



## Testimony

Before the Subcommittee on Health,  
Committee on Veterans' Affairs, House  
of Representatives

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# VA HEALTH CARE

## VA Faces Challenges in Meeting Demand for Long- Term Care

### Accessible Version

Statement of A. Nicole Clowers, Managing Director,  
Health Care

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Chairwoman Brownley, Ranking Member Dunn, and Members of the Subcommittee:

I am pleased to be here today to discuss our recent report on the challenges faced by the Department of Veterans Affairs (VA) in meeting veterans' growing demand for long-term care.<sup>1</sup> Veterans—like millions of other Americans—rely on long-term care to help meet their health and personal care needs. Long-term care can address a broad spectrum of needs, from providing occasional help around the house to extensive, round-the-clock clinical care. VA provides or pays for long-term care through a range of institutional and noninstitutional programs for eligible veterans. Institutional programs, such as nursing homes, typically provide acute skilled nursing care in a residential facility.<sup>2</sup> Noninstitutional programs, such as the Home-Based Primary Care program, provide care to veterans in their homes or communities.<sup>3</sup> In fiscal year 2018, VA provided or paid for long-term care for over 500,000 veterans.

As one of the largest health care systems in the United States, VA faces challenges similar to other health care providers when seeking to meet the growing need for long-term care as the U.S. population ages – for example shortages in nursing assistants and home health aides that are critical for supporting long-term care programs. VA recognizes it faces challenges meeting the demand for long-term care and has taken some steps to address these challenges in its strategic planning process, for

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<sup>1</sup>GAO, *VA Health Care: Veterans' Use of Long-Term Care Is Increasing, and VA Faces Challenges in Meeting the Demand*, [GAO-20-284](#) (Washington, D.C.: Feb. 19, 2020).

<sup>2</sup>For more information on VA nursing home care, see GAO, *VA Nursing Home Care: VA Has Opportunities to Enhance Its Oversight and Provide More Comprehensive Information on Its Website*, [GAO-19-428](#) (Washington, D.C.: July 3, 2019).

<sup>3</sup>These programs—collectively, all 14 of VA's Long-Term Services and Supports programs—comprise the majority of VA's obligations for long-term care. Although not within the scope of this testimony, VA also may provide stipends or other services to caregivers for veterans who were seriously injured in the line of duty through the Caregiver Support program, and disabled veterans also may be eligible for increased compensation benefits from the Veterans Benefits Administration. For more information on the Caregiver Support program, see GAO, *VA Health Care: Actions Needed to Improve Family Caregiver Program*, [GAO-19-618](#) (Washington, D.C.: Sept. 16, 2019).

example by proposing to expand access to long-term care services through telehealth.

My testimony today highlights key findings from our February 2020 report, which described the (1) use of and spending for VA long-term care, and (2) challenges VA faces to meet veterans' demand for long-term care and examines VA's plans to address those challenges. We made three recommendations in our report aimed at strengthening VA's efforts to address long-term care challenges. VA concurred with our recommendations.

To describe the use of and spending for VA long-term care, we reviewed VA data on the utilization of and obligations for long-term care for fiscal years 2014 through 2018 and projections of utilization and expenditures developed by VA's Enrollee Health Care Projection Model (EHCPM) for fiscal years 2017 through 2037.<sup>4</sup> To discuss the challenges VA faces in meeting veterans' demand for long-term care, we reviewed relevant VA documents and interviewed VA officials about VA's capacity to provide long-term care, including officials from VA's Geriatrics and Extended Care office (GEC) which oversees the long-term care programs, and officials from the Office of Policy and Planning. Further details on our scope and methodology are included in our report. The work on which this statement is based was performed in accordance with generally accepted government auditing standards.

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## Background

VA provides or pays for long-term care—ranging from assistance with dressing and bathing to clinical care for spinal injuries or dementia—through three institutional and 11 noninstitutional programs. (See fig. 1 for

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<sup>4</sup>VA spending data for fiscal years 2014 through 2018 is reported in terms of obligations. VA officials told us that these data do not include non-veterans and may differ from data included in VA's congressional budget justification for a variety of reasons and that VA used a standard definition of services for all years. See Department of Veterans Affairs, *Volume II, Medical Programs and Information Technology Programs, Congressional Submission, FY 2020 Funding and FY 2021 Advance Appropriations* (Washington, D.C.: Mar. 11, 2019).

