February 14, 2023

The Honorable Jon Tester
Chair, Committee on Veterans' Affairs
United State Senate
311 Hart Senate Office Building
Washington, DC 20510

The Honorable Jerry Moran, Ranking Member
Ranking Member, Committee on Veterans' Affairs
United States Senate
521 Dirksen Senate Office Building
Washington, DC 20510

Chairman Tester and Ranking Member Moran,

On behalf of the Home Care Association of America (HCAOA) and the thousands of home care providers, veterans, and their families that we serve, we urge you to keep Section 3 of the Elizabeth Dole Home- and Community-Based Services for Veterans and Caregivers Act (The Act) included in final legislative language.

Today, more than 20,000 veterans receive in-home care under the VA Community Care Network provided by more than 5,000 home care agencies. Under current law, the Department of Veterans Affairs is prohibited from funding home care in a veteran's home in an amount equal to institutional care– even if it is upwards of 30% less expensive – due to an arbitrary spending cap.

We would like to present you with some background information on the funding relationship between VA institutional and non-institutional care as it relates to Section 3. This information is sourced directly from the Government Accountability Office (GAO).

Background

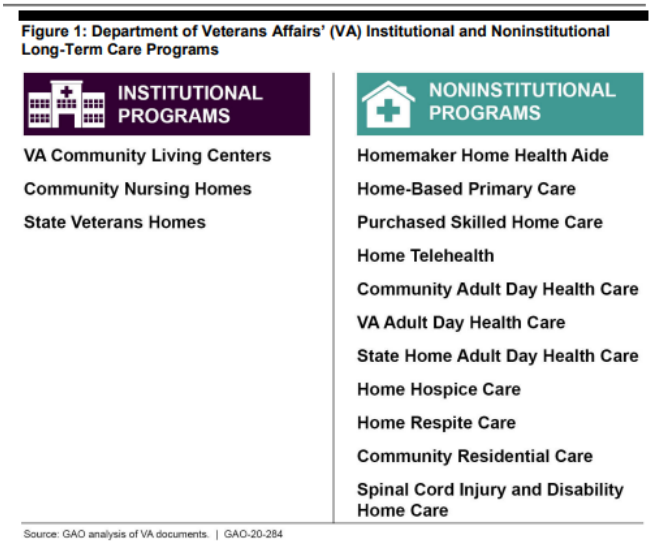
The GAO examined the Department of Veterans Affairs costs of long-term care (GAO-20-284 VA) in both non-institutional and institutional programs.

Veteran Affairs Long Term Care Non-Institutional Programs

VA benefits provide or pay for eligible veterans to receive non-institutional long-term care through home- or community-based programs, where most veterans receive long-term care. Several of VA's non-institutional programs provide personal care assistance to help veterans with activities of daily living— e.g., dressing, eating, bathing— that enable veterans to remain at home, including the Homemaker Home Health Aide, Community Adult Day Health Care, and Respite Care programs. The Homemaker Home Health program includes the Veteran Directed Care program, which provides veterans with a flexible budget for services that can be managed by the veteran or the family caregiver. VAMCs evaluate veterans to determine the extent to which they can perform activities of daily living and to identify the available programs that would best meet their needs.

In addition, VA's non-institutional programs include the Community Residential Care program where caregivers, in settings such as Medical Foster Homes, can provide care to no more than three residents for

Home Care Association of America



veterans who cannot live alone because of medical or mental health conditions. Section 3 of the Dole Act would allow the Department of Veterans Affairs to spend the same amount on non-institutional care as institutional care for veterans that receive nursing home level care in their homes. Currently, the Department can only spend up to 65% of the cost of institutional care for the home care services needed by these veterans.

Redirecting Veterans to Nursing Homes Results in Increased Spending

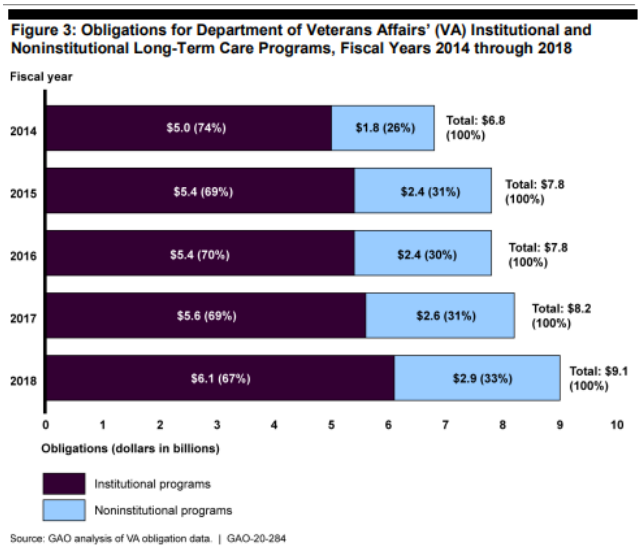
The GAO reports on long term care spending of the Department of Veterans Affairs reveal an inverse relationship between institutional and non-institutional expenditures that is relevant to Section 3.

