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**RESCISSIONS**

The following material is rescinded

**1. COMPLETE RESCISSIONS**

**a. Manuals**

M-1, part I, chapter 3, dated March 1, 1973, and changes 1 and 2

M-1, part I, chapter 3, change 3, dated May 27, 1983

M-1, part I, chapter 3, change 4, dated December 31, 1984

M-1, part I, chapter 3, dated March 3, 1987

M-1, part I, chapter 3, appendix 3A, dated October 24, 1990

**b. Interim Issues**

II 10-77-30

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## CHAPTER 3. STATE VETERANS' HOMES

### SECTION I. GENERAL

#### 3.01 AUTHORITY

This chapter contains standards of care, policies and procedures for determining eligibility, reporting, vouchering, auditing and inspecting State homes.

#### 3.02 RESPONSIBILITIES OF VA HEALTH CARE FACILITIES

a. The VA health care facilities responsible for administering the State home program in their area of jurisdiction are shown in appendix 3A.

b. The Chief of Medical Administration at health care facilities is responsible for administrative aspects including determination of eligibility, maintenance and reconciliation of records, review of claims for payment, compliance with VA regulations and general coordination of the program.

c. The Fiscal Service at health care facilities is responsible for accounting, auditing and certifying vouchers for payment. For the purpose of verifying that the per diem payments provided for the long-term care needs of state home veterans are accurate and adequate, a representative of this service will be one of the members of the group making the annual inspection.

d. Directors of health care facilities having responsibility for State homes should develop close relationships with these facilities.

#### 3.03 DEFINITIONS

For purposes of this chapter:

a. The term "veteran" means a person who served in the active military, naval or air service, and who was discharged or released from the service under conditions other than dishonorable.

b. "State home" means a home approved by the VA which was established by a State primarily for veterans disabled by age, disease or otherwise, who by reason of such disability are incapable of earning a living. The term State home includes facilities for domiciliary and/or nursing home care. Hospital care may be included when provided in conjunction with domiciliary or nursing home care. For the purposes of this chapter, a home which furnishes different levels of care must provide care in clearly designated areas within the home so that patients receiving separate levels of care are not intermingled. A State home may also provide care to veteran related family members, i.e., spouses, surviving spouses and/or gold star parents who are not entitled to payment of VA aid. A State home will hereafter be referred to as a home or facility in this chapter.

c. "Hospital care" means providing diagnosis and curative treatment and other medical care and services (as opposed to maintenance only) to inpatients suffering from a particular disability who require the continuous services of a physician, with attendant diagnostic, therapeutic, and rehabilitative services. A hospital facility providing such care will be operated by or under the direct supervision of a physician.

d. **"Nursing home care"** means the accommodations of convalescents or other persons who are not acutely ill and not in need of hospital care, but who require skilled or intermediate nursing care and related medical services if such nursing care and medical services are prescribed by, or are performed under the general direction of, persons duly licensed to provide such care. The term includes intensive care where the nursing service is under the supervision of a registered professional nurse.

e. **"Domiciliary care"** means providing shelter, food, and necessary medical care on an ambulatory self-care basis to assist eligible veterans who are suffering from a disability, disease, or defect of such a degree that incapacitates the veteran from earning a living, but who is not in need of hospitalization or nursing care services, to attain physical, mental, and social well-being through special rehabilitative programs to restore patients to their highest level of functioning.

f. **"Administrator"** means the officer (Superintendent or Commandant) in charge of the home.

g. **"Secretary"** means the Secretary of U.S. Department of Veterans Affairs.

h. **"VA aid"** means Federal aid payments made to a State for care of veterans in State homes under the provisions of VA Regulations 17.165 through 17.168.

i. **"Income Limitations"** means the limitations on a State's eligibility to receive per diem payments for State home domiciliary care. In particular, States may receive per diem payments for domiciliary care to a veteran only if a veteran's annual income does not exceed the maximum annual rate of pension payable to a veteran in need of aid and attendance or to any veteran whom the Secretary determines has no adequate means of support.

j. **"No Adequate means of support"** means when an applicant is receiving income above the annual rate of pension for a veteran in receipt of regular aid and attendance, as defined in 38 U.S.C. Section 503. The veteran must also be able to demonstrate to the satisfaction of the VA Chief of Staff, on the basis of objective evidence, that deficits in health and/or functional status render the veteran incapable of pursuing substantially gainful employment, and is otherwise without the means to provide adequately for self, or to be provided for in the community.

