

Fillmore County Veterans Home Overview

Proposal

The Fillmore County Veterans Home Committee and Fillmore County Board of Commissioners, with strong support from local entities, propose to donate non-state assets, such as land, infrastructure, studies, and funding to the State of Minnesota for the State's next 100-bed state veterans home. The 100-bed catchment area for the State's proposed veterans home assists 15 Southeastern Minnesota counties and 40 cities.

Fillmore County meets the criteria established by the Minnesota Department of Veterans for the need and fill rate for the next Minnesota veterans home. The Fillmore County veterans home would bring skilled care and memory care services to one-third of Minnesota's veterans whom are currently age 65 and older.

Need

The 15-county Southeastern Minnesota catchment area is home to approximately 25,000 veterans, age 65 years old and older, who are currently eligible for care from a state veterans home. Of those veterans, the 2016 Health Planning & Management Resources, Inc. needs assessment for Fillmore County indicates that 224 veterans would be living in a Fillmore County veterans home today. One-third of the State's veterans that area age 65 and older live within 90 miles of Fillmore County. Statewide, a minimum wait time averages 10 months, for 1,900 veterans awaiting placement to one of the State's four skilled care facilities. In 2040 the need in Fillmore County continues to sustain the proposed Fillmore County veterans home.

Southeast Minnesota & Fillmore County

Fillmore County pledges a donation of a prime, level building site that meets state and federal requirements for a veterans home. Rochester's VA Clinic and the State's largest medical facility, Mayo Clinic, are both within a 35-minute drive. Local universities and technical colleges provide healthcare training programs for an ample supply of qualified staffing and nursing professionals. Fillmore County residents are 97% in support of a veterans home, according to a recent survey, and are willing to go above and beyond normal taxes to donate land and infrastructure to attract the State's next veterans home.

Legislation in the House and Senate supports a veterans home in Fillmore County. Fillmore County Commissioner's have resolved to bring a veterans home into Fillmore County. Several Fillmore County school districts, veterans service organizations, cities, and community foundations have gathered to support this proposal with their time, effort, and funding.

Geographically, Fillmore County is suited to meet the needs of the high concentration (one-third) of the State's veterans, age 65 and older who are currently underserved in Southeast Minnesota. Fillmore County offers transportation to the Rochester VA Clinic, transportation to the VA Hospital, a full-time veteran services officer, several clubs and activities specific to the area's serviceman.

There are a variety of places to worship, active living, a peaceful environment, lodging, dentistry, and a local medical clinic in the community. Fillmore County is home to the state veterans cemetery, where numerous veterans service organizations volunteer their time. Events at the cemetery include a Memorial Day celebration and the Wreaths for the Fallen ceremony.

Economic Benefits

For the State of Minnesota, economic benefits include the receipt of a one-time capital contribution of \$20 million dollars in federal funding to match the State of Minnesota's \$10 million dollar contribution. Annually, \$3.8 million dollars would follow the veterans into the State of Minnesota. The sources of those new funds are the diem of care designated to support operations of the proposed Fillmore County Veterans Home. From that per diem, 180 new Southeast Minnesota jobs will be created, employees will earn state health care wages. Additionally, and perhaps most importantly, the State of Minnesota retains its veteran population and their partners, while expanding the much-needed care they were promised.

NEEDS ASSESSMENT

Overview

The catchment area that was defined is comprised of 15 Counties in Southeastern Minnesota that are within a 90 mile radius of the City of Preston. The purpose of this needs assessment was to collect the demographics for the defined area and use reasonable industry supported assumptions for projecting the demand for a Veterans Home in Preston. These counties were divided into three tiers with differing capture assumptions.

Demographic Characteristics of the Veteran Population in the Defined Area

- In 2017, there are 22,979 veterans aged 65 and older living in the catchment area.
- Though there is a significant decline in the Veteran population between 2017 and 2040, there still remains a significant number of Veterans in the catchment area that will be in need of services. These population numbers do not include spouses of Veterans.
- The Veterans who are 85 years of age and older will increase from 16.5 percent of the Veteran population in 2017 to 28.9 percent of the Veteran population in 2040.
- The population 85 and older uses nursing homes at a higher rate than persons who are less than 85 years of age. According to the Centers for Medicare and Medicaid Services, 44.4 percent of persons in nursing homes were 85 years of age and older.
- According to studies done by Health and Human Services, 48.1 percent of persons 85 years of age and older will have moderate to severe dementia.
- Even though there is a decline in overall Veterans population, the population 85+ actually increases from 2017 to 2040.

Availability of Health Care Support Services in Preston

Olmsted Health Care, Rochester, Minnesota, has a clinic in Preston staffed by two primary care physicians that is open Monday through Friday from 8:00 a.m. to 5:00

p.m. Preston is 30 miles from the Mayo Clinic and all of its resources. Mayo was recently named the number one health system in the country. The City of Preston has an Emergency Medical Service that services Preston, Fountain and seven townships. The City has two Basic Life support rigs and 25 members of the volunteer crew. The crew provides basic on site emergency care and transports persons as necessary.

Documentation of Demand for a Veterans Home

In order to determine if there is sufficient population to fill a 100 bed nursing facility with Veteran population in need of nursing home care, the researcher used industry norms for projecting demand for nursing home care for persons aged 65 and older. The assumption was made that the capture rate from the demand would be 30 percent in Tier 1 (Preston and closest Counties), 20 percent in Tier 2 (next closest) and 10 percent in Tier 3 (furthest away). All are within 90 miles of Preston. Based on industry norms as well as feedback from other Veterans Homes in Minnesota, there is an allowance for another 20 percent to come from outside of the defined market area. This occurs when persons move to be near family as well as persons wanting to access a Veterans Home even though it is some distance from their existing residence.

Demand for Nursing Home Beds For Veterans in Defined Catchment Area 2017 - 2040						
	2017	2020	2025	2030	2035	2040
Total Demand Veterans	173	156	140	124	108	87
10% add'l Spouse	17	16	14	12	10	8
20% add'l Outside Area	34	32	28	24	20	16
Total Demand	224	204	182	160	138	111

The demand clearly identifies that even as the veteran population begins to decline, there will continue to be sufficient demand to fill a 100 bed nursing home through 2040.

MN Department of Veterans Affairs (MDVA) Obtaining a MN Veterans Home FAQ's

What is the process for a community site to be selected?

The State Legislature and the Governor need to approve the addition of a new state Veteran's home to include bonding for construction and on-going operational costs.

What programs and services are covered under the State Home Grants Program?

