FISCAL BRIEF

MICHIGAN VETERANS HOMES

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FAST FACTS

- Since 2016, the Michigan Veterans' Facility Authority has administered the state's veterans homes.
- MVFA appropriations total $107.6 million in FY 2025-26, with federal funds from the Veterans Health Administration and Centers for Medicare and Medicaid Services making up 50%.
- As of January 2026, MVFA's cost for providing nursing care to veterans is $208.80 per day.
- In FY 2024-25, the veterans homes served 481 individual members and spent approximately $93.1 million.

INTRODUCTION

The first Michigan veterans home was established by 1885 PA 152 in response to the impact of the Civil War on the state's population. Since that time, several additional facilities have been established with the goal of providing long-term housing, medical services, and skilled nursing care to Michigan veterans. These entities are collectively administered by the Michigan Veterans' Facility Authority (MVFA), which was created by 2016 PA 560 under the auspices of the Department of Military and Veterans Affairs (DMVA). This brief provides background on Michigan veterans homes and their governing bodies, as well as information about the cost of care, funding structure, and population of the homes.

OVERVIEW AND HISTORY

Following the Civil War, many states constructed state-administered veterans homes to care for their veterans in need. On December 30, 1886, the Michigan Soldiers' Home was established as the first of these facilities in the state, consisting of a 22-building campus and a 5,000-grave cemetery situated on 90 acres of property north of downtown Grand Rapids. Administered by the former Department of Public Health, the home provided care and services for individuals who served as former members of the United States armed forces and, in certain situations, their spouses and other family members.

By the early 1980s, the influx of Vietnam War veterans resulted in a significant increase in Michigan's veteran population. To meet this growing need, the D.J. Jacobetti Home for Veterans was established in 1981 at the former St. Mary's Hospital in Marquette. Executive Reorganization Order 1991-7 transferred governance of the two homes from the Department of Public Health to the newly created Department of Military Affairs (now the Department of Military and Veterans Affairs), which managed the facilities through the Michigan Veterans Affairs Agency (MVAA). In response to a February 2016 report by the Michigan Auditor General documenting substantial deficiencies in the administration of the Grand Rapids Home for Veterans and subsequent recommendations issued by the Michigan Veterans Workgroup, the legislature passed 2016 PA 560 to consolidate oversight and administration of state veterans facilities under the semi-autonomous MVFA.

The MVFA is governed by a 10-member board of directors that oversees facility operations carried out by the executive director of Michigan Veteran Homes, the administrative entity that centrally manages and operates all state veterans homes. The board consists of the non-voting DMVA director (or their designee) and nine voting members appointed by the governor for staggered four-year terms, as follows:

- Three Senate-confirmed members who have professional knowledge, skill, or experience in long-term care, health care licensure or finance, or medicine, with one member being a resident of the Upper Peninsula.
- Three Senate-confirmed members who have professional knowledge, skill, or experience in long-term care, health care licensure or finance, or medicine, and represent one or more congressionally chartered veterans organizations.
- One Senate-confirmed member who is a veteran and has professional knowledge, skill, or experience in long-term care, health care licensure or finance, or medicine.
- One member, selected from a list of candidates proposed by the Senate Majority Leader, who has professional knowledge, skill, or experience in long-term care, health care licensure or finance, or medicine.
- One member, selected from a list of candidates proposed by the Speaker of the House, who has professional knowledge, skill, or experience in long-term care, health care licensure or finance, or medicine.

The MVFA has the statutory authority to issue up to $150.0 million in bonds and receive donations for the purpose of purchasing or leasing land or facilities, renovating existing veterans homes, or constructing new veterans homes. In addition, through the State Home Construction Grant Program (SHCGP), the United States Department of Veterans Affairs (USDVA) can cover up to 65% of construction costs for new state veterans homes, as well as for the expansion, remodeling, or alteration of certain existing state homes, provided sufficient federal grant funds exist. Under 38 CFR 59.80, the total cost of a SHCGP grant request (that is, the portion funded by USDVA) cannot include the costs of land acquisition, general maintenance or repair work, or office supplies or other consumable goods (e.g., food, medication, or paper).

As part of MVFA's goal of improving service delivery to veterans, both the Grand Rapids and D.J. Jacobetti homes underwent renovations between 2016 and 2018 to bring them into full or partial compliance with Centers for Medicare and Medicaid Services (CMS) standards, allowing the homes to draw down CMS and USDVA Veterans Health Administration funding. In early 2019, construction began on the new 153,000-square-foot Grand Rapids Home for Veterans complex, which replaced the original home upon completion in September 2021, as well as the new Chesterfield Township Home for Veterans that opened in April 2021. In May 2025, MVFA broke ground on the replacement facility for the D.J. Jacobetti Home for Veterans, which is expected to be completed by late 2027.

