

## NORTH DAKOTA LEGISLATIVE MANAGEMENT

## Minutes of the

**GOVERNMENT ADMINISTRATION COMMITTEE**

Tuesday, October 15, 2019  
North Dakota Veterans' Home  
Lisbon, North Dakota

Senator Randy Burckhard, Chairman, called the meeting to order at 10:30 a.m.

**Members present:** Senators Randy Burckhard, Jay Elkin, John Grabinger, Joan Heckaman, Richard Marcellais, Kristin Roers; Representatives Glenn Bosch, Karen Karls, Ben Koppelman, Austen Schauer, Cynthia Schreiber-Beck

**Members absent:** Senator Scott Meyer; Representatives Pamela Anderson, Jon O. Nelson

**Others present:** Allen H. Knudson, Legislative Council, Bismarck.  
See [Appendix A](#) for additional persons present.

**It was moved by Senator Heckaman, seconded by Senator Marcellais, and carried on a voice vote that the minutes of the August 14, 2019, meeting be approved as distributed.**

Mr. Mark B. Johnson, Administrator, Veterans' Home, welcomed the committee to the Veterans' Home. He said the Veterans' Home campus consists of 90 acres. He said the current Veterans' Home was built in 2011 at a cost of nearly \$36 million.

**STUDY OF STATE AND FEDERAL VETERANS' PROGRAMS**

The Legislative Council staff presented a memorandum entitled [Participation in Major State Veterans' Programs](#), which contains information regarding the number of North Dakota veterans participating in or receiving services and benefits from select major state veterans' programs.

**United States Department of Veterans Affairs**

Ms. Debra Kunkel, Social Worker Executive, Veterans Health Administration, Fargo Medical Center, United States Department of Veterans Affairs, presented information regarding federal programs available to North Dakota veterans, collaboration with state veteran programs, and ways to improve the care, assistance, and benefits available to veterans.

Ms. Kunkel said the Fargo Medical Center has 37 acute care beds and 34 long-term care beds. She said the long-term care bed capacity will be soon increasing to 50 beds. She said the United States Department of Veterans Affairs (VA) considers its long-term care facilities to be facilities for rehabilitation rather than traditional nursing home facilities. She said the average patient stay is approximately 28 days. She said the Fargo Medical Center operates 10 outpatient clinics located in Grand Forks, Bismarck, Dickinson, Grafton, Jamestown, Minot, Devils Lake, and Williston, and Bemidji and Fergus Falls, Minnesota. She said the Fargo Medical Center provides health care to 34,000 North Dakota veterans. She said the Fargo Medical Center averages approximately 300,000 outpatient visits each year.

In response to a question from Representative Schauer, Ms. Kunkel said the VA and the North Dakota Department of Veterans' Affairs (NDVA) collaborate often for veteran programs, including for transportation needs. She said due to North Dakota being a predominately rural state, many veterans experience difficulties with transportation.

In response to a question from Representative Bosch, Ms. Kunkel said the VA recently increased mental health and evidence-based therapy staff for veterans suffering from mental health and suicide issues. She said the services also are offered at the VA outpatient clinics through Telehealth electronic communications. She said while the VA is meeting the current mental health needs of North Dakota veterans, more services will be needed in the future for rural areas of the state.

In response to a question from Senator Marcellais, Ms. Kunkel said the state could improve care for veterans by marketing to and educating veterans regarding programs and services for which they are eligible and encouraging veterans to utilize those services.

Ms. Paula Heitmann, Fargo Veterans Service Center Manager, Veterans Benefits Administration, Fargo Medical Center, United States Department of Veterans Affairs, presented information ([Appendix B](#)) regarding federal programs available to North Dakota veterans, collaboration with state veterans' programs, and ways to improve the care, assistance, and benefits available to veterans.

Ms. Heitmann said benefits administered by the Veterans Benefits Administration (VBA) includes disability compensation, disability and death pension benefits, education benefits, vocational rehabilitation and employment, home loan guarantees, life insurance, dependents' educational assistance, survivor benefits, and burial benefits. She said ancillary benefits include aid and attendance, housebound benefits, automobile allowance and specially adapted automobiles, specially adapted housing and home adaptation grants, and fiduciary services for veterans unable to manage financial affairs.