The Federal VA provides per diem for operational care for Skilled Nursing, Domiciliary and Adult Day Care.

Can our Community submit a grant application directly to the Federal VA on our own?

The Federal VA only accepts applications from an authorized state agency.

If we submit our application to the MDVA can you submit it to the Federal Administration for us?

MDVA will only submit applications to the Federal VA if given legislative authorization to do so.

Why can't we add small units to pre-existing LTC facilities in our community?

Currently the Federal VA, under their State Veteran's Home Program, only participates in construction activity and provides per diem payments for care in state owned Veteran's homes. Community homes can apply to their local VA Hospital for **contract** nursing beds under a different federal program.

If our community site is authorized by the Legislature, how is the 35% construction cost commitment achieved?

This is negotiated by the State and can include City, County and/or State participation.

If our community site is authorized by the Legislature, do we still own the land that the home will be sited on?

No, the land must be donated to the State.

What does our community need to present to the Legislature?

Your community will need support from a legislator to carry a bill requesting legislative authorization for a new Veteran's Home, to include a presentation of how the community will meet the requirements necessary.

At what point is a pre-design needed?

A pre-design is required by the State of MN prior to facility construction.

If our community meets all the requirements and makes it to the VA Priority list how long before we would receive federal funding?

It depends on VA funding and priority. Each year the priority list is readjusted by the VA depending on current homes with life safety projects and how much congress allocates for the program. It could take anywhere from 2 to several years for the project to get the 2/3 match from the VA.

What role does MDVA play in this process?

Prior to legislative authorization MDVA provides advice only, after authorization MDVA provides coordination. The site selection is made by the Legislature and the Governor, MDVA is neutral in this portion of the process.

Can our community renovate an old building to be used as a Veteran's Home?

The Federal VA does not prefer to provide funding for the renovation of older buildings... person centered care, community living center standards, maintenance and upkeep...

New Federal VA home construction guidelines are based on a neighborhood model of care that supports person centered care. The website for their space criteria is: <http://www.cfm.va.gov/til/space.asp>

What is the current bed capacity in Minnesota and Minnesota State Veterans Homes?

The Federal Veterans Administration provides an assessment and determination of State Veteran Home bed capacity and needs approximately every ten years. Minnesota's bed assessment is currently pending. MDVA does not have a confirmation of a proposed date for the State's survey.

- *Minnesota current bed capacity: 814*
- *Minnesota current VA licensed beds: 1058*
- *Minnesota potential bed capacity for new beds: 244*
- *Minnesota potential bed capacity for new beds after completion MVH-Mpls Phase 3: 144**
 - *After phase 3 MVH-Mpls Bldg 6 will have 91 vacant beds*
 - *After phase 3 MVH-Mpls will add additional 9 beds (to current 291 Skilled)*
 - *Total potential additional MVH-Mpls beds Nov, 2017; 100 beds (91+9)*

**U.S. DEPARTMENT OF VETERANS AFFAIRS (VA)
STATE HOME PROGRAM
FY 2007
QUESTIONS & ANSWERS**

1. What is a State Home?

The term "State home" means a home established by a State for veterans disabled by age, disease, or otherwise, who by reason of such disability are incapable of earning a living. A State home may provide nursing home care, domiciliary care or hospital care. Hospital care may be provided only when the State home also provides domiciliary and/or nursing home care.

2. Can a State Home furnish more than one level of care?

Yes. A State home may provide domiciliary, nursing home, hospital and adult day health care. A home that provides more than one type or program of care must provide such care in clearly designated areas.

3. Who establishes a State Home?

The establishment, location, control and administration of a State Home is the responsibility of the State that it serves.

4. How is a State Home established?

Generally, veterans' service organizations and interested State officials encourage the State legislature to enact legislation for establishment of a State veterans home and to appropriate funds for its construction and operation. States must assure that State operational funds are available to support the specific level of quality of care in each level of care provided.

5. What assistance from VA is available in the establishment of a State Home?

a. VA will provide guidance and consult with representatives of the State to ensure that the facility will meet requirements for VA recognition and Federal aid payments under provision of Title 38 USC 1741.

b. VA cannot participate in the cost of land acquisition.

c. VA construction grants are available to assist the States when renovating the facility.

6. Can a building in an existing State facility be approved as a State Home?

A building or buildings in an existing facility may qualify, provided that they are established and operated as a separate entity (State Home). It is permissible to purchase services, i.e., dietetic, engineering, laundry, and professional care from an existing facility. Purchased or contract services must meet the standards for each level of care.

7. Can a facility providing only hospital care be recognized by VA as a State Home?

No. A State home must provide domiciliary and/or nursing home care, which may include adult day health care for veterans.

8. What are the veteran admission requirements to a State home?

- a. Admission requirements are determined by the State.
- b. Veteran and non-veteran eligibility requirements are provided in laws and regulations.

9. How can the State receive per diem payments from VA?

a. As a condition of receiving per diem payments, the State must submit two forms to the VA Medical Center of jurisdiction for each veteran as follows: a) VA Form 10-10EZ – Application for Health Benefits and b) VA Form 10-10SH – State Home Program Application for Care, Medical Certification. These forms are available on the web as follows:

<http://www.va.gov/forms/medical/searchlist.asp> .

b. The State homes' eligibility for per diem payments is determined and authorized by the VA Medical Center of jurisdiction once the home has been recognized and/or has met all of the Standards. A State home physician reviews and authorizes the veteran's level of care. Veteran eligibility is contingent upon receipt of the required forms by the VAMC of jurisdiction within ten days of admission of the veteran. By using social security numbers, VA will track per diem payments for each eligible veteran.

10. How does VA assure Congress that State Veterans Homes provide quality care?

The Under Secretary for Health assigns a VA Medical Center of jurisdiction for each State Veterans Home (SVH). Once assigned, the Medical Center Director appoints a survey team. This team is charged with the ongoing monitoring of quality through the initial recognition survey, annual inspections, and communicating with the SVH about quality concerns that arise between scheduled reviews.

For each facility recognized as a SVH, the Director of the VA Medical Center of jurisdiction annually certifies whether the facility management met or did not meet VA standards for the SVH Program. The State home is required to meet all VA standards in order to continue to receive per diem payments.

11. Does a State hospital or State nursing home require a State license?

Yes, the hospital facility shall be licensed as a long-term or acute care hospital by the State, and shall comply with Federal, State and local laws, rules and regulations for hospital care.

The nursing home facility shall be licensed as a skilled nursing home by the State and shall comply with Federal, State and local laws, rules and regulations for skilled nursing home care.

