

For Release on Delivery
Expected at 9:30 a.m.
Thursday, April 25, 2002

VA LONG-TERM CARE

The Availability of Noninstitutional Services Is Uneven

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Mr. Chairman and Members of the Committee:

I am pleased to be here today to discuss noninstitutional long-term care services offered by the Department of Veterans Affairs (VA). These services, such as homemaker services and adult day health care, are delivered to veterans in their own homes and other locations in the community. VA will see increasing demand for long-term care in the coming years as the veteran population ages. Of particular significance is the expected tripling of the number of veterans age 85 and older—the group most in need of long-term care. Although not all veterans' care needs can be met in noninstitutional settings, veterans may prefer such care because it allows them to remain in their homes or in other settings that are less restrictive than institutions.

VA generally provided or paid for long-term care on a discretionary basis until passage of the Veterans Millennium Health Care and Benefits Act in November 1999.¹ The Millennium Act required VA to offer certain long-term care services to eligible veterans, including services provided in noninstitutional settings. In particular, adult day health care, geriatric evaluation, and respite care are to be made available to eligible veterans.

As part of our ongoing work addressing the availability of noninstitutional long-term care in VA, you asked us to provide information on (1) VA's efforts to expand noninstitutional long-term care in response to the Millennium Act's requirements,² and (2) the noninstitutional long-term care services that VA's medical facilities offer. My statement focuses on the information we provided in a letter on VA's noninstitutional long-term care services,³ which is being released today. That letter is based on data from a survey of all 139 VA medical facilities,⁴ interviews with officials in VA's Geriatrics and Extended Care Strategic Healthcare Group, and interviews

¹Pub. L. No. 106-117, 113 Stat. 1545 (1999).

²Although nursing home care and domiciliary care are also required by the act, we do not address these requirements.

³*VA Long-Term Care: Implementation of Certain Millennium Act Provisions Is Incomplete, and Availability of Noninstitutional Services Is Uneven* (GAO-02-510R, March 29, 2002).

⁴Although VA has 172 medical centers, in some instances 2 or more medical centers have consolidated into health care systems. Counting health care systems and individual medical centers that are not part of a health care system as single facilities, VA has 139 facilities.

with VA field officials responsible for long-term care services. To determine which noninstitutional long-term care services to include in our survey, we compiled a list of the services as identified by VA officials and in VA documents. (Descriptions of these noninstitutional services are provided in appendix I.)

In summary, more than 2 years after the act's passage VA has not completed its response to the act's requirement that eligible veterans be offered adult day health care, geriatric evaluation, and respite care. Although VA published proposed regulations that would make these three services available in noninstitutional settings to eligible veterans,⁵ the regulations had not been made final as of April 17, 2002. To be responsive to the act's requirements before its draft regulations were made final, VA issued a policy directive requiring that these three services be available in noninstitutional settings. VA also offers other noninstitutional services. At the time of our review, however, both the services required as a result of the act and VA's other noninstitutional services were unevenly available across the VA system.

Background

VA served about one-third of its fiscal year 2001 long-term care workload, or average daily census, in noninstitutional settings (see table 1). Noninstitutional care accounted for about 8 percent of VA's long-term care costs during the same year.

⁵66 Fed. Reg. 50,594 (2001).

Table 1: VA Long-Term Care Workload and Costs, by Care Setting, Fiscal Year 2001

| Long-term care setting | Average daily census ^a | Total cost |
|----------------------------|-----------------------------------|------------------------|
| Institutional ^b | 45,033 | \$2,888,659,000 |
| Noninstitutional | 23,205 | 239,939,000 |
| Total | 68,238 | \$3,128,598,000 |

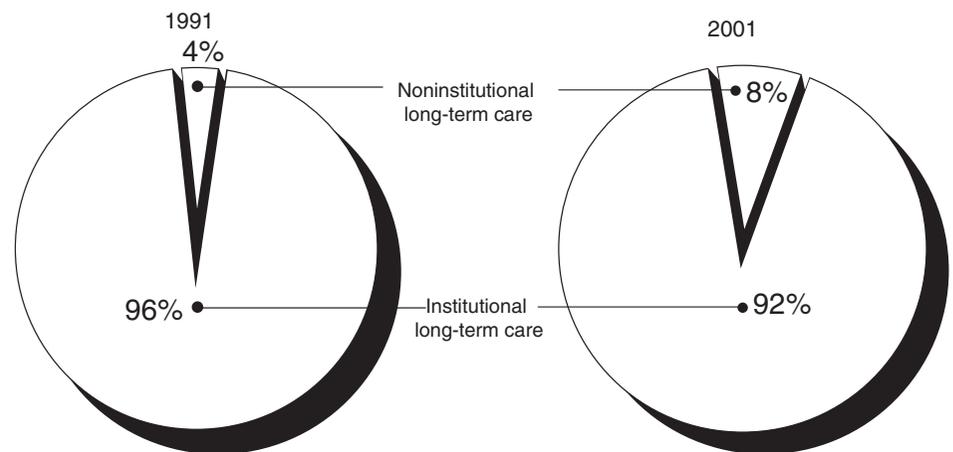
Source: VA.