VA projection data for fiscal years 2017 through 2037 do not include projections for State Veterans Homes or State Adult Day Health Care programs and were provided by the Veterans Health Administration's Office of Enrollment and Forecasting. Projected spending in this data is reported in terms of expenditures. These projections use base year 2017 data from a variety of sources that may differ from actual units and obligations that year.

a list of VA's institutional and noninstitutional long-term care programs and app. I for brief descriptions of these programs.)

**Figure 1: Department of Veterans Affairs' (VA) Institutional and Noninstitutional Long-Term Care Programs**

 **INSTITUTIONAL PROGRAMS**

- VA Community Living Centers
- Community Nursing Homes
- State Veterans Homes

 **NONINSTITUTIONAL PROGRAMS**

- Homemaker Home Health Aide
- Home-Based Primary Care
- Purchased Skilled Home Care
- Home Telehealth
- Community Adult Day Health Care
- VA Adult Day Health Care
- State Home Adult Day Health Care
- Home Hospice Care
- Home Respite Care
- Community Residential Care
- Spinal Cord Injury and Disability Home Care

Source: GAO analysis of VA documents. | GAO-20-463T

Notes: We include all 14 of VA's Long-Term Services and Supports programs, which represent the majority of VA's obligations for long-term care, and for the purposes of this report, we refer to these programs as long-term care. In addition, VA may provide stipends or other services to caregivers for veterans who were seriously injured in the line of duty through the Caregiver Support Program. Disabled veterans may also be eligible for increased compensation benefits from the Veterans Benefits Administration.

VA's long-term care programs serve over 500,000 veterans with a wide range of characteristics and needs. Further, certain Community Nursing Homes, Adult Day Health Care, and Hospice and Respite Care programs have specially trained staff to serve veterans with dementia, and the Spinal Cord Injury and Disability Home Care program and certain VA Community Living Centers are equipped to serve veterans needing ventilator care.

All veterans enrolled in the VA health care system are eligible for VA's basic medical benefits package, which includes coverage for certain

institutional and noninstitutional long-term care services.<sup>5</sup> A veteran's eligibility for fully or partially covered nursing home care is determined by the veteran's priority for care, which is generally based on the veteran's service-connected disability status. VA must cover the full cost of nursing home care for veterans who need this care for a service-connected disability and for veterans with service-connected disabilities rated at 70 percent or more.<sup>6</sup> Veterans' placement into particular long-term care programs may depend on their clinical needs, disability ratings, preferences, and the availability of VA programs. When funds are limited, the agency may prioritize program placement based on veterans' service-connected disability ratings. Decisions about which long-term care programs may be the best fit are made at the VA medical center (VAMC) level between VA providers, veterans, and their families.

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## Utilization of and Spending for VA Long-Term Care Have Increased in Recent Years and Are Projected to Increase

As we reported in February 2020, VA data shows that utilization of and spending for VA long-term care programs generally increased from fiscal years 2014 through 2018. Specifically, the number of veterans receiving care in VA's long-term care programs increased 14 percent from fiscal years 2014 through 2018, from 464,071 to 530,327 veterans, while spending grew 33 percent from \$6.8 billion to \$9.1 billion. Further, we found that VA projects utilization and expenditures for long-term care to increase for most of the programs included in VA's EHCPM from fiscal years 2017 through 2037.<sup>7</sup> Specifically, over that time period VA's model projects the following:

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<sup>5</sup>38 C.F.R. §§ 17.36(a), 17.38(a)(1) (2019). See also U.S. Department of Veterans Affairs, *Federal Benefits for Veterans, Dependents and Survivors* (VA Pamphlet 80-18-01 P94663), 2018 Edition.

<sup>6</sup>This requirement expires on September 30, 2020, and is subject to the availability of appropriations. 38 U.S.C. § 1710A(a). Additionally, VA may cover this care for other veterans subject to certain considerations, such as available resources and capacity. See generally 38 U.S.C. § 1710.