12. What Federal funds are available to a State for the operation of a State Home?

a. Domiciliary Care - up to one-half of the cost of care not to exceed \$31.30 per day (FY 2007 rate).

b. Nursing Home Care - up to one-half of the cost of care not to exceed \$67.71 per day (FY 2007 rate).

c. Hospital Care - up to one-half of the cost of care not to exceed \$67.71 per day (FY 2007 rate).

d. Adult Day Health Care – up to one-half of the cost of care not to exceed \$40.48 per day (FY 2007 rate).

e. At the time of the construction grant award, a State is required to sign a memorandum of agreement with the U.S. Department of Veterans Affairs that requires the State to provide financial support for the entire cost of maintenance and operation of a State Veterans Home.

13. Can the State assess or charge veterans for the cost of their care?

Yes. The State-operated facility may establish a maintenance charge system and collect from the pension, compensation, or other income of veterans.

This does not remove the State's responsibility for appropriating operating funds that will keep the home in compliance with VA standards.

14. Is there a limit on the amount collected from veterans?

No. However, this does not remove the State's responsibility for appropriating operational funds that will support the cost of maintenance of the building and operation of the home.

15. If a veteran in a State home requires hospitalization in a VA facility, can VA continue per diem payments?

No. VA does not continue per diem payments if a veteran in a State home requires hospitalization in a VA facility or receives care outside the State home facility at VA expense.

16. Can VA participate with States in the construction or acquisition of State Home facilities?

a. Yes. Under Title 38 USC 8131-8137, VA is authorized to participate in up to 65 percent (65%) of the cost of acquisition and/or construction of new domiciliary or nursing home buildings, and/or the expansion, remodeling, or alteration of existing domiciliary, nursing or adult day health care buildings, provided VA standards and regulations are met. Acquisition and/or renovation costs of an existing building may not exceed the cost of construction of an equivalent new facility.

b. Such cost may include architect fees, supervision, inspection, cost of final audit, and initial equipment, which is not included in the construction contract and may not exceed 10 percent (10%) of the cost of construction.

c. VA may not participate in normal maintenance and repair projects.

17. Can VA reimburse a State for the Federal share of completed construction projects? What are the conditions?

Yes, provided VA receives an initial application and determines that the project is feasible for VA participation. VA must review/approve all initial application/application checklist items (i.e., drawings, specifications, certifications, bid documents) before construction begins or early in the construction phase.

18. How can a State obtain VA regulations, instructions and application forms for construction projects?

Write to: Chief Consultant
Office of Geriatrics and Extended Care (114)
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Other sources for obtaining current updates of the Code of Federal Regulations (CFR): On the Internet at <http://www.gpo.gov>;

19. Can an individual, a company, or any entities other than a State government obtain a VA grant to construct or renovate a State Veterans Home?

No. Only State governments are eligible to apply for a VA construction grant.

20. Is there a limit on the number of beds that can be constructed with VA participation?

Yes. The total nursing home and domiciliary care beds may not exceed the limits established in Title 38 Code of Federal Regulations (CFR) Part 59.

21. Who is responsible for construction projects?

The State is primarily responsible.

The State employs an architect and submits plans for review and approval by VA prior to awarding the contract. After a construction grant is awarded and during construction, which is supervised by the State, reimbursement claims may be submitted to VA for payment based on allowable incurred costs.

22. May other than veterans occupy facilities constructed under Title 38 USC 8131-8137?

Yes, if permitted by the State. Under Federal regulations, not more than twenty-five percent (25%) of the bed occupants at any one time may be veteran-related family members [i.e., spouses, surviving spouses, and/or gold star parents (all of whose children died while serving in the armed forces of the United States)] who are not entitled to payment of VA aid. When a State Home accepts grant assistance for a construction project, 75 percent (75%) of the bed occupants at any one time at the facility must be veterans.

23. How are construction grants awarded?

VA establishes a priority list of applications as of August 15 each year for funding the next fiscal year beginning October 1. The list is approved by VA's Secretary according to Title 38 CFR Part 59. After VA receives the annual appropriation for the State Home Construction Grant program, projects are funded in the order of priority ranking on the list until Federal funds are spent.

24. What is the first priority on the August 15 list?

First priority is accorded to feasible applications which States have provided sufficient State funds so that the project may proceed upon award of the grant without further State action being required to make such funds available. The first priority is further prioritized as (1) Remedies for life/safety deficiencies; (2) States that have not previously applied for a construction grant for a nursing home; (3) Great need for beds in a State; (4) Renovation other than (1); (5) Significant need for beds in a State; and (6) Limited need for beds in a State.

25. Is there a deadline for consideration for the August 15 priority list?

Yes. The initial application should be received by April 15. The Application must be received by August 15.

26. What are sufficient funds for purposes of being ranked in priority one? Are there other requirements for being ranked in priority one?

"Sufficient" funds are the State's 35 percent (35%) matching share. These funds must be available and an authorized State official must certify that these funds are available as well as how long the funds will remain available. A copy of the approved legislation appropriating the funds for the specific project must accompany the certification.

27. What are the other priority categories?

Second priority is accorded to States that have not committed the State's 35 percent (35%) matching share. The second priority is further prioritized as (1) Remedies for life/safety; (2) States that have not previously applied for a construction grant for a nursing home; (3) Great need for beds in a State; (4) Renovation other than (1); (5) Significant need for beds in a State; and (6) Limited need for beds in a State.

28. Where can I find the Federal regulations for the priority system?

Title 38, Code of Federal Regulations, Part 59 Grants to States for Construction or Acquisition of State Homes. The latest updated versions are available on the Internet at <http://www.gpo.gov>.

29. Is the State required to employ a State employee when the home is under a contractual agreement for daily operations?

Yes. When a State home is operated and staffed under a contractual agreement between a State Agency that has jurisdiction over the home and an independent contractor, the oversight of the daily operations of the State Veterans Home is performed by a full-time, on-site State project officer (also referred to as a full time on-site State representative). You can obtain further information on the role of the state official by contacting the VA Chief, State Home Quality of Care/Program Monitoring at 202-273-9194.