Ms. Heitmann said the largest VBA program is related to disability compensation. She said while the Fargo Medical Center predominately files claims for North Dakota veterans, claims also are filed for veterans across the country and other VA facilities in the country can file claims for North Dakota veterans. She said this practice allows veterans to continue receiving services in the event a natural disaster occurs in a veteran's community.

In response to a question from Chairman Burckhard, Ms. Heitmann said a service connected disability status is determined through the claim process. She said VA staff obtain employment, military, and other records, and a VBA rating board consisting of rating specialists determine the veteran's eligibility based on legal interpretation of the law. She said some claims require a medical opinion, but the final decision is made by the VBA.

In response to a question from Senator Grabinger, Ms. Heitmann said the VBA treats posttraumatic stress disorder and anxiety disorders similar to physical disabilities by evaluating services and compensation available to the veteran.

In response to a question from Representative Bosch, Ms. Heitmann said the VBA works closely with the NDVA, veteran service officers (VSOs), and veteran service organizations to provide benefits and services to veterans. She said there is minimal duplication in programs offered to veterans from federal, state, local, and private entities. She said the VA works with state, local, and private entities to identify unmet needs of veterans so those veterans can receive services they need.

### **North Dakota Department of Veterans' Affairs**

Mr. Lonnie Wangen, Commissioner, Department of Veterans' Affairs, presented information ([Appendix C](#)) regarding the department's programs and services available to veterans, collaboration with federal veteran programs, collaboration with county and tribal VSOs and veteran service organizations, and ways to improve the care, assistance, and benefits available to veterans.

Mr. Wangen said programs and services available to veterans through the NDVA includes burial and memorial, education, employment, financial, health care, housing, outreach, and women veteran services, and VA claims assistance for health care, compensation, and pension services.

Mr. Wangen said the State Approving Agency is under the direction of NDVA, is federally funded, and provides services to veterans for GI Bill eligibility, apprenticeships, and on-the-job training. He said NDVA provides training and education to government officials and processes requests for employment appeal hearings related to veterans' preference. He said NDVA administers a loan program that offers loans up to \$5,000 to veterans for a term of up to 48 months. He said if the loan is repaid by the maturity date, 50 percent of the interest paid by the veteran is refunded.

Mr. Wangen said NDVA offers hardship grants to veterans for hearing, optical, dental and denture, housing, and transportation for medical purposes. He said NDVA operates the highly rural transportation grant in 36 North Dakota counties, 2 South Dakota counties, and 2 tribal reservations. He said the program is federally funded and provides transportation for veterans to medical appointments.

In response to a question from Senator Heckaman, Mr. Wangen said NDVA works with 11 service providers for the highly rural transportation grant program to provide transportation to medical appointments for veterans of highly rural counties. He said if a private entity transports veterans in a highly rural county to medical appointments, the entity may bill NDVA for the transportation costs.

In response to a question from Senator Heckaman, Mr. Wangen said NDVA has 14 vans for the nonhighly rural transportation program to transport veterans to medical appointments at the Fargo Medical Center.

Mr. Wangen said NDVA staff spends most of their time on VA claims for health care, compensation, and pension needs. He said NDVA works directly with veterans and dependents in application or claim development and submission to the VA and other organizations. He said NDVA collaborates with county and tribal VSOs for claim development and submission. He said there are more than 80 county VSOs in North Dakota. He said NDVA acts as power of attorney for veterans and dependents on claims filed with the VA.

Mr. Wangen said other services NDVA offers to veterans includes accepting, safeguarding, and providing certified copies of military discharge papers and other documents, coordinating and cooperating with organizations providing services, programs, and benefits to veterans and their dependents, and providing input to congressional, federal, state, and county officials.

