



CPAs & BUSINESS ADVISORS

DISCUSSION REGARDING ND VETERANS HOME

Senate Human Resources Committee, Mr. Dever, Chair

REVIEW OF STRATEGIC PLANNING EFFORTS OF THE NDVH

Presentation Agenda

- Study Process
- Challenges Facing the NDVH
- Considerations
- Questions



STRATEGIC PLANNING PURPOSE

- Our strategic planning engagement with the North Dakota Veterans Home (NDVH) was to help lead discussions that will assist with the development of a strategic plan that will provide a direction for NDVH to continue to provide existing services and identify opportunities to expand services to veterans.
- A strategic plan upon completion will provide goals and objectives for the future to obtain certain results.

STUDY PROCESS

- Initial discussions started in mid 2020 calendar year.
- Delayed onsite and conversations due to the pandemic and the limitations for NDVH team members to meet with Eide Bailly staff to discuss options.
- Completed a demand and service area analysis.
- Visits to the facility and conversations were held in summer of 2021 which again were limited due to the pandemic related restrictions.
- Completed majority of the strategic planning conversations in 2021 and early 2022.
- Reported out to the Board regarding preliminary findings, next steps were to explore conversations with State leadership.



CHALLENGES FACING NDVH

- **Operational Challenges**

- Declining veteran population
- Veterans can choose where they want to receive care
- Industry shift from institutional care to noninstitutional care
- Statewide competition for staffing
- Veterans require specialized care

- **Financial Challenges**

- Long-term care rates are structured for normal nursing homes, psychiatric costs and drugs are not covered.
- Basic care rates are estimated to be over 25% under the costs to provide the services, impact \$816,000.
- Benefits paid to staff are 47% of salaries, rest of the State is at 22%. Costs an additional \$1.1 million.
- State controlled staffing limiting flexibility with staffing shifts and variable occupancy.



CHALLENGES FACING NDVH

- **Regulations**

- Department of Veterans Affairs payments are all inclusive, regardless of cost, including drugs.
- Must maintain occupancy of 75% or more veterans at all times.
- Can only provide long-term care, basic care, and day care services to veterans on current campus.
- Payment models incentivize residents to seek treatment elsewhere for things such as hospice.
- Policies limiting personnel choice deter employees and residents, alcohol, smoking.
- Required to provide onsite clinic, staffing is above normal Basic Care operations.
- Required to staff a nurse 24-7 in Basic Care.
- **Building cannot be used for another purpose without the \$15.7 million in grants from Veterans Affairs being repaid.**



ITEMS FOR FUTURE CONSIDERATION

- Expanding the role and capabilities of the NDVH in areas of mental and behavioral health care for veterans. This will drive future demand and increase overall care for veterans.
- Basic Care service rate structure and service structure needs to be reviewed. Current system leaves over \$800,000 in unrecovered costs. Set in Century Code 37-15-14.
- Expand awareness of uniqueness of care for veterans and spouses outside of current service area. Drive demand and new services, focused demand development.
- Explore options to work with a hospice provider that is willing to keep residents in house.
- Assess demand for independent and assisted living for veterans onsite. Cannot be done without paying off the \$15.7 million in grants but will help grow the NDVH's services.



ITEMS FOR FUTURE CONSIDERATION

- Consider expansion of community-based services to Veterans across the State. Engages veterans at earlier stages with someone that is focused on their needs.
- Consider turning operations over to another party and contracting with them to provide services. Required to pay back \$15.7 million grant to do so. Need to find third-party willing to contract with the State at rates favorable to third-party.
- Implementation of level of service staffing patterns and MDS and documentation protocols. Aligns staffing levels to current needs and ensures provided services are properly billed.

SUMMARY

- NDVH is limited by State and Federal regulations that impact its current financial performance and ability to expand services to veterans in the State. Limits focus to current activities only.
- In order to make any change in the overall services provided to veterans, the State will need to commit resources to do so through the payback of the \$15.7 million in grants or pursuit of the forgiveness of same.
- Without support from the State to make changes, the NDVH will continue to serve veterans of the State and other states who chose to utilize the services within the existing regulations and financial constraints provided.



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QUESTIONS?

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THANK YOU!

Bradley DeJong, CPA

Partner, Director Senior Living Services

bdejong@eidebailly.com



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