#### 3.04 HEALTH RECORDS

a. **Hospital and Nursing Home Care.** Health records shall be maintained for hospital and nursing home levels of care and contain at least an admission-identification sheet, admitting evaluation (including history, physical examination, diagnosis), physician orders, progress notes, special reports (such as laboratory, X-ray, consultation), and a record of medications and treatment given. All information in the health record is confidential and will be disclosed in accordance with the provisions of the Privacy Act to authorized persons only. Health records shall be kept current, and on discharge or death of a veteran the attending physician will record a summary (progress note or formal summary form) of the patient's medical experience. Filing and retention of health records shall be in accordance with the State law.

b. **Domiciliary Care.** A health record for each patient shall be maintained and will contain an identification sheet, a medical history, a report of an initial physical

examination and subsequent records of treatment and progress, including medications, diets and consultations. An annual reevaluation of the patient's health status should be conducted and recorded. These records will be kept confidential and preserved for a period of time not less than that determined by the statute of limitations of the State.

c. VA medical centers of jurisdiction are required to maintain patient information cards (VA Form 10-3563) on each veteran in the program showing the patients' names, social security numbers, levels of care, and dates they entered the program or were discharged. Patients admitted for inpatient care to a VA medical center will have their patient card properly annotated for their change of status, to include any veterans absent from the state home over 96 hours.

## **SECTION II. ELIGIBILITY FOR VA AID FOR CARE IN STATE VETERANS HOMES**

### **3.05 GENERAL ELIGIBILITY REQUIREMENTS**

a. VA aid may be paid for any veteran who is eligible for care in a VA facility (38 U.S.C. 641, as amended). All veterans are eligible for VA hospital and nursing home care. Not all veterans are eligible for VA domiciliary care. The law regarding eligibility for VA domiciliary care is contained in 38 USC §610(b). A VA physician will determine the medical need of the applicant in accordance with 38 CFR 17.47 (e)(1) or (e)(2), (1989).

b. VA medical centers of jurisdiction are directed to institute proper controls so that VA per diem payments are paid only for eligible veterans. It is noted however, that the state home can elect to continue providing care to its veterans even if VA per diem is not provided. VA has no authority to control the management or operation of state homes, including their admission practices.

### **3.06 HOSPITAL CARE**

States may receive per diem payment for veterans who have been determined by a VA physician to require hospital level care and who meet the requirements of 38 CFR 17.166b (1989).

### **3.07 NURSING HOME CARE**

VA aid may be paid for veterans who meet the criteria for eligibility for such care in a VA health care facility, who have been determined by a physician to require nursing home care, and who meet the requirements of 38 CFR 17.166a(b)(1989).

### **3.08 DOMICILIARY CARE**

Title 38, U.S.C. 601(b), and 38 CFR §17.47(e) state that domiciliary care may be furnished when needed to:

a. Any veteran whose annual income does not exceed the maximum annual rate of pension payable to a veteran in need of regular aid and attendance, or

b. Any veteran who the Secretary determines had no adequate means of support. An additional requirement for eligibility for domiciliary care is the ability of the veteran to perform the following:

(1) Perform without assistance daily ablutions, such as brushing teeth; bathing; combing hair; body eliminations.

- (2) Dress self, with a minimum of assistance.
- (3) Proceed to and return from the dining hall without aid.
- (4) Feed self.
- (5) Secure medical attention on an ambulatory basis or by use of personally propelled wheelchair.
- (6) Have voluntary control over body eliminations or control by use of an appropriate prosthesis.
- (7) Share in some measure, however slight, in the maintenance and operation of the facility.
- (8) Make rational and competent decisions as to the patient's desire to remain or leave the facility.