Mr. Wangen said NDVA collaborates with and supports VA health care services, veteran benefits services, and National Cemetery Administration programs, benefits, and events. He said NDVA provides the initial training and accreditation of new county and tribal VSOs and provides two training events each year for VSOs. He said NDVA assists county veterans when the county has a VSO vacancy. He said NDVA assists county and tribal VSOs in submitting veteran applications and claims, conducting outreach events, and educating veterans on services, benefits, and programs available from federal, state, local, and nongovernment entities.

Mr. Wangen said additional department staff would allow NDVA to improve the care, assistance, and benefits available to veterans.

### **County Veteran Service Officers**

Mr. Jon Hanna, Veterans Service Officer, Ransom County and Sargent County, presented information ([Appendix D](#)) regarding the role of VSOs, services available to veterans, collaboration with federal and state agencies and programs, and ways to improve the care, assistance, and benefits available to veterans.

Mr. Hanna said services VSOs offer veterans relate to health care, disability compensation and pension, educational assistance, vocational rehabilitation, home loan guaranties, and assistance with NDVA loans and grant programs. He said VSOs collaborate with the VA, NDVA, and veteran service organizations. He said VSOs advocate for veterans and their families, advise veterans of available programs and benefits, assist in the preparation of VA and NDVA benefit claims, and inform the public of veterans' programs.

Mr. Hanna said VSOs assist with education benefits for veterans with a service connected disability of at least 20 percent to help the veteran become employable within the limitations of their disability. He said veterans may be eligible for education assistance if the veteran is pursuing an associate's degree, bachelor's degree, master's degree, or professional program.

Mr. Hanna said during 2018, he processed 1,203 veteran records and submitted 53 claims as a VSO for Ransom and Sargent Counties. He said the amount awarded to veterans he assisted during 2018 totaled more than \$211,000.

In response to a question from Representative Schauer, Mr. Hanna said a major need of North Dakota veterans is transportation to medical appointments.

### **AMVETS**

Mr. Jim Nelson, Commander, AMVETS, presented information ([Appendix E](#)) regarding the mission and role of AMVETS, services available to veterans, recent membership trends, collaboration with federal and state agencies and programs, and ways to improve the care, assistance, and benefits available to veterans.

Mr. Nelson said AMVETS was founded in 1944 and congressionally chartered in 1947. He said the AMVETS mission statement is to enhance and safeguard the entitlements for all American Veterans who have served honorably and to improve the quality of life for veterans, their families, and the communities where they live through leadership, advocacy, and services. He said the purpose of AMVETS is to serve the United States of America in peace as in war, to build and maintain the welfare of the United States of America toward lasting prosperity and peace, and to assist in the maintenance of international peace.

Mr. Nelson said AMVETS has more than 250,000 veteran members who served honorably, including members of the National Guard and Reserves. As of September 2019, he said, North Dakota AMVETS had 10 locations and 2,775 members. He said the North Dakota AMVETS locations include Dickinson, Minot, Bismarck, Jamestown,

Valley City, Bottineau, Steele, Hague, Fargo, and West Fargo. He said each location has an average member age of upper-60s to mid-70s. He said all veteran service organizations in North Dakota are experiencing a decline in membership as younger veterans do not join veteran service organizations as frequently as veterans of older generations. As a result, he said, AMVETS is considering closing three of their locations.

Mr. Nelson said veteran service organizations can improve membership trends by working together, combining resources, and focusing on the needs of veterans and their families, instead of competing with each other. He said forming veteran service organizations that serve all veterans, instead of having separate AMVETS, American Legion, Disabled American Veterans (DAV), Vietnam Veterans of America (VVA), Veterans of Foreign Wars (VFW), and other veteran service organizations may better serve North Dakota veterans.

In response to a question from Representative Koppelman, Mr. Nelson said expanding the membership requirements of the Administrative Committee on Veterans Affairs (ACOVA) may be beneficial because there are veterans who are not represented by the major veteran service organizations involved in the ACOVA appointment process.