30. Where are the State Home Program forms located on the web?

Eventually, all State Home Program forms are expected to be on the web. The web address is <http://www.va.gov/vaforms/> for the following VA Forms:

- VA Form 10-0388-14 – Checklist of Major Requirements for State Home Construction and Acquisition Grants
- VA Form 10-0388-1 – Documents and Information Required for State Home Construction and Acquisition Grants – Initial Application
- VA Form 10-0388-3 – State Home Construction Grant Program Space Program Analysis – Nursing Home and Domiciliary
- VA Form 10-0388-4 – State Home Construction Grant Program Space Program Analysis – Adult Day Health Care
- VA Form 10-0388-5 – Additional Documents and Information Required for State Home Construction and Acquisition Grants – Application
- VA Form 10-0388-2 – Certification of Compliance with Provisions of the Davis-Bacon Act
- VA Form 10-0388-6 – Certification of State Matching Funds to Qualify for Group 1 on the Priority List
- VA Form 10-0388-7 – Certification Regarding Debarment, Suspension, and other Responsibility Matters – Primary Covered Transactions
- VA Form 10-088-8 – Department of Veterans Affairs Certification Regarding Drug-Free Workplace for Grantees Other Than Individuals
- VA Form 10-0388-9 – Certification Regarding Lobbying
- VA Form 10-0388-10 – Certification of Compliance with Federal Requirements – State Home Construction Grant
- VA Form 10-0388-11 – Memorandum of Agreement – Sample
- VA Form 10-0388-12 – Certification Regarding Debarment, Suspension, and other Responsibility Matters – Lower Tier Covered Transactions (To be signed by Contractor(s))
- VA Form 10-0388-13 – Documents/Certifications Required for State Home Construction and Acquisition Grants – Post-Grant Requirements
- VA Form 10-10EZ – Application for Benefits
- VA Form 10-10SH – State Home Program Application for Care, Medical Certification

VA Form 10-5588 – State Home Report and Statement of Federal Aid Claimed
VA Form 10-3567 – State Home Program Staffing Profile
VA Form 10-3567a – Hospital Survey Form (not available on the web at this time)
VA Form 10-3567b – Nursing Home Care Survey Form (not available on the web at this time)
VA Form 10-3567c – Domiciliary Care Survey Form (Not available on the web at this time)
VA Form 10-3567a-1 (Test) – Life Safety Report for Existing Hospital Facilities (not available on web at this time) (Chapter xx)
VA Form 10-3567b-1 (Test) – Life Safety Report for Existing Nursing Home Facilities (not available on web at this time) (Chapter 13)
VA Form 10-3567b-2 (Test) – Life Safety Report for New Nursing Home Facilities (not available on web at this time) (Chapter 12)
VA Form 10-3567c-1 (Test) – Life Safety Report for Existing Domiciliary Care Facilities (not available on web at this time) (Chapter 17)
VA Form 10-3567c-2 (Test) – Life Safety Report for New Domiciliary Care Facilities (not available on web at this time) (Chapter 16)
VA Form 10-3567d-1 (Test) – Life Safety Report for Existing New Adult Day Health Care Facilities (not available on web at this time) (Chapter 31)
VA Form 10-3567d-2 (Test) – Life Safety Report for New Adult Day Health Care Facilities (not available on web at this time) (Chapter xx)
VA Form 10-0143A – Statement of Assurance of Compliance with Section 504 of the Rehabilitation Act of 1973
VA Form 10-144A – Statement of Assurance of Compliance with Equal Opportunity Laws

§59.20 Initial application requirements.

(a) For a project to be considered for inclusion on the priority list in §59.50 of this part for the next fiscal year, a State must submit to VA an original and one copy of a completed VA Form 10-0388-1 and all information, documentation, and other forms specified by VA Form 10-0388-1 (these forms are available on the internet Web sites provided in §59.170 of this part).

(b) The Secretary, based on the information submitted for a project pursuant to paragraph (a) of this section, will approve the project for inclusion on the priority list in §59.50 of this part if the submission includes all of the information requested under paragraph (a) of this section and if the submission represents a project that, if further developed, could meet the requirements for a grant under this part.

(c) The information requested under paragraph (a) of this section should be submitted to VA by April 15, and must be received by VA by August 15, if the State wishes an application to be included on the priority list for the award of grants during the next fiscal year.

(d) If a State representative believes that VA may not award a grant to the State for a grant application during the current fiscal year and wants to ensure that VA includes the application on the priority list for the next fiscal year, the State representative must, prior to August 15 of the current fiscal year,

(1) Request VA to include the application in those recommended to the Secretary for inclusion on the priority list, and

(2) Send any updates to VA. (Authority: 38 U.S.C. 101, 501, 1710, 1742, 8105, 8131-8137).

[66 FR 33847, June 26, 2001, as amended at 73 FR 58880, Oct. 8, 2008]

Supplement *Highlights* reference: 43(2)

§59.30 Documentation.

For a State to obtain a grant and grant funds under this part, the State must submit to VA documentation that the site of the project is in reasonable proximity to a sufficient concentration and population of veterans that are 65 years of age and older and that there is a reasonable basis to conclude that the facility when complete will be fully occupied. This documentation must be included in the initial application submitted to VA under §59.20. (Authority: 38 U.S.C. 101, 501, 1710, 1742, 8105, 8131-8137).

**DOCUMENTS AND INFORMATION
REQUIRED FOR STATE HOME CONSTRUCTION AND ACQUISITION GRANTS
INITIAL APPLICATION**

An initial application should be submitted to the State Home Construction Grant Program (SHCGP) by April 15, if the state wishes consideration of an initial application for placement on the priority list for the next fiscal year.

PROJECT DESCRIPTION

PROJECT LOCATION

FAI NUMBER

SECTION I - STANDARD FORMS

1. SF 424, APPLICATION
2. SF 424C, BUDGET INFORMATION-CONSTRUCTION PROGRAMS.
 - a. Equipment cost estimate is not to exceed 10 percent of the construction costs; and
 - b. Contingency cost estimate is not to exceed 5 percent of the estimated cost of project for new construction or 8 percent for remodeling projects).
3. SF 424D, ASSURANCES-CONSTRUCTION PROGRAMS.

SECTION II - DOCUMENTATION REQUIREMENTS

1. Description and scope of the project, including project site description and location.
2. Governor's letter or a letter from the agency authorized by the governor with program oversight designating the state representative and information that will permit VA to contact the state representative. The state representative must notify the SHCGP, immediately of any changes in who the state representative is and how to reach him or her.
3. Needs Assessment (Must include the following criteria):

ADDING OR REPLACING NURSING HOME OR DOMICILIARY BEDS:

 - a. Demographic characteristics of the veteran population of the proposed catchments area.
 - b. If great travel distances (over two hours) are imposed on veterans and their families, availability of beds.
 - c. Number of VA nursing home and domiciliary beds and the occupancy rate at those facilities for the previous fiscal year.
 - d. Number of state nursing home and domiciliary beds and the occupancy rate of those facilities for the previous fiscal year.
 - e. Number of community-based nursing home beds and the occupancy rate at those facilities for the previous fiscal year (must have full state certification). The state certification must authorize appropriate level(s) of care to allow veteran placement in those facilities.
 - f. Waiting lists for existing state home programs.
 - g. Plans for acute medical care/emergency care services as may be required by the state home residents.
 - h. Availability of qualified medical care personnel to staff the proposed facility.