### **3.09 PROCESSING APPLICATIONS**

a. VA Form 10-10, Application for Medical Benefits, will be used by the home to apply for VA aid for the care of a veteran under the provisions of this chapter. It will be completed in accordance with the instructions on the reverse of the form. VA Form 10-10m, Medical Certificate, will accompany the application with items 1 through 12c, 18 and 19 completed on the VA Form 10-10m.

b. If the veteran is receiving nursing home or hospital care, VA Form 10-10m must contain sufficient medical information to justify the level of care that will be provided to the veteran. It should be noted here, that based on the patient's level of care (domiciliary, nursing home or hospital), the state home collects and reports patient days of care to the VA medical center of jurisdiction in order to receive per diem reimbursement from VA. VA obligates funds quarterly based on these per diem claims. It is imperative for VA medical centers of jurisdiction to obtain, maintain, and utilize income data for state home domiciliary veterans as a means to assure eligibility for VA per diem.

c. VA administrative personnel will determine and verify eligibility in the manner prescribed in M-1, part I, chapter 4. Medical need will be verified in writing by a VA physician on the basis of information furnished in the medical certificate (VA Form 10-10m). If necessary, State homes will be requested to provide additional information. The effective date for payment of VA aid will be the date the veteran was admitted to the applicable level of care, provided VA Form 10-10 is received by the VA within 10 days following admission. The effective date, if more than 10 days, will be the date of receipt of VA Form 10-10 by VA. No claim for VA aid will be authorized for care furnished prior to the date of the Secretary's recognition of the facility as a State home.

d. The VA health care facility will establish a consolidated health record for each veteran. In addition, an active and inactive control care file will be maintained using VA Form 10-3563, State Home Program--Patient Information Card:

(1) The active section will contain VA Form 10-3563 showing the patient's name, social security number, level of care (e.g., domiciliary, nursing home, hospital) and dates they entered the program or were discharged for patients for whom VA has approved an

application for care in the home. The VA facility should establish with the home a daily, or at least weekly, reporting system in order to obtain information on all gains and losses, and changes in status including absences of over 96 hours, in order to maintain current data on VA Form 10-3563. This system will eliminate the need for duplicate reporting by the home, on a monthly basis, on the reverse of VA Form 10-5588. Control cards for which verification of eligibility is pending should be clearly identified for followup action.

(2) The inactive section will contain VA Form 10-3563 for those veterans who have been transferred, discharged, deceased, etc. Following retention of the inactive form for 1 year, the form will be filed in the veterans' consolidated health records.

(3) In addition, a daily register of days of care, VA Form 10-3564, State Home Program--Daily Patient Census, furnished during each month will be maintained for each level of care provided to include date, patients remaining, gains and losses for control and reconciliation purposes.

e. The home will be notified promptly, either by use of FL 10-356, Payment of Aid to State Homes by the VA, for an approved application, or by letter for a disapproved application which will include the reason(s) for disapproval. The home will be notified if approval will be delayed, especially beyond the end of a quarter. Prima facie determination will be made pending verification of eligibility. Periodic followup of pending cases for verification should be made by the home and the VA facility.

f. In all cases requiring notification to the Adjudication Division of the direct admission of a veteran to a nursing home unit of a State home (see Ch. 6, Reporting Changes in Levels of Care), a copy of VA Form 10-10m will be forwarded by Medical Administration Service with the notice for consideration by adjudication of entitlement to aid and attendance allowance.

**g. Change of Status**

(1) Transfer of a veteran to another level of care more suitable to the veteran's needs should be considered when a change in health or physical condition occurs. A supplemental VA Form 10-10 will be submitted to the VA health care facility for the first transfer of a veteran to a level of care for which VA approval had not been previously granted (complete items necessary for a determination of legal eligibility). Indicate "hospital" or "nursing home care" as appropriate. VA Form 10-10m will also be attached to show medical, physical and/or mental changes supporting the reclassification and date of status change. The VA health care facility will forward to the home either a FL 10-356 indicating approval of initial change in status or a letter of disapproval citing the reasons.

(2) A veteran who has been previously approved for and received hospital or nursing home care may be returned to that level of care without additional VA approval provided episodes occur during the same period of residency in the home and the information and the findings on VA Forms 10-10 and 10-10m are still valid.