### **North Dakota Veterans Legislative Council**

Mr. Nelson said the North Dakota Veterans Legislative Council (NDVLC) was established to bring veterans' organizations together for the benefit of all veterans and dependents. He said the commander, adjutant, and an additional representative from each of the AMVETS, American Legion, DAV, VFW, and VVA serve on the NDVLC. He said the three major responsibilities of NDVLC are to sponsor and monitor legislation that affects veterans and their dependents, monitor all general programs for veterans including hospital benefits, employment programs, and social programs, and establish a system of public relations for veterans. He said members of NDVLC may not hold a concurrent membership on ACOVA.

### **Veterans of Foreign Wars**

Mr. Dave Rice, Commander, VFW, presented information ([Appendix F](#)) regarding the mission and role of the VFW, services available to veterans, recent membership trends, collaboration with federal and state agencies and programs, and ways to improve the care, assistance, and benefits available to veterans.

Mr. Rice said the mission of the VFW is to foster camaraderie among United States veterans of overseas conflicts; serve veterans, the military, and their communities; and advocate on behalf of all veterans. He said the VFW vision is to ensure veterans are respected for their service, always receive their earned entitlements, and are recognized for the sacrifices they and their loved ones have made on behalf of the United States of America.

Mr. Rice said membership eligibility in the VFW requires overseas service in a combat zone or foreign war. He said the VFW consists of 1.6 million national members, a decrease from 1.9 million members in 2014. He said the VFW has 6,160 locations compared to 6,890 locations in 2014. He said the largest group of VFW combat veterans are from World War II. He said the North Dakota VFW has six districts with 50 locations, although only 8 locations are staffed. As of June 30, 2019, he said, the North Dakota VFW has 6,134 members.

In response to a question from Chairman Burckhard, Mr. Rice said the VFW does not require members to be a veteran of a declared war.

Mr. Rice said VFW programs focus on supporting troops, caring for veterans, conducting meaningful educational programs for youth, and promoting patriotism at every opportunity. He said the North Dakota VFW Veterans Service Office contacted 1,050 veterans in September 2019. He said veterans served by the VFW Veterans Service Office receive more than \$1.8 million in pension, disability, education, death, burial, and other benefits each month. He said the VFW unmet needs program has provided 10,169 grants totaling \$4,968,164 since 2004 to military families experiencing financial hardship.

Mr. Rice said while the VFW is losing Vietnam War veterans, the number of Iraqi and Afghanistan War veterans joining the organization is increasing slightly. He said the Fargo VFW has formed a military honor guard with other area veteran service organizations to collaborate and combine resources to ensure all veterans eligible for military funeral honors are served. He said advertising and education are needed to inform veterans of VFW services and to increase VFW membership.

In response to a question from Chairman Burckhard, Mr. Rice said the VFW raises money through charitable gaming, serving food, selling clothing, and other activities to benefit veterans. Since 2015, he said, the VFW has raised more than \$300,000 for the Veterans Honor Flight of North Dakota and Minnesota.

In response to a question from Representative Schauer, Mr. Rice said the best way to recruit younger veterans to veteran service organizations is to be present in local communities, attend trade shows, and by talking to high school students and young veterans.

**STUDY OF OTHER USES OF THE VETERANS' HOME FACILITIES**

The Legislative Council staff presented a memorandum entitled Revenue-Generating Uses of the Veterans' Home - Background Memorandum. He said Section 35 of Senate Bill No. 2015 (2019) provides for a study during the 2019-20 interim regarding the feasibility and desirability of developing other allowable revenue-generating uses of the Veterans' Home facilities and grounds in addition to the purposes identified in North Dakota Century Code Section 37-15-02. He said the study must include an analysis of potential revenue-generating activities for the Veterans' Home facilities and grounds, including a review of the effect on any federal requirements. He said veterans' homes were established by an Act of Congress in 1887. He said the North Dakota Veterans' Home was established in 1891 and has been in operation since 1893.