NOT ADDING OR REPLACING NURSING HOME OR DOMICILIARY BEDS:

 - a. Reason for the project.
 - b. The scope of the project.
4. Any comments or recommendations made by the appropriate state clearing house pursuant to policies outlined in Executive Order 12372, intergovernmental review of federal programs (part 40 of this chapter). If the state has no clearinghouse, the designated authorized state representative must certify compliance with this executive order.

SECTION II CONTINUED- DOCUMENTATION REQUIREMENTS

5. State application identifier number (if applicable).
6. Schematic drawings for the proposed project.
7. Information on VA Form 10-0388-3 and 10-0388-4 should correspond with charts in 140 and 160. Also see the VA community Living Center Design Guide.

SECTION III - ADDITIONAL DOCUMENTATION FOR BED PROJECTS

8. Documentation that the site of the project is in reasonable proximity to a sufficient concentration and population of veterans that are 65 years of age and older and that there is a reasonable basis to conclude that the facility when complete will be fully occupied.
9. Five-year capital plan for state's entire state home program, including the proposed project.
10. Financial plan for state facility's first three years of operation following construction.
11. Authorized state representative's certified statement that the list of the total number of state-operated nursing home and domiciliary beds for veterans is the total number of such beds existing, under construction, or pending approval by VA at the time of the initial application.
12. If a state proposes new beds that exceed the maximum number of state home beds as defined in 38 CFR 59.40, the state must provide documentation to justify an exception on the basis of great travel distances (greater than two hours) between a significant population center and an existing state home. The secretary will consider and approve/disapprove such justification in the determination of the priority of the initial application.

CERTIFICATION - THE LAW PROVIDES SEVERE PENALTIES FOR WILLFUL SUBMISSION OF FALSE INFORMATION.

 **I certify that the above information submitted to VA is true and correct to the best of my knowledge and ability.**

NAME OF AUTHORIZED STATE OFFICIAL

--

TITLE OF AUTHORIZED STATE OFFICIAL

--

SIGNATURE

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DATE (mm/dd/yyyy)

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The Paperwork Reduction Act of 1995 requires us to notify you that this information collection is in accordance with the clearance requirements of section 3507 of this Act. The public reporting burden for this collection of information is estimated to average 6 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. We may not collect or sponsor and you are not required to respond to, a collection unless it has a valid OMB Control Number. This collection of information is collected under the authority of 38 U.S. Code Sections 8133(a) and 8135(a). VA will use this information, along with other documents submitted by the States to determine the feasibility of the projects for VA participation, to meet VA requirements for a grant award and to rank the projects in establishing the annual fiscal year priority list. Although response is voluntary, VA will be unable to authorize a grant without a complete package. Your failure to furnish this information will have no effect on any of other benefits to which you are entitled.

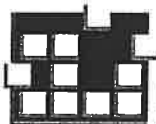
**NEEDS ASSESSMENT FOR
THE DEVELOPMENT OF
A STATE VETERANS HOME
IN
PRESTON, MINNESOTA**

Prepared For:
The City of Preston
Economic Development Authority

Prepared By:
Health Planning & Management Resources, Inc.
Loretto, Minnesota

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Health Planning &
Management Resources, inc.

NEEDS ASSESSMENT

Overview

The City of Preston Economic Development Authority worked with the market consultant to define a catchment area that is comprised of 15 Counties in Southeastern Minnesota that are within a 90 mile radius of the City of Preston. The consultant verified with Mike McElhiney, Chief of Staff, Minnesota Department of Veteran Affairs, that because the State is not requesting beds in excess of the federal allocation, there are no distance requirements related to proximity to another Veterans Home.

The purpose of this needs assessment is to define the demographics of the defined area and use reasonable industry supported assumptions for projecting the demand for a Veterans nursing home located in Preston. This report presents the results of the consultant's analysis. The map is presented on page 11. The map also identifies the Counties in tiers which is used in calculating the capture rate that is likely to occur.

Demographic Characteristics of the Veteran Population in the Defined Catchment Area

The following table presents a summary of the demographic characteristics of the Veteran population by Tiers and overall. The detailed projections by individual County are presented on Table 1 on page 12.

**VETERAN POPULATION AGED 65 – 84 AND 85+
FOR COUNTIES IN TIERS 1, 2 AND 3 AND ALL MARKETS
2017 – 2040**

	2017	2020	2025	2030	2035	2040
Tier 1						
65 – 84	9,077	8,478	7,520	6,533	5,325	4,122
85+	1,760	1,006	903	780	869	717
Total	10,837	9,484	8,423	7,313	6,194	4,839
Tier 2						
65 - 84	4,380	4,170	3,723	3,222	2,532	2,195
85+	1,103	1,036	930	1,051	1,294	1,043
Total	5,483	5,206	4,653	4,273	3,826	3,238
Tier 3						
65 –84	5,028	4,840	4,450	3,943	3,200	2,777
85+	946	936	872	1,053	1,288	1,063
Total	5,974	5,776	5,322	4,996	4,488	3,840
All Markets						
65 - 84	19,170	18,048	16,280	14,227	11,036	9,557
85+	3,809	3,687	3,499	3,781	4,855	3,888
Total	22,979	21,735	19,779	18,008	15,891	13,445

Source: Minnesota Counties (VetPop2014), Department of Veteran Affairs

The reader should note the following:

- Though there is a significant decline in the Veteran population between 2017 and 2040, there still remains a significant number of Veterans in the catchment area that will be in need of services. These population numbers do not include spouses of Veterans.
- The Veterans who are 85 years of age and older will increase from 16.5 percent of the Veteran population in 2017 to 28.9 percent of the Veteran population in 2040.

- The population 85 and older uses nursing homes at a higher rate than persons who are less than 85 years of age. According to the Centers for Medicare and Medicaid Services, 44.4 percent of persons in nursing homes were 85 years of age and older.
- According to studies done by Health and Human Services, 48.1 percent of persons 85 years of age and older will have moderate to severe dementia.