^aThe average daily census represents the total number of days of inpatient care for institutional care and the total number of outpatient encounters for noninstitutional care, each divided by the number of days in the year. These figures may overstate the number of veterans receiving noninstitutional services because some veterans may receive more than one noninstitutional service on a particular day.

^bInstitutional long-term care includes care that VA provides or pays for in nursing homes and other residential settings.

The proportion of VA's long-term care costs for noninstitutional care has doubled over the past decade, as shown in figure 1. This has occurred as part of a larger trend within VA toward reducing its heavy reliance on inpatient care. Nevertheless, VA's costs for noninstitutional long-term care remain small relative to its costs for institutional long-term care.

Figure 1: VA Long-Term Care Costs, By Care Setting, Fiscal Year 1991 – Fiscal Year 2001



Source: VA.

Medicaid—the nation’s largest purchaser of long-term care—has seen a similar increase in the proportion of its long-term care costs for noninstitutional services. As in VA, the proportion of Medicaid’s long-term care costs for this purpose has doubled, from 13 percent in 1990 to 27 percent in 2000. However, similar to VA, the bulk of Medicaid’s long-term care costs are still for institutional care.

VA is one of several federal agencies attempting to emphasize noninstitutional long-term care. Executive Order 13217,⁶ signed in June 2001, directs six federal agencies to evaluate their policies, programs, statutes, and regulations to determine whether any should be revised or modified to improve the availability of noninstitutional services for qualified individuals with disabilities.⁷ Although VA was not among the agencies named in the order, VA joined the effort on a voluntary basis and subsequently reported that it will evaluate its noninstitutional long-term care services to determine whether any could be expanded or modified to further promote noninstitutional services to veterans with disabilities.

VA will face increasing demand for long-term care as our nation’s veteran population ages. VA statistics show that, although the total number of veterans will decline in the next 10 years, the number of veterans age 85 and older will triple during that time. This will significantly increase the need for VA’s long-term care resources because although a chronic physical or mental disability may occur at any age, the older an individual becomes, the more likely it is that a disability will develop or worsen. Indeed, while about 4.8 percent of persons age 65-84 report a disability, the proportion nearly quadruples to 18.1 percent among those 85 and older.⁸

⁶66 Fed. Reg. 33,155 (June 18, 2001).

⁷The agencies were the Departments of Education, Health and Human Services, Housing and Urban Development, Justice, and Labor, and the Social Security Administration.

⁸These data represent individuals reporting a problem with two or more of the following six activities of daily living: bathing, dressing, eating, transferring between bed and chair, toileting, and getting around inside the home. Data are from the Department of Health and Human Services’ 1994-95 National Health Interview Survey on Disability.

As a result of this demographic pressure, concerns have been raised for some time about VA's ability to meet the expected rise in demand for long-term care services. In 1997 VA established a Federal Advisory Committee on the Future of VA Long-Term Care composed of national leaders in long-term care, and charged it with evaluating VA long-term care services and developing a strategy for meeting future needs. In its June 1998 report,⁹ the committee stated that VA long-term care was unevenly funded and recommended that VA expand noninstitutional long-term care services and emphasize these services, when clinically appropriate, for veterans needing long-term care.

VA's Response to the Millennium Act Is Not Complete

The Millennium Act requires VA to provide adult day health care—noninstitutional care in which health maintenance and rehabilitative services are provided to frail elderly veterans in an outpatient day setting. The act also requires that VA provide two additional services, geriatric evaluation and respite care,¹⁰ but does not specify whether these services must be provided in institutional or noninstitutional settings.

More than 2 years after the act's passage, however, VA has not completed its response to the act's requirement that all eligible veterans be offered these three services. In October 2001, VA published proposed regulations to add the three required services in noninstitutional settings to its medical benefits package, the standard health plan available to all veterans enrolled in VA's health care system. As of April 17, 2002, final regulations had not been published, although VA officials told us that VA sent draft final regulations to the Office of Management and Budget for approval on March 14, 2002.