The Legislative Council staff said the Veterans' Home, originally called the Old Soldiers' Home, is owned and operated by the state and provides 98 basic care and 52 skilled nursing beds for North Dakota veterans, including honorably discharged soldiers of the North Dakota National Guard, and spouses. He said as of July 2019, there were 54 individuals in the basic care unit, an occupancy rate of 55 percent and 52 individuals in the skilled care unit, an occupancy rate of 100 percent.

The Legislative Council staff said the chairman and secretary of ACOVA are required to appoint a seven-member governing board for the administration of the Veterans' Home, which must be approved by a majority vote of ACOVA.

The Legislative Council staff said in House Bill No. 1355 (2019), the Legislative Assembly amended Section 23-09.3-01.1 to extend the moratorium on expansion of basic care bed capacity through July 31, 2021. He said the bill also amended Section 23-16-01.1 to extend the moratorium on expansion of long-term care, including skilled-care bed capacity through July 31, 2021. He said these moratoriums restrict nursing facilities from adding basic care or long-term care beds to the state's licensed bed capacity.

The Legislative Council staff said residents of the Veterans' Home receive medical treatment, including 24-hour nursing care, and access to registered nurses, licensed practical nurses, medication technicians, household coordinators, and resident living specialists to provide personal care for each resident. He said the major Veterans' Home facilities include the Veterans' Home and the administrator's residence.

The Legislative Council staff said the Veterans' Home has three state funds, including the Veterans' Home operating fund, also known as the soldiers' home fund, the Melvin Norgard Memorial fund, and custodial funds. He said Section 37-15-14.1 allows the Veterans' Home Governing Board to establish fees to be paid by members of the Veterans' Home, which must be based on the adjusted income of each member, but not to exceed 49 percent of the average daily member cost.

The Legislative Council staff said as of July 2019, the monthly maximum rent is \$1,850 for basic care residents. In addition, he said, the Veterans' Home receives federal funding of \$47.36 for every day each resident is enrolled in basic care. He said skilled-care residents are charged a daily rate developed by the Department of Human Services' case mix system. He said the skilled-care rate range is \$227 to \$681 each day. In addition, he said, the Veterans' Home receives federal funding of \$109.73 for every day each resident receives skilled care. He said revenue collected in the Veterans' Home operating fund for the 2011-13 through 2017-19 bienniums is as follows:

	2011-13 Biennium	2013-15 Biennium	2015-17 Biennium	2017-19 Biennium
Federal funding	\$4,740,347	\$5,081,942	\$5,660,005	\$5,341,234
Interest income	461	371	323	429
Donations	6,964	8,085	6,793	4,453
Pharmacy copayments	150,922	208,544	180,539	101,382
Meal sales and miscellaneous sales and services	57,938	87,787	132,686	133,933
Care and Treatment - Medical assistance	3,616,320	2,779,692	3,265,251	2,974,125
Care and Treatment - Medicare	7,774	383,939	337,664	280,986
Care and Treatment - Blue Cross Blue Shield	3,847,721	5,796,853	6,596,734	6,855,651
Care and Treatment - Other	1,736,893	1,675,770	1,749,841	1,626,177
Mineral royalties	4,770			5,456
Insurance recoveries		400,000	32,500	
Other	3,919	18,275	16,003	13,766
Transfer to the Melvin Norgard memorial fund	(258,966)			
Transfer from the state lands permanent fund	279,429	325,428	434,000	711,984
<b>Total</b>	<b>\$14,194,492</b>	<b>\$16,766,686</b>	<b>\$18,412,339</b>	<b>\$18,049,576</b>

The Legislative Council staff said Section 3 of House Bill No. 1007 (2011) established the Melvin Norgard memorial fund in Section 37-15-23. He said all income related to a bequest made to the Veterans' Home by Melvin Norgard, including mineral lease income, royalties, and sale proceeds, must be transferred or deposited into the Melvin Norgard memorial fund. He said mineral royalty revenue and interest income collected in the fund was \$397,832 in the 2011-13 biennium, \$207,077 in the 2013-15 biennium, \$63,465 in the 2015-17 biennium, and \$178,014 in the 2017-19 biennium. He said the fund balance as of June 30, 2019, was \$208,032.