(3) A notice of admission will be forwarded to the Adjudication Division for veterans initially or subsequently transferred to the nursing home unit from either the domiciliary or hospital unit. A copy of VA Form 10-10m will be forwarded with the notice for consideration by adjudication of entitlement to aid and attendance allowance. Under circumstances of subparagraph (1), when no current VA Form 10-10m is available, a

statement will be entered in the "Remarks" section of VA Form 10-7131: "Information and findings on VA Form 10-10m, dated (date) remains valid" (provided that such validity has been confirmed).

(4) A notice of discharge when required by chapter 6 will be forwarded to the Adjudication Division for veterans released from the nursing home care unit for any reason. A statement will be entered in the "Remarks" section of the notice: "Discharged from Nursing Home Care Unit, State Veterans Home (address) on (date) by: (indicate discharge and type, death, transfer to another level of care (specify) in State home or to VA or non-VA care and address, etc.)."

### **SECTION III. PAYMENT OF VA AID**

#### **3.10 PER DIEM RATES**

a. The maximum per diem rates which may be paid to a State for the care of veterans receiving hospital, nursing home or domiciliary levels of care in a home are listed in a Departmental circular.

b. At the time of the annual inspection, the number of persons for whom payments may be made will be verified and, if necessary, the level of care approved for reimbursement purposes will be adjusted accordingly.

c. Total VA aid payments to a State for a fiscal year may neither exceed (1) one-half of the allowable cost of care of the veterans in a home; nor (2) the difference between the total aggregate allowable costs for the veterans' care for the year (computed in accordance with par. 3.14 and app. 3B) and the total aggregate amount of income collected by the State for care from all veterans for whom VA aid is claimed and from all other sources on their behalf (excluding State appropriations and VA aid payments). There shall be no reduction of the VA aid payments because of collections made from the veterans by the State in any manner as long as total VA aid payments do not exceed (1) or (2). (See app. 3B)

d. If the home chooses to have a separate fund comprised of donations from sources other than patients in the home, such a fund may be excluded from income counted as "all other sources on their behalf" in subparagraph 3.10 c. if the following conditions are met: The Administrator must provide the fiscal auditor during the annual inspection with a signed statement verifying that "the fund is comprised entirely of voluntary donations by sources other than patients in the home, contains no direct VA or Federal payments, is expended only for amenities for patients in the home, and is not used in computing the per diem cost for the home." This in no manner should be interpreted as interfering with the Office of the Inspector General whose duty is to examine such records as deemed necessary during periodic program audits of the home.

#### **3.11 COMPUTATION OF PER DIEM COST**

a. In computing per diem cost for patient care, homes generally may include the cost of those items of expense which would be considered cost of operations by VA for its hospitals, domiciliaries and nursing homes. Those expenses which are incurred for the purpose of maintaining plant and equipment in a normal operating condition and which do not materially add to the asset value of the property will be considered as maintenance and repair expenses and may be included in computing the per diem rate. Equipment replacement cost may be considered as an operating expense and included in the per diem



in those instances where it is an accepted accounting practice of the State in which the home is located or where subsidiary equipment records are not maintained to the ledger accounts and the original cost is unknown. Such costs may not be included if the home employs a depreciation accounting system, and depreciation costs for such items of equipment have already been included in the per diem costs. Capital improvements, such as construction of new buildings, alterations, new equipment, construction of roads, etc., unless claimed under a depreciation accounting system, are not items of allowable expense in computing per diem costs. All income received including income received as a result of sale of products or services, i.e., meals, produce from farms, etc., will be deducted from the appropriate operating expense account. Payments received from veterans for their care are not deducted in determining per diem cost, but are included for the purpose of paragraph 3.13c. The total costs so developed will be divided by the total number of days of care given both eligible and ineligible patients.

b. Separate per diem costs will be computed for hospital care, nursing home care, and domiciliary care. This will require the development of a basic per diem cost figure for the indirect costs of all patient care, and a separate per diem rate for direct costs of hospital care, nursing home care, and domiciliary care.