To be responsive to the act's requirements before its draft regulations were finalized, however, VA issued a policy directive in October 2001 requiring that its medical facilities ensure that veterans have access to adult day health care, geriatric evaluation, and respite care in noninstitutional

⁹Department of Veterans Affairs, *VA Long-Term Care At The Crossroads: Report of the Federal Advisory Committee on the Future of VA Long-Term Care* (Washington, D.C.: June 1998).

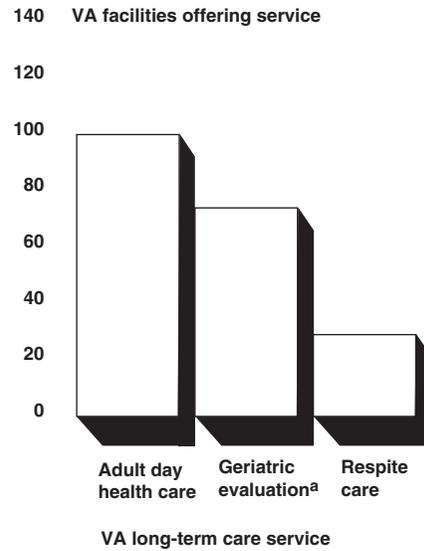
¹⁰Geriatric evaluation involves evaluation of veterans with particular geriatric needs and is generally provided by VA through one of two services, geriatric evaluation and management or geriatric primary care. Respite care is a program in which brief periods of care are provided to veterans in order to give veterans' regular caregivers a period of respite.

settings. A VA headquarters official told us that VA headquarters will soon begin monitoring medical facilities to ensure that they provide access to these three services in noninstitutional settings.

Both VA's directive and its proposed regulations specify that geriatric evaluation and respite care be provided in noninstitutional settings even though the act does not state whether they must be provided in institutional or noninstitutional settings. (Adult day health care is by definition a noninstitutional service.) VA officials told us that VA chose to make clear its intent to have these services provided in noninstitutional settings because they were already widely offered in institutional settings. In fact, prior to the act VA was not authorized to provide noninstitutional respite care—until then, VA could provide respite care only in institutional settings. In contrast, prior to the act VA provided both adult day health care and noninstitutional geriatric evaluation; VA headquarters encouraged facilities to offer these services and provided guidance for facilities to use when doing so.

When VA issued its policy directive in October 2001, it was far from its goal of universal access to these three noninstitutional services, as shown in figure 2. Among the three services, adult day health care was most widely available, followed by geriatric evaluation and respite care. VA officials told us that noninstitutional respite care is not widely offered because until the Millennium Act VA was not authorized to provide respite care in noninstitutional settings.

Figure 2: Number of 139 VA Facilities Offering Certain Long-Term Care Services Required by the Millennium Act and Available in Noninstitutional Settings, Fall 2001



Source: GAO survey of VA facilities; VA headquarters data.

Note: Responses to our survey were submitted in September and October 2001.

^a“Geriatric evaluation” encompasses facilities reporting geriatric evaluation and management services in our survey and additional facilities reported by VA headquarters as offering geriatric primary care.

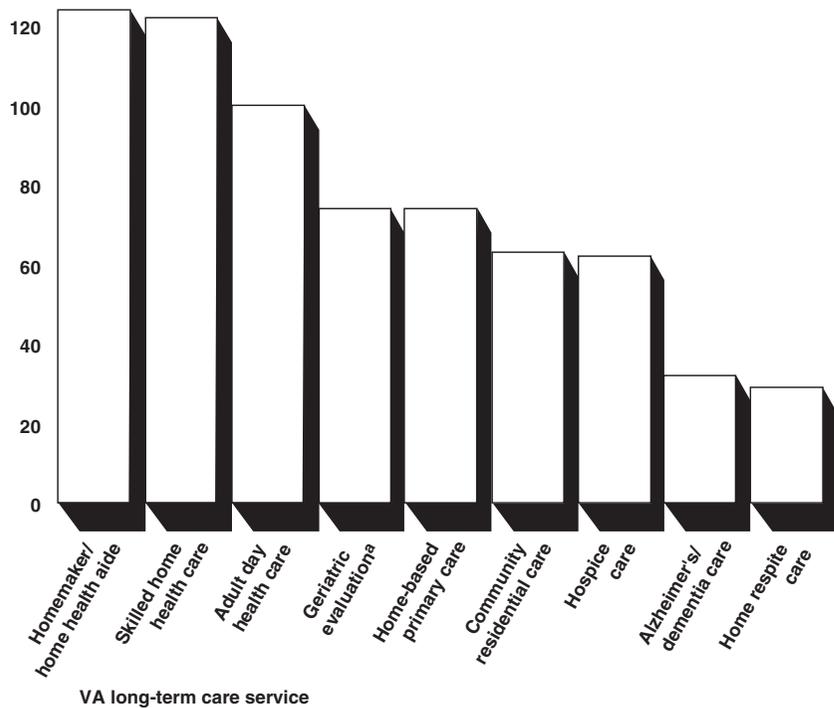
Availability of Other Noninstitutional Services Is Also Uneven