COSTS OF CARE AND FUND SOURCES

All of the state's veterans homes provide nursing home care, with the D.J. Jacobetti Home for Veterans also offering domiciliary care. While the MVFA is responsible for setting fees for these services each fiscal year, the actual cost to individual members is determined by a monthly assessment based on factors including income, assets, marital status, and dependent expenses. Many members, however, qualify for the minimum assessment or are simply unable to pay for the costs of care, requiring the veterans homes—and therefore, the state—to cover a growing share of the operating expenses. Cost-of-care rates for the previous five fiscal years for each type of care and recipient are provided in **Table 1**. (Domiciliary care, which consists of services provided to support an individual in their own home, is only provided through the D.J. Jacobetti Home for Veterans.)

To support the costs of nursing home care, each veterans home receives a per veteran per diem payment from the USDVA Veterans Health Administration based on each veteran's care needs and any service-connected disability rating, *unless* the home is recognized as a medical model or a veteran qualifies for a higher prevailing per diem rate (calculated by multiplying the prior year basic rate by the CMS Skilled Nursing Facilities Market Basket increase). Under 38 USC 1745, the prevailing per diem rate applies for veterans who have a combined service-connected disability rating of 70% or higher or those who have a service-connected disability that the USDVA has specifically adjudicated to require nursing home care. The basic and prevailing rates for the previous five fiscal years are provided in **Table 2**.

Table 1: MVFA Cost of Care Rate History

Fiscal Year	VETERANS		NON-VETERANS
	Nursing (per day)	Domiciliary (per month)	Nursing (per day)
2021-22	$184.63	$2,710.00	$300.25
2022-23	201.60	2,968.00	328.77
2023-24	201.00	3,063.00	339.29
2024-25			
Oct-Dec	195.19	3,063.00	339.29
Jan-Sep	203.67	3,140.00	347.77
2025-26			
Oct-Dec	199.06	3,140.00	347.77
Jan-Sep	208.80	3,228.00	357.51

Source: Michigan Veterans' Facility Authority

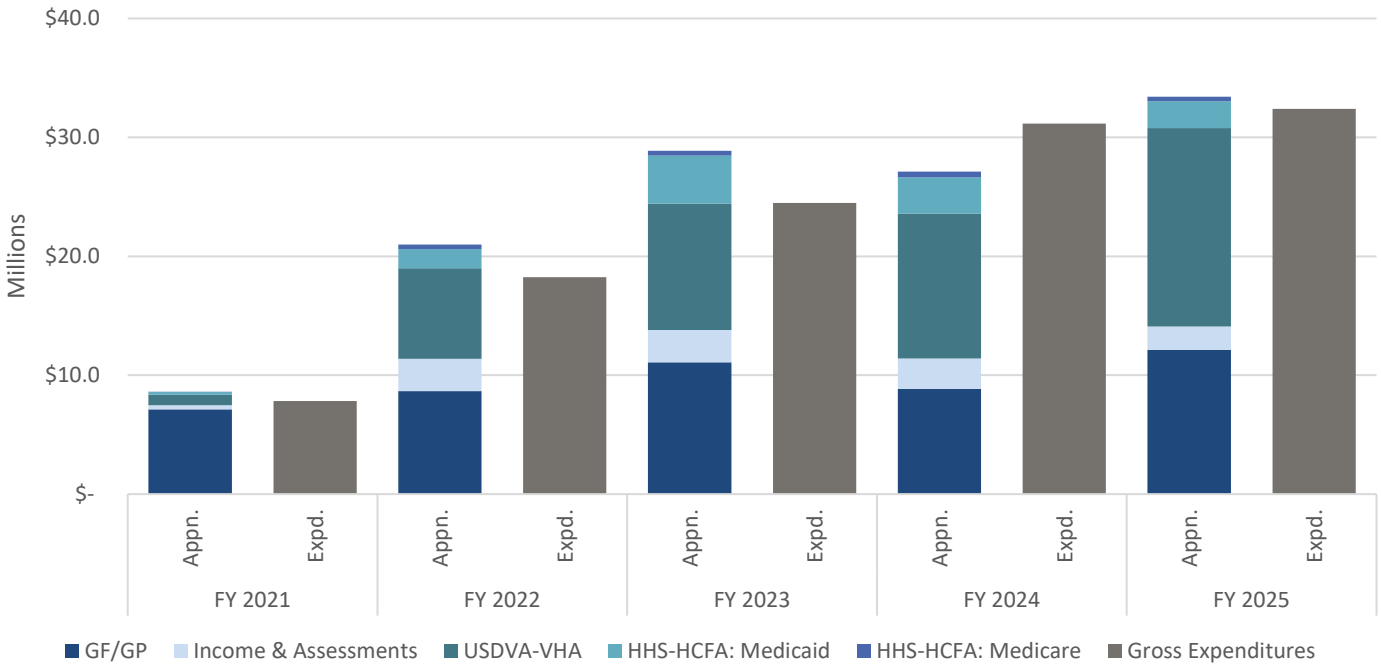
Table 2: USDVA Nursing Home Care and Domiciliary Care Per Diem Rates