c. The basic per diem rate for the home will be computed from the sum of all indirect costs which do not vary directly with the number of patients. Examples of such costs would be management and administration, maintenance and repair, allowable equipment replacement or depreciation, kitchen help, those professional costs which do not vary with the patient load, etc., which apply to the entire institution rather than to any specific type of care or group of beneficiaries. The total of such indirect costs will be divided by the total number of days of care for all patients in the home. The result will be the indirect per diem rate.

d. The per diem rate for direct care of nursing home patients will be computed from the sum of those costs which vary directly with the patient load and which can be directly attributable to providing nursing home care. This would include such items as salaries of employees providing direct care to this group; extra expenses incurred in nourishment and feeding; medications and supplies for nursing home patients; and such other items as are reasonably incurred as a result of providing nursing home care. The sum of such direct costs divided by the number of days of such care furnished during the period will be the per diem rate for direct care of nursing home patients. The rate thus computed added to the basic rate for indirect costs will be the per diem rate used in determining VA aid payments for nursing home care.

e. The separate per diem rates applicable to direct care for hospital and domiciliary patients will be computed in a similar manner. The per diem rate for direct care added to the basic per diem rate for indirect care will be the rate used in determining VA aid payments for hospital or domiciliary care.

f. In computing the per diem rates, all computations will be carried to one-tenth of a cent, and rounded to the nearest whole cent. Depreciation of capital improvements may be claimed only to the extent of State participation under a depreciation accounting system.

g. The subparagraphs a. through f. are prescribed as minimum procedures for determining per diem cost. (See app. 3B and 3C.) Other methods, involving greater

sophistication in bases of allocation of costs to the different types of care and which fairly present the costs in accordance with normal practices and generally accepted accounting procedures, will be acceptable. FMC (Federal Management Circular) 74-4, as revised, establishes principles and standards for determining cost applicable to grants and contracts with State and local governments.

h. VA regulations state that "aid may be paid for domiciliary care furnished in a recognized state home for any veteran if the veteran is eligible for domiciliary care in a VA facility." In order to adequately consider income requirements in determining a State's eligibility to receive VA per diem for domiciliary veterans, veterans must:

- (1) Be incapacitated from earning a living, and
- (2) Have no adequate means of support, or
- (3) Not be receiving an annual income in excess of the maximum annual rate of pension payable to a veteran in need of aid and attendance.

### **3.12 OBLIGATION OF FUNDS**

a. Funds will be obligated and controlled by use of VA Form 4-1358 in accordance with VA manual MP-4, part V, chapter 3.

b. The estimated obligation will be adjusted at the end of each month based on the patient load for the month. The Chief of Medical Administration will arrange with the Administrator to obtain the necessary data by telephone on the last working day of the month.

### **3.13 VETERANS INCAPABLE OF HANDLING THEIR OWN AFFAIRS**

a. The VA facility will inform the Administrator of VA procedures for payment of benefits due veterans incapable of handling their own funds. The Administrator should report to the VA facility any changes in a patient's condition indicating possible incompetency. A statement from the veteran's physician should be a part of such report.

b. When a VA facility becomes aware that a veteran in a State home appears incapable of handling their own funds, all available evidence, including any recent medical findings, will be promptly forwarded to the appropriate Adjudication Division.

### **3.14 ABSENCES**

a. Patients absent from the home for 96 hours or less will be considered as present for the purpose of claiming VA aid. Absences which are not interrupted by at least 24 hours of continuous residence in the home will be considered as one continuous period of absence. VA aid will not be paid for any day when a patient is hospitalized in a VA hospital or a non-VA hospital at VA expense or for any portion of a continuous period of absence of more than 96 hours. When a veteran overstays an approved absence of 96 hours, no portion of the leave may be claimed for VA payment. In such instances, the patient will be dropped from the rolls retroactive to the day of departure.

b. Absences of more than 96 hours. Each home will maintain a daily record showing the number of patients absent, and the names of those who depart on or return from periods of absence of more than 96 hours.

c. **Absences of 96 hours or less.** A simple log or "sign out" record will be maintained for departures to and returns from periods of absence 96 hours or less. It is not necessary to record absences which do not extend beyond 1 calendar day.