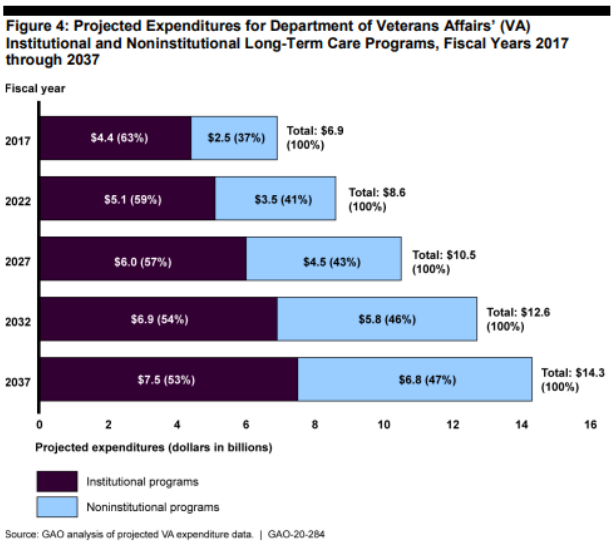
When a veteran has a health condition that warrants nursing home level of care and the veteran's in-home care has already hit the 65% cost threshold, he/she would have to leave their home and go into a nursing home because the Department is still obligated to pay for nursing home care, but now in the more costly institutional setting.

GAO reported that "VA officials told us that the agency is continuing to expand veterans' access to non-institutional care programs because institutional care is more costly than home- or community-based care, and because veterans prefer to delay or reduce the amount of nursing home care they receive." GAO found that the average cost of institutional care per veteran in Community Nursing Homes was $268 per day, or almost $98,000 per year, in fiscal year 2017. Their analysis of VA data show that the average cost per veteran receiving non-institutional care was $5,500 in that year.

This inverse relationship between non-institutional and institutional care was not considered in the CBO Score of the Act. The CBO only provided the limited statement, *"Using information from VA, CBO estimates that in total over the 2023-2032 period the department will pay non-institutional facilities an average $4.9 billion annually under the current cap. Based on historical spending and availability of care, CBO estimates that increasing the cap to 100 percent would gradually increase total spending for care provided by non-institutional facilities by an average of 54 percent, an average increase of about $2.6 billion annually over the 2023-2032 period."*

CBO scored the provision as causing a 35% increase in non-institutional care over 10 years but did not calculate the cost savings of shifting care to the more preferred and cost-effective care.





Limiting Home Care Restricts Choice, Does Not Decrease Spending

The current cap on in-home care does not necessarily reduce the Department's healthcare obligations to veterans – it just redirects them to the least preferred and most costly setting. The request to allow in-home care to match institutional care is not a request for more spending, but a request to allow veterans to choose where they receive their care in the most cost-efficient manner.

Veteran Nursing Homes do not have the Necessary Capacity and Staffing

In addition, GAO reports that "VA officials told us that most nursing homes—including homes in each of the three settings—have limited capacity to serve veterans with special needs, such as those needing dementia, ventilator, or behavioral care. For example, they said that homes may not have any of the necessary specialized equipment or trained staff, or may not have as many of these beds as needed, to meet certain veterans' special care needs." Removing the 65% cap on nursing level care in the home setting would provide relief to the capacity issues of institutional care while promoting access and choice for veterans.

Nearly all veterans today want to remain in their own homes for as long as possible. We urge you to keep section 3 in the Elizabeth Dole HCBS Act, which will provide veterans a choice as to where they receive care by raising the 65% cap on non-institutional care. Doing so is a win-win for both veterans and government. A win for veterans who want to remain in their own home and a win for government by offering the most preferred and cost-effective care setting – in one's own home.

Thank you for your continued support of our nation's veterans. The Home Care Association of America stands ready to assist your work in carrying out our country's obligation to support and care for our veterans. Please feel free to contact me via email at vicki@hcaoa.org or phone at 202-519-2961.

Sincerely,

Vicki Hoak, CEO
Home Care Association of America

CC: Members of the U.S. Senate Committee on Veterans' Affairs
Staff of the U.S. Senate Committee on Veterans' Affairs