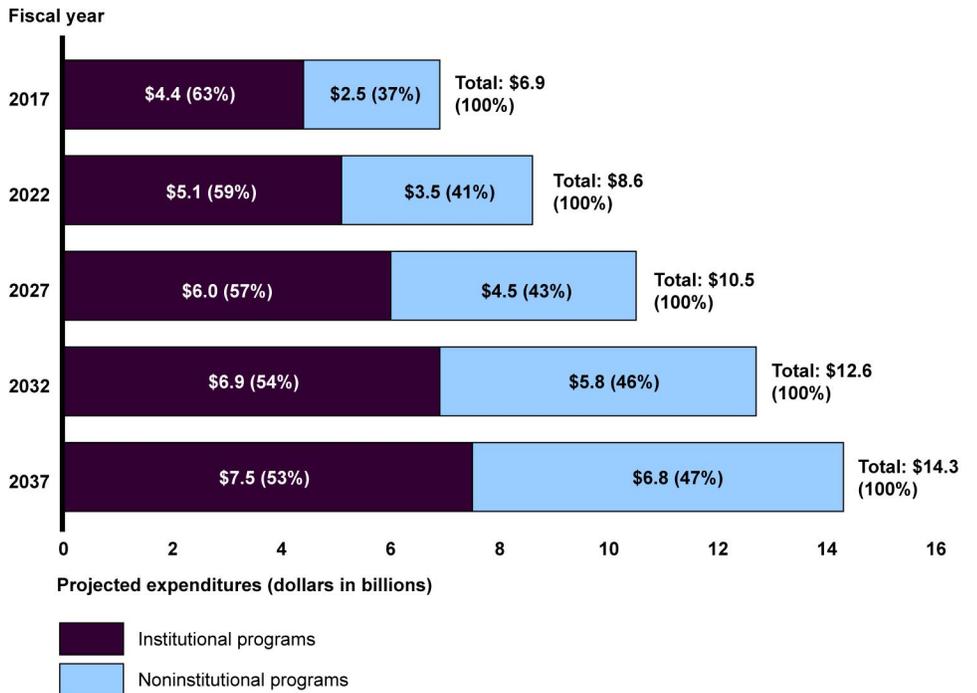
<sup>7</sup>The EHCPM does not project utilization or expenditures for state-operated programs, specifically, the State Veterans Homes and the State Adult Day Health Care programs.

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- Utilization of long-term care—in terms of various VA workload units—is projected to grow in one of the two institutional programs and nine of the 10 noninstitutional programs included in the EHCPM from fiscal years 2017 through 2037.
  - Spending, which VA reports as expenditures, is projected to more than double from fiscal years 2017 through 2037, increasing from \$6.9 billion to \$14.3 billion.<sup>8</sup> (See fig. 2.) VA also projects that the proportion of expenditures for institutional long-term care will decrease from 63 percent to 53 percent while the proportion of noninstitutional program expenditures is projected to grow from 37 percent to 47 percent in that same time period.

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<sup>8</sup>Part of this increase reflects inflation over time. Using projections from the Congressional Budget Office, for example, prices are expected to rise by 49 percent during the same period.

**Figure 2: Projected Expenditures for Department of Veterans Affairs' (VA) Institutional and Noninstitutional Long-Term Care Programs, Fiscal Years 2017 through 2037**



Source: GAO analysis of projected VA expenditure data. | GAO-20-463T

Notes: These long-term care programs include those that VA projects using its Enrollee Health Care Projection Model based on fiscal year 2017 data. This model includes 12 of the VA's 14 Long-Term Services and Supports programs, excluding State Veterans Homes and State Home Adult Day Health Care. Totals may not sum due to rounding.

**Accessible Data for Figure 2: Projected Expenditures for Department of Veterans Affairs' (VA) Institutional and Noninstitutional Long-Term Care Programs, Fiscal Years 2017 through 2037**

Year	Total amount (dollars in billions and percentage)	Institutional programs (obligations, dollars in billions and percentage)	Noninstitutional programs (obligations, dollars in billions and percentage)
2017	\$6.9 (100%)	4.4 (63)	2.5 (37)
2022	\$8.6 (100%)	5.1 (59)	3.5 (41)
2027	\$10.5 (100%)	6.0 (57)	4.5 (43)
2032	\$12.6 (100%)	6.9 (54)	5.8 (46)
2037	\$14.3 (100%)	7.5 (53)	6.8 (47)

According to VA officials, these projected increases are due to a variety of factors, including that VA plans to continue expanding the availability of noninstitutional care, and plans on providing care to an increasing number of aging veterans and veterans rated in the highest service-connected disability groups. Officials also noted that expanding veterans' access to noninstitutional care programs is less costly than institutional care, and veterans prefer to delay or reduce the amount of institutional care they receive. VA's strategies to meet the growing demand for long-term care are operationalized by GEC at the program level and implemented at the regional and VAMC level.