#### **SECTION IV. INSPECTION, RECONCILIATION, MUSTER AND REPORTS**

##### **3.15 INSPECTION**

a. In accordance with the provisions of 38 U.S.C. 642 and 38 CFR 17.168, an annual inspection, audit and reconciliation of records will be conducted to assure that the minimum standards of care as prescribed by VA are met. The annual inspection and audit of each home will be conducted by appropriate VA personnel on a mutually agreeable date arranged by the Chief of Medical Administration with the Administrator. As a minimum, the team appointed by the VA health care facility Director, will consist of a physician who will be responsible for verifying levels of care and overseeing all clinical aspects of the annual inspection, a nurse, a pharmacist, a dietitian, a rehabilitation therapist, a social worker, and representatives from Medical Administration, Fiscal, Engineering, and Building Management. The inspection will include the physical plant, admissions, discharges, reconciliation of records, a muster, fiscal records and review of evidence of compliance with standards of care and applicable laws and regulations, e.g., 38 CFR 17.165-17.168, and 38 CFR 18.1-18.13. Additional musters and inspections will be made whenever considered necessary by the Director of the VA health care facility.

b. The VA health care facility Director will designate a coordinator for the State home inspection whose responsibility is to meet with all members of the inspection team, review the inspection process, review previous years inspection reports, and inform the team of any changes that have been made since the last inspection. All inspection team members should review the video on the inspection process prior to the inspection. The coordinator will also be responsible for assembling the final inspection report, resolving any inconsistencies, and obtaining signed concurrences for the completed report from all inspection team members before the VA health care facility Director signs and transmits the report to the home.

c. In reviewing State homes under the provisions of this paragraph, VA personnel are instructed to observe the quality of care provided and measure it against the standards of care as prescribed in M-5, part V, paragraphs 1.09 through 1.13. The VA Form 10-3567, State Home Inspection, with applicable attachments (i.e., domiciliary, nursing home, and/or hospital) will be prepared to record the results of the inspection and compliance with applicable standards and regulations. Any deficiencies should be clearly indicated, with explanatory statements indicating any adverse impact upon patient care and recommendations for corrective action to achieve compliance.

d. The authority to inspect carries with it no authority over the management or control of any home.

##### **3.16 RECONCILIATION OF RECORDS**

a. The control cards in the active file of the VA facility will be checked against the home's records. The computation of days of care for at least a 12-month period, as reported on line 10 of VA Form 10-5588, will be verified. A complete review of the records since the last reconciliation will be made if significant discrepancies are

found. The VA facility staff responsible for verification of records should be trained in and knowledgeable of State home operations.

b. The fiscal representative will verify at least annually the computation of per diem rates and authorized expense items. Records of collections by the State from patients or other sources on their behalf, will be audited to assure compliance with paragraph 3.13c. The fiscal representative will also obtain annually the signed verification from the Administrator, if there is a fund as described in paragraph 3.13d. Review of the fiscal records need not be performed at the same time as the rest of the inspection where local management deems it desirable to perform it at another time.

### **3.17 MUSTER**

a. To assure that veterans for whom the State is receiving VA aid are actually present, a muster will be conducted of a 10 percent sample but not fewer than 20 patients.

b. The sample will be made by random selection of one card from among the first 10 in the active file and every 10th card thereafter. The selection process will be repeated if necessary until a minimum of 20 cards has been selected. All patients will be mustered in homes with an average load of fewer than 20.

c. No substitutions will be made for names selected nor will names be revealed to State officials prior to muster. A positive accounting must be made for each patient on the list. Authorized absences will be accounted for by home's absence records.

### **3.18 CORRECTIVE ACTION**

a. After approval by the health care facility director, the inspection report should be sent to the State home no later than 15 workdays after the inspection has been performed. A plan of correction for the home shall be requested for any cited deficiencies that cannot be corrected within 30 days from the date of the annual inspection. The plan for corrective action should be submitted to the VA facility of jurisdiction 10 workdays after the inspection report is received by the State home. The director of the VA facility of jurisdiction, on review of the plan, will assure that the standards prescribed by VA are met within a reasonable period of time. A follow-up inspection may be required. A copy of the inspection report, the plan for corrective action, and the VA health care facility's plan for follow-up of the deficiencies will be submitted to VA Central Office (145B) no later than 60 days after the inspection has been performed.

b. If there is no evidence of satisfactory progress toward correction, appropriate action by the Director will be initiated with the concurrence of the Assistant Chief Medical Director for Geriatrics and Extended Care. The Secretary may approve action which includes withholding of funds or withdrawal of recognition, pending compliance.