Fiscal Year	CTHV		DJJHV			GRHV	
	Nursing (Basic)	Nursing (Prevailing)	Nursing (Basic)	Nursing (Prevailing)	Domiciliary	Nursing (Basic)	Nursing (Prevailing)
2021-22							
Oct-Mar	$117.93	$443.80	$117.93	$418.28	$50.91	$117.93	$438.57
Apr-Sep	121.00	455.34	121.00	429.16	52.23	121.00	449.97
2022-23							
Oct-Mar	127.17	474.09	127.17	447.84	54.89	127.17	469.75
Apr-Sep	129.97	484.52	129.97	457.69	56.10	129.97	480.09
2023-24	138.29	515.53	138.29	486.98	56.69	138.29	510.81
2024-25	144.10	537.18	144.10	507.43	62.20	144.10	532.26
2025-26	148.71	554.37	148.71	520.96	64.19	148.71	549.29

Source: U.S. Department of Veterans Affairs Veterans Health Administration

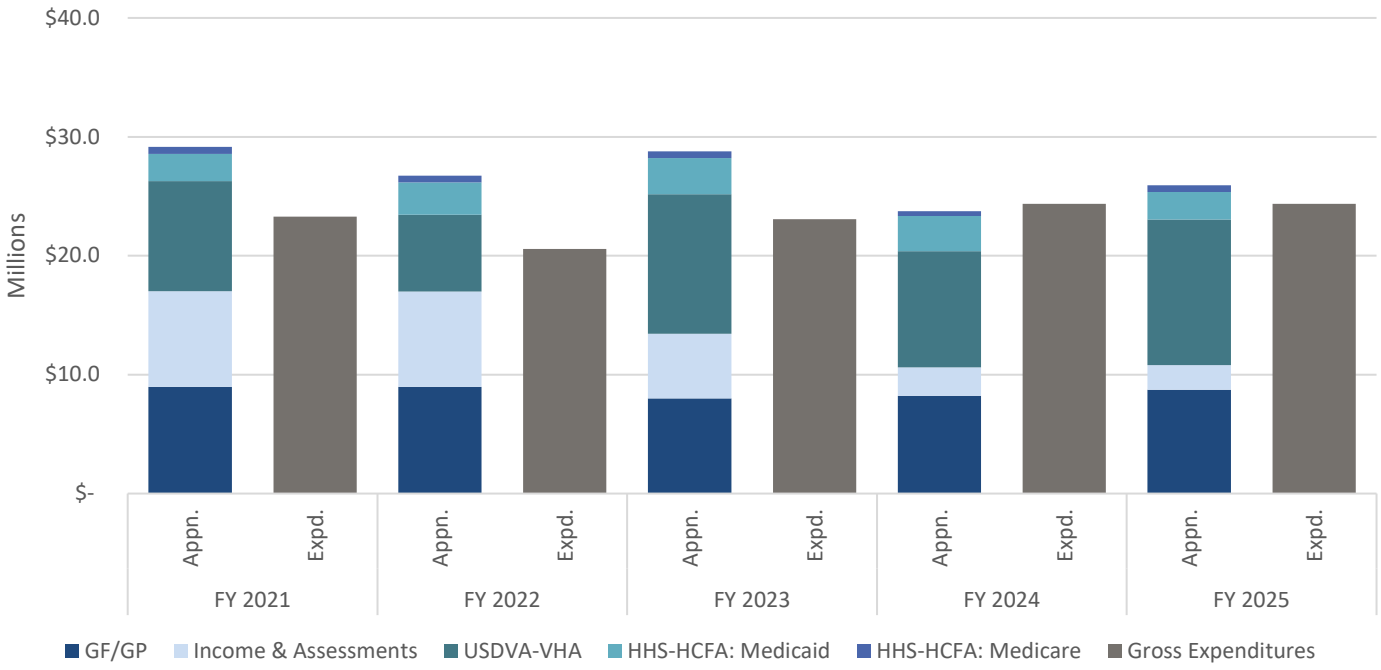
Since FY 2021-22, in addition to assessment revenues and funds from the USDVA Veterans Health Administration, each veterans home has also received federal funds from CMS to contribute toward the cost of care for Medicare-eligible members. Medicaid funds from CMS are made available through a combination of federal funding and a state match of approximately 64% and have served to mitigate the impact of declining assessment revenues on the state general fund, which has been driven largely by decreasing member populations across all of the homes (see **Population and Demographics** below). **Figures 1, 2, and 3** display annual appropriations, by fund source, and gross expenditures for each state veterans home from FY 2020-21 to FY 2024-25. (In FY 2023-24, MVFA collected federal revenues in excess of legislative authorizations totaling approximately $10.2 million. These funds were spent during the fiscal year, but supplemental and transfer requests for the increased spending authorization were not passed by the legislature.)