Number of VA Nursing Home and Domiciliary Beds and Occupancy Rate

The researcher interviewed the Chief Executives at each of the five existing Veterans Homes. These include the following:

Minnesota Veterans Home, Fergus Falls
Minnesota Veterans Home, Luverne
Minnesota Veterans Home, Minneapolis
Minnesota Veterans Home, Silver Bay
Minnesota Veterans Home, Hastings

The Minnesota Veterans Home, Hastings, has 179 domiciliary beds, and there are no skilled nursing beds. This was the only facility not 100 percent occupied, and was operating at approximately 78 percent. Reasons noted about why this facility isn't full include the fact that it is a very old physical plant and the living quarters are single and double rooms. The population at Hastings also includes a significant number of persons under 65 years of age, and combines residents with multiple problems with no specialized units, e.g., mental health. The community nonprofits offer assisted living that is considerably different, e.g., private suites and apartments with full private bathroom facilities, more amenities, etc.

The Minnesota Veterans Home, Fergus Falls, has 106 nursing beds and that includes 21 memory care beds in a distinct unit. It is 100 percent occupied. The only time that there are beds open is if it is necessary related to staffing. The active waiting list has 180 persons, and the inactive is 400 – 500 potential residents. The inactive list primarily represents veterans who would be interested in a Veterans Home when they may be in need of nursing home care. At this time, it takes about 1½ years to get into the facility after the application is approved.

The Minnesota Veterans Home, Luverne, has 85 nursing beds and that includes 17 memory care beds in a distinct unit. It is 100 percent occupied. The only time that there are beds open is in the process of discharging and admitting a new resident. The active waiting list has 140 persons, and the inactive is 280 potential residents. The inactive list primarily represents veterans who would be interested in a Veterans Home when they may be in need of nursing home care. At this time, it takes about 3 to 6 months for a male veteran and one to three years for a female veteran or spouse to get into the facility after the application is approved.

The Minnesota Veterans Home, Minneapolis, has 291 nursing beds and 50 domiciliary beds. It is 100 percent occupied. The active and inactive waiting lists combined 550 potential residents. The lists are combined because persons move back and forth between active and inactive. At this time, it takes about nine months to get into the facility after the application is approved. For a spouse, it may be two to three years because of the limitations on the percent of beds that can be occupied by spouses.

The Minnesota Veterans Home, Silver Bay, has 83 nursing beds and that includes 43 memory care beds. It is 100 percent occupied. The active waiting list has 148 persons, and the inactive is 200 potential residents. The inactive list primarily represents veterans who would be interested in a Veterans Home when they may be in need of nursing home care. At this time, it takes from four to eight months for a veteran to get into the facility after the application is approved. For spouses, it is two to three years.

Community Based Nursing Homes in the Catchment Area, Number of Beds and Current Occupancy

The following table identifies community based nursing homes in the catchment area by County, including number of beds and current occupancy for 2016. Because it is so late in 2016, it was decided by the researcher that estimated occupancy for 2016 would be more valuable than 2015 occupancy. Gathering data consisted of telephone calls to facilities and use of UCompareHealthCare, which is a web-based service that gathers data from CMS (Centers for Medicare and Medicaid) and updates data every three months. The community nursing home occupancy has been trending down for a number of years. There are 59 community based nursing homes, with a total of 3,956 beds with occupancy ranging from 57% to 100%. Occupancy can be misleading in that

a number of nursing homes have shut down beds but have not removed the beds from their licenses. There are 14 community based nursing homes that have contracts with the Department of Veterans Affairs (highlighted in yellow). However, having a contract does not ensure that there will be a suitable bed at the time that the veteran needs a bed. There are a variety of factors to be considered in determining if community nursing homes have sufficient capability to provide services to veterans in lieu of a State Veterans Home. The following needs to be considered.

- There is a higher disability rating required for a veteran to be admitted to a community nursing home than a State Veterans Home. So a number of veterans would not be eligible for admittance to a community nursing home.
- Spouses of veterans are not eligible for admittance under a veterans benefit in a community nursing home.
- Many veterans may have more complex behavioral or mental health issues which generally cannot be met in a community nursing home because staffing is not trained and sufficient to deal with these issues.
- There may not be suitable beds available, particularly in many of the nursing homes that have double occupancy rooms.
- Having a contract with a community nursing home means that the nursing home is willing to accept the payment and is qualified to provide care. This does not address the culture that can be very important in a State Veterans Home.

**Licensed Nursing Homes in the Market Area
With Number of Beds and Estimated 2016 Occupancy
(Page 1 of 3)**

	No. of Licensed Beds	Average 2016 Occupancy
Fillmore County:		
Chosen Valley Care Center, Chatfield	78	96%
Gunderson Harmony Care Center, Harmony	43	75%
Green Lea Senior Living, Mabel	51	67%
Good Shepherd Lutheran Home, Rushford	75	70%
Ostrander Care and Rehab, Ostrander	25	88%
Spring Valley Care Center, Spring Valley	50	96%
Houston County:		
Caledonia Care and Rehab, Caledonia	50	88%
Golden Living Center La Crescent, La Crescent	45	93%
Tweeten Lutheran Health Care Center, Spring Grove	50	84%
Valley View Healthcare & Rehab, Houston	45	91%
Mower County:		
Adams Health Care Center, Adams	49	86%
Good Sam Society Comforcare, Austin	45	89%
Meadow Manor, Grand Meadow	43	70%
Sacred Health Care Center, Austin	59	93%
St. Mark's Lutheran Home, Austin	61	97%
Freeborn County:		
Good Sam Society Albert Lea, Albert Lea	95	95%
St. Johns Lutheran home, Albert Lea	140	79%
Thorne Crest Retirement Center, Albert Lea	52	79%
Faribault County:		
Parkview Care Center, Wells	50	88%
St. Luke's Lutheran Care Center, Blue Earth	104	86%
Winona County:		
Golden Living Center Whitewater, St. Charles	55	84%
Lake Winona Manor, Winona	125	96%
Saint Anne Extended Healthcare, Winona	109	91%
Sauer Health Care, Winona	71	82%