The Legislative Council staff said pursuant to Section 37-15-21, the administrator of the Veterans' Home may accept and expend funds from any source, including federal or private sources and donations, gifts, or bequests to benefit the Veterans' Home. He said all money received or accepted must be used for the specific purpose for which it was given or donated. He said revenue collected in the custodial fund was \$208,554 in the 2011-13 biennium, \$230,153 in the 2013-15 biennium, \$589,403 in the 2015-17 biennium, and \$198,092 in the 2017-19 biennium. He said the increase in revenue during the 2015-17 biennium is primarily from donations for equipment and the shop addition project, as well as receiving an inheritance gift of \$229,000. He said the fund balance as of June 30, 2019, was \$383,365.

### Veterans' Home

Mr. Johnson presented information ([Appendix G](#)) regarding the committee's study, including the costs and feasibility of converting basic care bed capacity to skilled care, the costs and feasibility of converting basic care bed capacity to assisted living units, the costs and feasibility of converting basic care bed capacity to adult day care facilities, any federal restrictions to convert basic care bed capacity to other uses, the availability of federal funds to convert basic care bed capacity to other uses, other costs of converting basic care bed capacity to other uses, and suggestions for adjusting the basic care rent rate calculation.

Mr. Johnson said the VA will provide federal funding to the Veterans' Home for three programs:

- Skilled care;
- Basic care; and
- Adult day care.

Mr. Johnson said data from the North Dakota Long Term Care Association revealed North Dakota has experienced a decrease of more than 900 skilled bed capacity, an increase of 726 basic care bed capacity, and an increase of 1,490 of assisted living bed capacity since 2004. He said occupancy challenges for the Veterans' Home include staffing and moratoriums on skilled and basic care bed capacity. He said the state average occupancy rate for skilled care is 90 percent while the average basic care occupancy is 70 percent.

Mr. Johnson said the Veterans' Home Governing Board has hired a consultant to develop a strategic plan for the Veterans' Home which will include study options and recommendations for filling vacant basic care beds.

Mr. Johnson said while the VA will provide funding to convert basic care beds to skilled care beds, that approach may not be desirable given the recent statewide reduction of skilled care beds.

In response to a question from Senator Roers, Mr. Johnson said the Veterans' Home has had fluctuating demand for skilled care services, including having a waiting list of up to 10 individuals and having vacant skilled care beds due to decreases in skilled care demand.

Mr. Johnson said converting basic care beds to adult day care capacity is not feasible. He said the local community may not be able to sustain an adult day care program at the Veterans' Home. He said the Minnesota Veterans' Home implemented an adult day care program, but the program has not been profitable.

Mr. Johnson said the VA also may provide federal funding to the Veterans' Home if basic care beds were converted to assisted living, but the program would need to be implemented and successful before any federal funding is received. He said if the program is successful, the Veterans' Home would be placed on a national waiting list with other state agencies requesting federal funding for veteran programs, which means it may be several years before the Veterans' Home would receive federal funding for an assisted living program. He said because the Veterans' Home has relatively new facilities, the Veterans' Home may be placed low on national federal funding waiting lists.

Mr. Johnson said an additional barrier of converting basic care bed capacity to other service needs is the VA will reduce federal per diem funding by approximately 33 percent if the Veterans' Home veteran occupancy rate is reduced to less than 75 percent.

Mr. Johnson said if the Veterans' Home uses its facilities for nonveteran activities, the VA will invoke a recapture clause, which would require the state to pay the federal government \$15.3 million for the federal portion of the Veterans' Home construction costs and \$600,000 for the amount the federal government contributed for the Veterans' Home art studio and wood shop addition. He said an alternative option is for the state to pay the federal government approximately \$15.9 million, resulting in the entire facility being owned by the state.

Mr. Johnson said an increase in the Veterans' Home budget for advertising costs would promote awareness of the Veterans' Home and the services provided and potentially result in increasing its basic care occupancy rate.