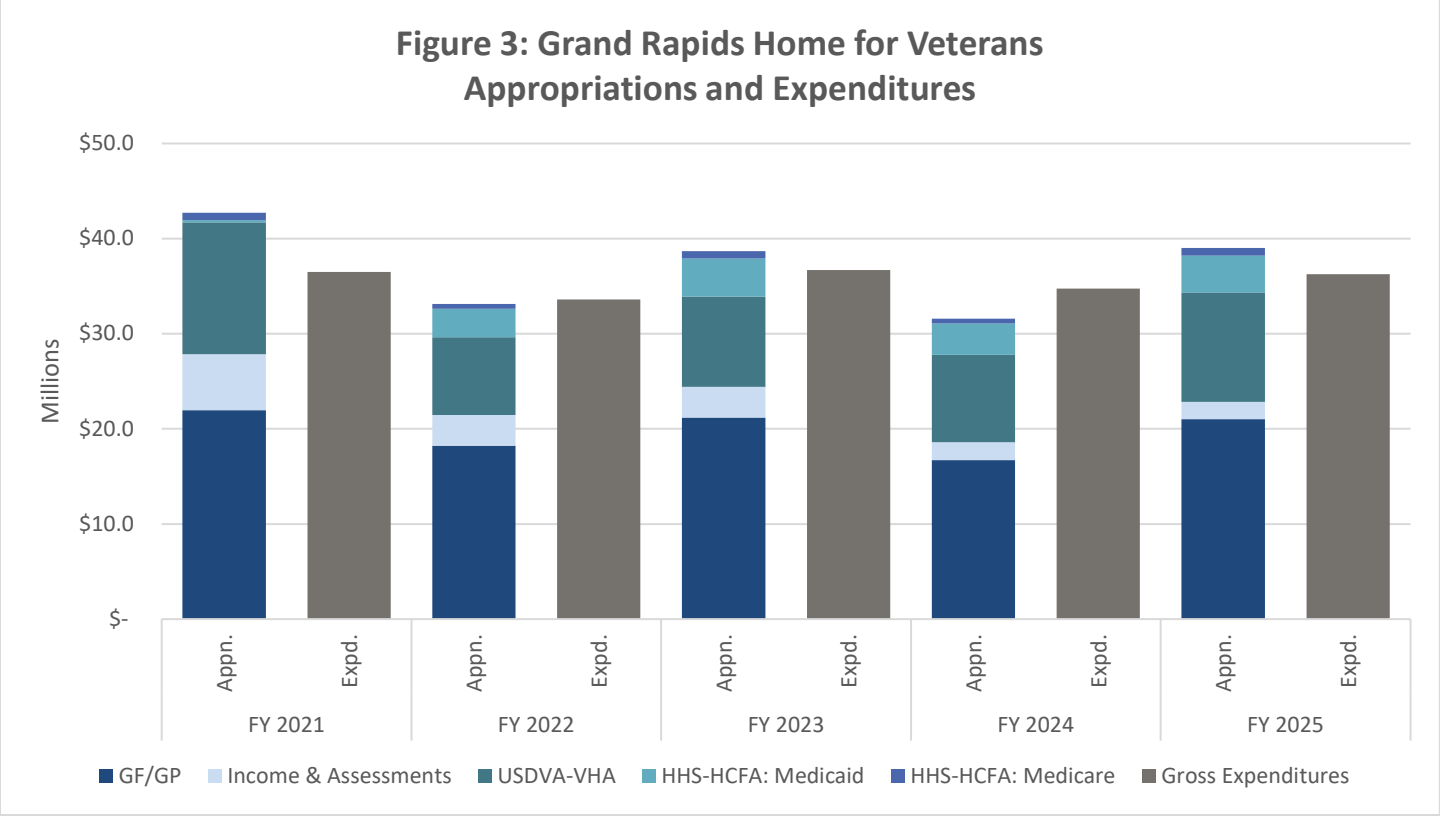
Figure 1: Chesterfield Township Home for Veterans Appropriations and Expenditures