**Licensed Nursing Homes in the Market Area
With Number of Beds and Estimated 2016 Occupancy
(Page 2 of 3)**

	No. of Licensed Beds	Estimated 2016 Occupancy
Olmsted County:		
Charter House, Rochester	32 ¹	100%
Golden Living Center Rochester East, Rochester	116	86%
Golden Living Center Rochester West, Rochester	54	74%
Madonna Towers, Rochester	62	100%
Rochester Rehab & Living Center, Rochester	74	73%%
Samaritan Bethany on Eighth, Rochester	155	88%
Stewartville Care Center, Stewartville	57	93%
Dodge County:		
Fairview Care Center, Dodge Center	55	99%
Fieldcrest Care Center, Hayfield	45	73%
Steele County:		
Koda Living Center, Owatonna	79	77%
Prairie Manor Care Center, Blooming Prairie	52	81%
Waseca County:		
Janesville Nursing Home, Janesville	40	93%
Lakeshore Inn Nursing Home, Waseca	55	82%
New Richland Care Center, New Richland	50	82%
Blue Earth County:		
Hillcrest Care & Rehab Center, Mankato	85	88%
Laurels Peak Care & Rehab Center, Mankato	65	94%
Mapleton Community Home, Mapleton	60	95%
Oaklawn Care & Rehab Center, Mankato	77	97%
Pathstone Living, Mankato	69	97%
Wabasha County:		
Mayo Clinic Health System, Lake City	90	93%
St. Elizabeth's Medical Center, Wabasha	100	92%
The Green Prairie Rehab Center, Plainview	53	85%

¹ Charter House is only open to discharges from the Mayo Health System Hospitals.

**Licensed Nursing Homes in the Market Area
With Number of Beds and Estimated 2016 Occupancy
(Page 3 of 3)**

	No. of Licensed Beds	Estimated 2016 Occupancy
Goodhue County:		
Kenyon Sunset Home, Kenyon	30	83%
Pine Haven Care Center, Pine Island	66	74%
Red Wing Health Center, Red Wing	145	77%
Seminary Home, Red Wing	84	76%
The Gardens at Cannon Falls, Cannon Falls	74	84%
Zumbrota Care Center, Zumbrota	50	94%
Rice County:		
Northfield Care Center, Northfield	42	57%
Pleasant Manor, Faribault	65	97%
St. Lucas Care Center, Faribault	109	62%
Three Links Care Center, Northfield	101	94%
Le Sueur County:		
Central Health Care, Le Center	40	55%
Minnesota Valley Health Center, Le Sueur	55	78%

Source: Minnesota Department of Health, Directory of Licensed Health Care Facilities and calls to the facilities

Plans for Acute Medical Care/Emergency Services As May Be Required by the State Home Residents

Olmsted Health Care, Rochester, Minnesota, has a clinic in Preston staffed by two primary care physicians that is open Monday through Friday from 8:00 a.m. to 5:00 p.m. Preston is 30 miles from the Mayo Clinic and all of its resources. Mayo was recently named the number one health system in the country. The City of Preston has an Emergency Medical Service that services Preston, Fountain and seven townships. The City has two Basic Life support rigs and 25 members of the volunteer crew. The crew provides basic on site emergency care and transports persons as necessary.

Documentation that the Site is in Reasonable Proximity to a Sufficient Concentration and Population of Veterans Age 65 Years of Age and Older and that There is a Reasonable Basis to Conclude that the Facility When Complete Will Be Fully Occupied

In order to determine if there is sufficient population to fill a 100 bed nursing facility with Veteran population in need of nursing home care, the researcher used industry norms for projecting demand for nursing home care for persons aged 65 and older.

The following are the assumptions used when completing the demand table that follows:

- 3.5 percent of the veteran population in the catchment area will need nursing home care at any given time. This assumption is an “aggressive” assumption that assumes that persons will only enter a nursing home when they have taken full advantage of community based alternatives that are available. In rural areas, there is not the range of alternatives available in some instances. In many rural communities, the rate of utilization of nursing homes for persons aged 65 and older is higher than the 3.5 percent.
- There will be an additional 10 percent demand to accommodate the spouse of a veteran. This is defined by Veterans Administration regulations. The spouse population cannot exceed 10 percent.
- An additional 20 percent will come from outside of the defined catchment area. In research that has been completed, facilities draw from outside of the catchment area, and the 20 percent assumption is verified in research that has been done. Reasons for this outside draw is persons may live near but not in the geographic catchment area, persons may move to be near adult children caregivers, or persons may desire to return to their home community. In instances with veterans, some are willing to move greater distances to be able to access an available bed in a Veterans Home.

- The researcher assumed that a reasonable capture rate (veterans who would pursue a Veterans Home) was 30 percent for Tier 1, 20 percent for Tier 2 and 10 percent for Tier 3. This is supported in part by the long active waiting lists at the other Veterans Homes that offer skilled nursing beds.
- The capture assumption was adjusted by distance from Preston. Tier 3 was also lowered to 10 percent because of the greater distance to the site and the proximity of the Veterans Home Minneapolis.

Demand for Nursing Home Beds For Veterans in Defined Catchment Area 2017 - 2040						
	2017	2020	2025	2030	2035	2040
Demand						
Tier 1	379	332	295	256	217	169
Tier 2	192	182	163	150	134	113
Tier 3	209	202	186	175	157	134
Total						
Capture Assumptions						
Tier 1 Capture (30%)	114	100	88	77	65	51
Tier 2 Capture (20%)	38	36	33	30	27	23
Tier 3 Capture (10%)	21	20	19	17	16	13
Total	173	156	140	124	108	87
10% add'l Spouse	17	16	14	12	10	8
20% add'l Outside Area	34	32	28	24	20	16
Total Demand	224	204	182	160	138	111

The demand clearly identifies that even as the veteran population begins to decline, there will be more demand than supply of nursing home beds for the catchment area through 2040.