## VA Has Identified Several Key Challenges to Meeting the Demand for Long-Term Care, but Lacks Measurable Goals for Addressing Them

In our February 2020 report, we found that VA faces a number of key challenges in meeting veterans' growing demand for long-term care: workforce shortages, geographic alignment of care, and difficulty meeting veterans' needs for specialty care.

**Table 1: VA Identified Challenges to Meeting Department of Veterans Affairs' (VA) Projected Demand for Long-Term Care**

Key challenge	Description
Addressing workforce shortages	<ul style="list-style-type: none"><li>VA officials described nationwide shortages of geriatricians and palliative care providers—provider shortages that will affect VA's ability to provide long-term care services to veterans in the future.</li><li>VA also faces shortages in other workforce areas, such as nursing assistant and health technician positions that have contributed to waiting lists. For example, according to VA officials, staffing challenges were the key factor creating a waitlist of 1,780 veterans for the Home-Based Primary Care program.</li></ul>
Aligning care geographically	<ul style="list-style-type: none"><li>VA faces challenges aligning its services (provided or purchased) with where veterans live, including providing care for veterans living in rural areas. For example, according to VA officials, veterans have moved away from the Northeast and to the South, and that VA now has too many long-term care beds in the Northeast and too few in the South.</li></ul>
Meeting needs for specialty care	<ul style="list-style-type: none"><li>VA faces challenges finding appropriate long-term care settings for veterans with certain specialty care needs such as dementia, behavioral issues, and ventilator care.</li></ul>

Source: GAO analysis of VA documents and interviews. | GAO-20-463T

While GEC recognizes and has taken some steps to address the challenges it faces, it has not established measurable goals for its efforts to address these three key challenges:

- GEC has not established measurable goals to address workforce shortages, such as staffing targets to address the waitlist for the Home-Based Primary Care program.
- GEC has not established measurable goals for its efforts to address the geographic alignment of care, such as specific targets for providing long-term care within the Home Telehealth and Veteran Directed Care programs.
- GEC has not established measurable goals for its efforts to address difficulties meeting veterans' needs for specialty care, such as specific targets for the number of available ventilators or the number of caregivers educated to help veterans with dementia.

As we noted in our report, without measurable goals, VA is limited in its ability to better plan for and understand progress towards addressing the challenges it faces meeting veterans' long-term care needs. To address this issue, we recommended that GEC develop measurable goals for its efforts to address these key long-term care challenges. VA concurred with this recommendation.

In our February 2020 report we also found that VA had identified, but had not planned to take steps to fully address, challenges at the VAMC level that affect VA's ability to meet veterans' long-term care needs:

- VA identified that VAMCs do not have a consistent approach to managing VA's 14 long-term care programs. At VAMCs where there are not GEC staff, long-term care programs could be run by one or more departments within the VAMC, for example the Nursing department or the Social Work department. GEC officials told us that this fragmentation hinders standardization and the ability to get veterans the appropriate care.
- VA also identified that VAMCs use different approaches to assess the amount of noninstitutional long-term care services veterans need. While GEC has developed a tool to improve the consistency in these determinations, VA has not required the tool be used in all VAMCs, as of October 2019. As a result, decisions about the amount of services veterans receive may vary by VAMC.

To address these issues, we recommended that GEC leadership set time frames for and implement (1) a consistent GEC structure at the VAMC level and (2) VAMC-wide standardization of the tool for assessing noninstitutional program needs of veterans. VA concurred with our recommendations.

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Chairwoman Brownley, Ranking Member Dunn, and Members of the Subcommittee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

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## GAO Contacts and Staff Acknowledgments

If you or your staff have any questions about this testimony, please contact A. Nicole Clowers, Managing Director, Health Care at (202) 512-7114 or [clowersa@gao.gov](mailto:clowersa@gao.gov) or Sharon Silas, Director, Health Care, at (202) 512-7114 or [silass@gao.gov](mailto:silass@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. In addition to the contacts named above, key contributors to this statement were Karin Wallestad (Assistant Director), Luke Baron (Analyst-in-Charge), Summar C. Corley, and Laurie Pachter. Also contributing to the underlying report for this statement were Kye Briesath, Vikki Porter, Corinne Quinones, and Jennifer Rudisill.

