate of growing health care costs and unprecedented inflation with the duty to deliver high quality of care to our members



Questions?

Please join us!

MVH Legislative Lunch & Learn

MVH – Chesterfield Township 3/18

MVH – Grand Rapids 3/22