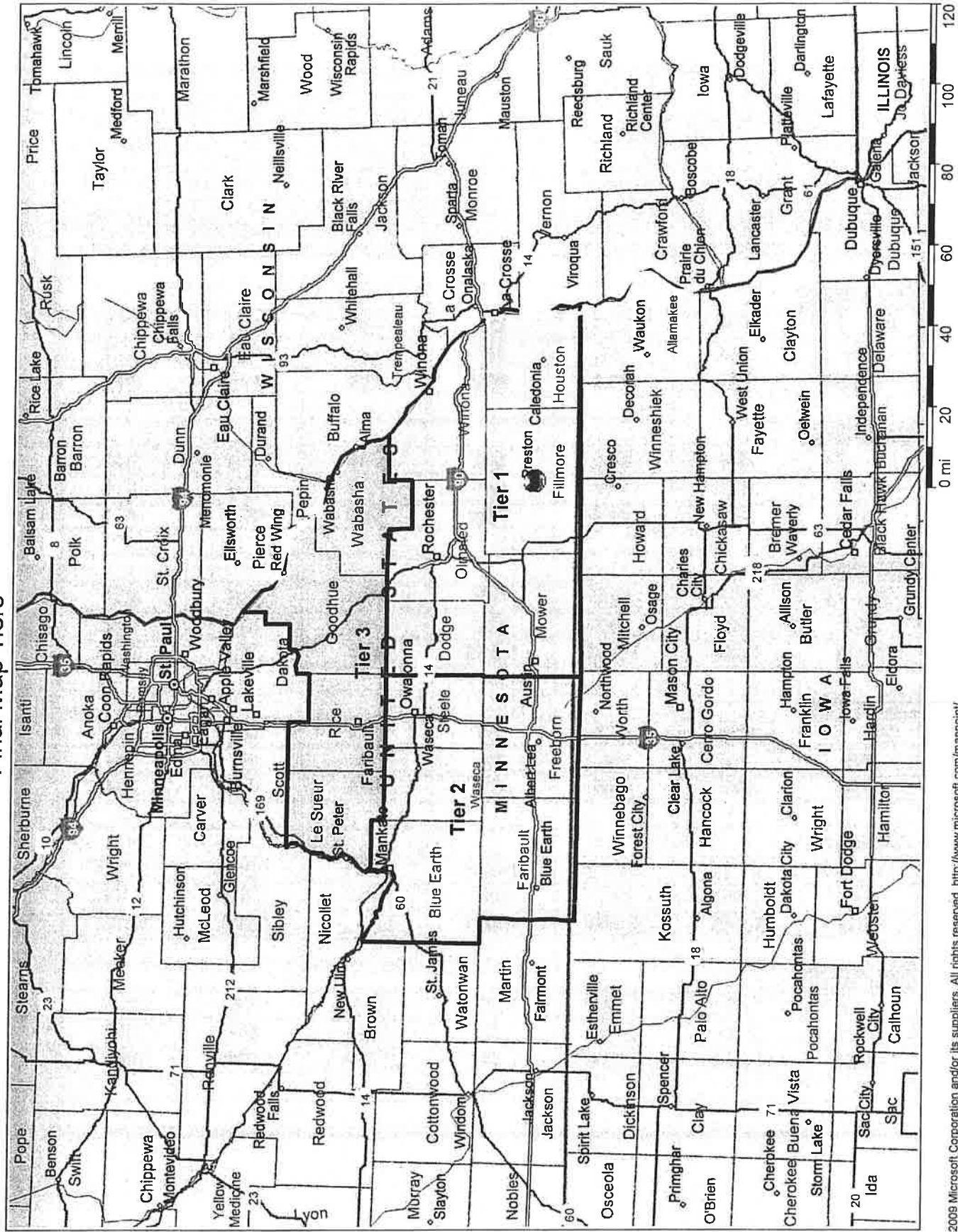
Memory Care Unit

Of the 100 beds, consideration should be given to dedicating approximately 18 – 20 of those beds to a dedicated memory care unit. This will provide a good balance between skilled and memory care beds. The reader should note that there may be veterans with memory care needs who do not need to be in a dedicated unit. The unit is desirable for those residents who are at risk of leaving the facility and/or cause disruptions with other residents.

Anticipated Fill Rate

Based on experience with new facilities opening and with two of the existing Veterans Homes, the researcher anticipates that the facility will be full in 12 months. Based on staff recruitment and training demands, this could extend to 18 months. What generally happens with a new facility is that it is segmented into workable areas, staff is trained and that section opens for admissions. Then the next section is addressed through to complete fill. After that, it is anticipated that there will be full occupancy and a waiting list that will grow over the years.

Final Map Tiers



- Custom territories**
- Tier 1
 - Tier 2
 - Tier 3

Pushpins

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**TABLE 1
VETERAN POPULATION AGED 65 – 84 AND 85+
FOR COUNTIES IN TIER 1
2017 – 2040**

	2017	2020	2025	2030	2035	2040
Fillmore						
65 – 74	705	621	501	466	322	270
85+	144	163	161	120	156	123
Total	849	784	662	586	478	393
Houston						
65 – 74	664	615	568	516	419	340
85+	133	137	141	128	152	135
Total	797	752	709	644	571	475
Mower						
65 – 74	1,018	923	793	678	548	435
85+	347	297	232	190	204	172
Total	1,365	1,220	1,025	868	752	607
Dodge						
65 – 74	418	413	407	373	340	297
85+	79	81	69	99	97	97
Total	497	494	476	472	437	394
Olmsted						
65 – 74	4,751	4,518	4,028	3,501	2,990	2,167
85+	798	771	841	881	1,300	1,000
Total	5,549	5,289	4,869	4,382	4,290	3,167
Winona						
65 – 74	1,521	1,388	1,223	999	706	613
85+	259	266	253	259	364	255
Total	1,780	1,654	1,476	1,258	1,070	868

**TABLE 2
VETERAN POPULATION AGED 65 – 84 AND 85+
FOR COUNTIES IN TIER 2
2017 – 2040**

	2017	2020	2025	2030	2035	2040
Freeborn						
65 – 74	1,051	973	810	676	537	438
85+	304	259	234	224	231	180
Total	1,355	1,232	1,044	900	768	618
Faribault						
65 – 74	548	509	416	337	240	179
85+	164	150	135	118	126	107
Total	712	659	551	455	366	286
Steele						
65 – 74	1,172	1,119	1,044	940	735	667
85+	199	206	173	213	324	262
Total	1,371	1,325	1,217	1,153	1,059	929
Waseca						
65 – 74	685	628	587	529	479	463
85+	104	127	105	144	189	140
Total	789	755	692	673	668	603
Blue Earth						
65 – 74	1,609	1,569	1,453	1,269	1,020	911
85+	332	294	283	352	424	354
Total	1,941	1,863	1,736	1,621	1,444	1,265

**TABLE 3
VETERAN POPULATION AGED 65 – 84 AND 85+
FOR COUNTIES IN TIER 3
2017 – 2040**

	2017	2020	2025	2030	2035	2040
Wabasha						
65 – 74	765	717	620	538	382	328
85+	169	143	136	145	204	143
Total	934	860	756	683	586	471
Goodhue						
65 – 74	1,663	1,580	1,446	1,279	1,013	857
85+	302	310	306	338	417	346
Total	1,965	1,890	1,752	1,617	1,430	1,203
Rice						
65 – 74	1,824	1,792	1,692	1,474	1,254	1,079
85+	311	340	284	408	468	412
Total	2,135	2,132	1,976	1,882	1,722	1,491
Le Seuer						
65 – 74	776	751	692	652	551	513
85+	164	143	146	162	199	162
Total	940	894	838	814	750	6755