Uneven availability of noninstitutional services is not limited to the three services that VA requires its facilities to offer in response to the Millennium Act. Although at least nine different noninstitutional long-term care services are provided or contracted for by VA (including the three services that VA requires as a result of the act), considerable unevenness exists in what services are offered by individual facilities. For example, 123 VA facilities reported offering skilled home health care,¹¹ while about half as many facilities—63—reported offering community residential care. Figure 3 shows the number of VA’s 139 facilities at which these nine noninstitutional long-term care services are offered.

¹¹Skilled home health care consists of professional home health care services, mostly nursing services, purchased by VA and delivered by non-VA health care providers.

Figure 3: Number of 139 VA Facilities at Which Noninstitutional Long-term Care Services are Offered, by Service (Fall 2001)

140 VA facilities offering service



Source: GAO survey of VA facilities; VA headquarters data.

Note: Responses to our survey were submitted in September and October 2001.

^aIncludes facilities reporting geriatric evaluation and management services in our survey and additional facilities reported by VA headquarters as offering geriatric primary care.

Similar variation exists in the number of services offered by individual facilities. For example, while several facilities reported offering at least eight of the nine noninstitutional long-term care services we identified, one facility reported offering only one noninstitutional service, and two more facilities reported offering none at all.

These results are similar to the distribution of services noted by the 1998 Advisory Committee on the Future of VA Long-Term Care, which stated that VA long-term care—institutional as well as noninstitutional—was not available universally and that access to long-term care was often restricted. Similarly, a VA headquarters official we spoke with noted that VA's

noninstitutional long-term care services are not equally accessible across the country.

Concluding Observations

As the veteran population ages, VA will face increasing demand for long-term care services. Providing more even access to noninstitutional long-term care services across VA facilities, including those services now required as a result of the Veterans Millennium Health Care and Benefits Act, could help VA meet this demand while at the same time offering veterans more options from which to choose.

Mr. Chairman, this concludes my prepared statement. I will be happy to answer any questions you or the other committee members may have.

Contacts and Acknowledgments

For more information regarding this testimony, please contact me at (202) 512-7101 or James Musselwhite at (202) 512-7259. Joe Buschy and Steve Gaty also made key contributions to this statement.

Noninstitutional Long-Term Care Services Offered by VA

- Adult day health care: health maintenance and rehabilitative services provided to frail elderly veterans in an outpatient day setting.
- Alzheimer's/dementia care: specialized outpatient services such as behavioral and medical management provided to veterans with Alzheimer's disease or related dementias.
- Community residential care: a service in which veterans who do not require hospital or nursing home care—but who (because of medical or psychosocial health conditions) are unable to live independently—live in VA-approved community residential care facilities; VA pays administrative costs only.
- Geriatric evaluation: evaluation of veterans with particular geriatric needs, generally provided by VA through one of two services: (1) geriatric evaluation and management (GEM), in which interdisciplinary health care teams of geriatric specialists evaluate and manage frail elderly veterans, and (2) geriatric primary care, in which outpatient primary care, including medical and nursing services, preventive health care services, health education, and specialty referral, is provided to geriatric veterans.
- Home-based primary care: primary medical care provided in the home by VA physicians, nurses, and other VA healthcare professionals to severely disabled, chronically ill veterans whose conditions make them unsuitable for management in outpatient clinics.
- Homemaker/home health aide: home health aide and homemaker services, such as grooming, housekeeping, and meal preparation services.
- Home respite care: home-based services provided to veterans on a short-term basis to give veterans' caregivers a period of relief or respite.
- Hospice care: home-based palliative and supportive services for veterans in the last phases of incurable disease so that they may live as fully and as comfortably as possible.
- Skilled home health care: medical services provided to veterans at home by non-VA health care providers.