# Appendix I: Department of Veterans Affairs' (VA) Institutional and Noninstitutional Long-Term Care Program Descriptions

**Table 2: Department of Veterans Affairs' (VA) Institutional Long-Term Care Program Descriptions**

Program	Description
VA Community Living Centers	Provide 24-hour skilled nursing care in VA-owned homes, and may also provide domiciliary care, such as for mental health or substance abuse.
Community Nursing Homes	Provide 24-hour skilled nursing care in public or privately owned homes that VA contracts with to provide this care.
State Veterans Homes	Provide 24-hour skilled nursing care in homes that are owned and operated by states.

Source: GAO analysis of VA documents. | GAO-20-463T

Notes: We include three of VA's 14 Long-Term Services and Supports programs that represent its institutional programs for eligible veterans, and for the purposes of this statement we refer to these programs as long-term care. In addition, VA may provide stipends or other services to caregivers for veterans who were seriously injured in the line of duty through the Caregiver Support Program. Disabled veterans may also be eligible for increased compensation benefits from the Veterans Benefits Administration. These programs are not reflected in this table.

**Table 3: Department of Veterans Affairs' (VA) Noninstitutional Long-Term Care Program Descriptions**

Program	Description
Homemaker Home Health Aide	Trained aides come to the home to help veterans with activities of daily living through a VA-contracted organization. Alternatively, the Veteran Directed Care program provides veterans with a budget for care.
Home-Based Primary Care	A health care team, supervised by a VA physician, provides health care services to veterans with complex needs.
Purchased Skilled Home Care	Provides nursing care and other health services by a VA-contracted community-based agency for veterans who live far from VA facilities.
Home Telehealth	Allows physicians or nurses to monitor a veteran's medical condition remotely and to talk with the veteran to discuss care.
Adult Day Health Care <sup>a</sup>	Provides activities and support for veterans who need help with activities of daily living, who are isolated, or have caregivers in need of relief. This care may be provided in VA, state, or community programs.
Home Hospice Care	Provides comfort care for veterans and family in home, clinic or inpatient settings for veterans with less than 6 months to live.
Home Respite Care	Provides short-term care at home or at an adult day care program when family caregivers need a break.

**Appendix I: Department of Veterans Affairs'  
(VA) Institutional and Noninstitutional Long-  
Term Care Program Descriptions**

<b>Program</b>	<b>Description</b>
Community Residential Care	Provides 24-hour care, room and meals in family care homes, assisted living homes or medical foster homes for veterans who cannot live alone because of medical or mental health conditions.
Spinal Cord Injury and Disability Home Care	Care centers provide primary and specialty care for veterans who have spinal cord injuries, and local teams provide care close to veterans' homes.

Source: GAO analysis of VA documents. | GAO-20-463T

Notes: We include 11 of VA's 14 Long-Term Services and Supports programs that represent its noninstitutional programs for eligible veterans, and for the purposes of this statement we refer to these programs as long-term care. In addition, VA may provide stipends or other services to caregivers for veterans who were seriously injured in the line of duty through the Caregiver Support Program. Disabled veterans may also be eligible for increased compensation benefits from the Veterans Benefits Administration. These programs are not reflected in this table.

<sup>a</sup>For the purposes of this table, we condensed the three Adult Day Health Care program descriptions into one entry.

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U.S. Government Accountability Office, 441 G Street NW, Room 7125,  
Washington, DC 20548

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Chuck Young, Managing Director, [youngc1@gao.gov](mailto:youngc1@gao.gov), (202) 512-4800  
U.S. Government Accountability Office, 441 G Street NW, Room 7149  
Washington, DC 20548

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## Strategic Planning and External Liaison

James-Christian Blockwood, Managing Director, [spel@gao.gov](mailto:spel@gao.gov), (202) 512-4707  
U.S. Government Accountability Office, 441 G Street NW, Room 7814,  
Washington, DC 20548



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