Note: The Chesterfield Township Home for Veterans opened in FY 2020-21. Figures do not include $6.0 million one-time GF/GP (FY 2022-23) appropriated to MVFA to support facility transitions at the Chesterfield Township and Grand Rapids homes.

Figure 2: D.J. Jacobetti Home for Veterans Appropriations and Expenditures





Note: Figures for the Grand Rapids Home for Veterans include one-time appropriations totaling $29.2 million (FY 2020-21 to FY 2023-24) related to transitioning operations from the original facility to the replacement facility.

POPULATION AND DEMOGRAPHICS

At the time of the MVFA's inception in 2016, Michigan's veteran population was estimated to be approximately 631,000. That figure fell to approximately 461,000 in 2026 and is expected to continue decreasing over the next several decades, with large portions of the veteran population reaching the age at which they are most likely to need nursing home services.[1] The population of the state's veterans homes has similarly declined in part due to MVFA's transition to smaller, "home-like" facilities that are more heavily focused on skilled nursing care, as well as various certification requirements related to the receipt of federal funds. The total population of the homes has rebounded slightly since the opening of the Chesterfield Township Home for Veterans in FY 2020-21.

In FY 2024-25, veterans between 65 and 84 years old made up approximately 71% of the population across all three veterans homes, and that figure is comparable to the proportion of Vietnam War era (1950-1954) veterans served by the homes. **Table 3** provides aggregated demographic information across all three veterans homes for the previous five fiscal years based on the number of distinct individuals served by the facilities.[2]

[1] The USDVA projects national, state, county, and congressional district veteran populations using its Veteran Population Projection Model (VetPop), a deterministic population projection model that is updated every two to three years. The most recent iteration, VetPop2023, uses veteran population data from the end of FY 2022-23 as the base to project key demographics for the veteran population for the next 30 years. More information on the VetPop2023 methodology is available here. The House Fiscal Agency's data sheet on the Michigan veteran population, which uses VetPop2023 estimates, can be accessed here.

[2] Since the MVFA began separate financial reporting in FY 2020-21, it has reported both a "members served" metric (which represents each distinct individual served by the homes) and an "average daily census" metric (calculated by dividing total days of care by the number of days in a year). The latter is commonly used in skilled nursing facilities to measure patient volume and resource utilization.

Table 3: State Veterans Homes – Population and Demographics					
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
SERVICE ERA					
World War II	35	33	25	14	11
Cold War	43	24	26	21	–
Korean Conflict	58	54	56	50	43
Vietnam Era	200	210	277	304	336
Gulf War (Persian)	6	5	6	9	8
Gulf War (Other)	2	4	4	4	3
Gulf War (OEF/OIF/OND)	–	–	4	6	5
Peacetime Veteran	11	20	28	31	61
Dependent	24	20	23	16	14
GENDER					
Female	34	31	36	29	29
Male	345	339	413	426	452
AGE[1]					
< 65	27	28	26	30	28
64-75	114	96	103	87	76
75-84	110	126	197	224	264
85-94	96	87	89	89	87
95 +	32	33	34	25	26
SERVICE CONNECTION[2]					
0%	261	226	220	189	168
10% - 60%	23	25	32	30	34
70% - 100%	95	119	197	236	279
LENGTH OF STAY					
< 3 years	152	200	319	285	262
3-5 years	96	75	43	85	137
6-10 years	74	52	51	48	42
11-15 years	33	24	14	15	19
> 16 years	24	19	22	22	21
TOTAL	**379**	**370**	**449**	**455**	**481**

[1] Veteran age is as of September 30 for each fiscal year.

[2] Service connection can change over time and is as of report compilation date.

Source: Michigan Veterans' Facility Authority Annual Comprehensive Financial Report