Mr. Johnson said changes to the basic care fee structure would require an amendment to Section 37-15-14.1. He said the fee structure is based on the adjusted income of each member, but may not exceed 49 percent of the average daily per member cost. He said any changes to the fee structure may affect basic care occupancy rates.

In response to a question from Representative Bosch, Mr. Johnson said the maximum monthly basic care rent is \$1,850. He said because the fee is based on the adjusted income of each member, some residents pay the maximum rate while other residents pay \$0 each month. He said spouses of veterans are charged the maximum rate.

In response to a question from Representative Schauer, Ms. Kristin Lunneborg, Chief Financial Officer, Veterans' Home, said the Veterans' Home averages between \$75,000 to \$100,000 in donations each year.

In response to a question from Representative Karls, Ms. Lunneborg said increasing the maximum monthly basic care rent of \$1,850 would affect only 10 to 15 residents. She said if the 49 percent of adjusted income calculation for basic care rent is increased, the Veterans' Home may experience an increase in revenue. She said increasing the basic care rent also could result in lower basic care census because the cost of renting an off-campus apartment may be less costly than the new basic care rent at the Veterans' Home, causing the Veterans' Home to lose revenue.

In response to a question from Representative Karls, Ms. Lunneborg said the Veterans' Home average cost of care for a basic care resident is between \$4,000 to \$4,500 each month, which is paid by a combination of federal funds, state funds, and resident rent collections.

## **OTHER Administrator's Residence**

Mr. Johnson presented information regarding the status of the administrator's residence, including plans to demolish the building, driveway, and two underground tunnels. He said the Veterans' Home is working with the State Procurement Office to bid the demolition of the administrator's residence and other structures. He said the demolition will start in the spring of 2020.

### **Comments by Interested Persons and Committee Discussion**

Mr. Lennie Muir, resident, Veterans' Home, said the VA pays a daily per diem rate of \$47.35 on behalf of each Veterans' Home resident, but the VA will not pay the per diem if a resident is absent from the Veterans' Home for 96 consecutive hours. He said if a resident exceeds the 96-hour threshold, the Veterans' Home requires the resident to pay the \$47.35 daily per diem not paid by the VA. He said the policy restricts residents from leaving the Veterans' Home to visit family or to attend out-of-state funerals due to the per diem cost. He suggested the state provide additional funds needed to cover the loss of revenue the VA will not provide so residents are not required to pay the per diem.

Mr. Muir said residents are not allowed to have alcohol on the Veterans' Home campus. He said residents would like to enjoy alcohol, in moderation, for social activities.

Mr. Brad Sigl, resident, Veterans' Home, said he has been unable to attend funerals of family and friends in other states due to the 96-hour absence policy.

Mr. Marvin Schaats, resident, Veterans' Home, said the per diem rate of \$47.35 is determined by the VA.

Mr. David Potts, resident, Veterans' Home, said the Veterans' Home should budget for the cost of residents being absent for more than 96 hours.

In response to a question from Representative Koppelman, Mr. Johnson said the per diem rate of \$47.35 is provided by the VA exclusively for pharmacy costs of residents. He said if a resident is absent from the Veterans' Home for more than 96 hours and the VA does not provide the daily per diem for the resident, the Veterans' Home does not have another revenue source to replace the reduction in VA per diem funding. He said this results in the

requirement for residents to pay the daily per diem rate to cover their pharmacy costs if they exceed the allowable 96-hour absence policy.

In response to a question from Representative Bosch, Mr. Johnson said while he is unsure if the 96-hour per diem rule is a deterrent for some veterans from applying for residency at the Veterans' Home, there were only five residents who exceeded the 96-hour allowable absence period in the last year.

Senator Heckaman suggested the committee obtain additional information regarding pharmacy costs for residents of the Veterans' Home.

The committee toured the Veterans' Home facilities, including occupied and vacant areas of the Veterans' Home and the Veterans' Home workshop.

No further business appearing, Chairman Burckhard adjourned the meeting at 3:30 p.m.

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Levi Kinnischtzke  
Fiscal Analyst

ATTACH:7