### **3.19 RECURRING REPORT (RCS exempt.)**

After approval of the inspection by the Director, the original VA Form 10-3567 with applicable attachments will be filed at the VA facility of jurisdiction. One copy will be furnished to the Administrator of the State home and a copy forwarded to the Assistant Chief Medical Director for Geriatrics and Extended Care (145B). If the results of the

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fiscal audit, muster, and reconciliation of records meet VA requirements, a certification to that effect should be forwarded to the ACMD for Geriatrics and Extended Care in lieu of the complete reports. Only unusual findings should be reported to VA Central Office; however, necessary records and evidence to support the certification will be retained at the facility of jurisdiction. The home's plan of corrective action for cited deficiencies that cannot be corrected within 30 days should be submitted to the facility of jurisdiction within 10 workdays from receipt of the inspection report. The facility of jurisdiction will forward one copy of the inspection report and certification, a copy of the plan of corrective action and the plan by the VA health care facility for follow-up of the deficiencies cited to the Office of Geriatrics and Extended Care (145B) within 60 days from the date of the inspection.

## FIELD FACILITY JURISDICTION OF STATE VETERANS' HOMES

Name and Address of State Home	Facility of Jurisdiction
Alabama Veterans Home Alexander City, (Montgomery) AL	VA Medical Center, Montgomery, AL
Arkansas Veterans Home Little Rock, (Pulaski) AR	VA Medical Center, Little Rock, AR
California Veterans Home Yountville, (Napa) CA	VA Medical Center, San Francisco, CA
Colorado State Veterans Nursing Home Florence, (Fremont) CO	VA Medical Center, Denver, CO
Colorado State Veterans Center Homelake, (Rio Grande) CO	VA Medical Center, Denver, CO
Colorado State Veterans Nursing Home Rifle, (Garfield) CO	VA Medical Center, Denver, CO
Connecticut Veterans Home and Hospital Rocky Hill, (Hartford) CT	VA Medical Center, Newington, CT
Veterans Home of Florida Lake City, (Columbia) FL	VA Medical Center, Lake City, FL
Georgia War Veterans Nursing Home Augusta, (Richmond) GA	VA Medical Center, Augusta, GA
Georgia War Veterans Home Milledgeville, (Baldwin) GA	VA Medical Center, Dublin, GA
Idaho State Veterans Home Boise, (Ada) ID	VA Medical Center, Boise, ID
Idaho State Veterans Home Pocatello, ID	VA Medical Center, Salt Lake City, UT
Illinois Veterans Home LaSalle, (LaSalle) IL	VA Medical Center, Hines, IL
Illinois Veterans Home Manteno, (Kankakee) IL	VA Medical Center, Hines, IL
Illinois Veterans Home Quincy, (Adams) IL	VA Medical Center, Iowa City, IA
Indiana State Veterans Home Lafayette, (Tippecanoe) IN	VA Medical Center, Indianapolis, IN

**M-1, Part I**  
**Chapter 3**  
**Change 1**  
**APPENDIX 3A**

**September 30, 1992**

<b>Name and Address of State Home</b>	<b>Facility of Jurisdiction</b>
Iowa Veterans Home Marshalltown, (Marshall) IA	VA Medical Center, Des Moines, IA
Kansas Soldiers' Home Fort Dodge, (Ford) KS	VA Medical Center & ROC, Wichita, KS
Kentucky Veterans Home Wilmore, (Jessamine) KY	VA Medical Center, Lexington, KY
Louisiana War Veterans Home Jackson, (Feliciana) LA	VA Medical Center, New Orleans, LA
Maine Veterans Home Augusta, (Kennebec) ME	VA Medical Center & ROC ,Togus, ME
Maine Veterans Home Caribou, (Aroonstook) ME	VA Medical Center & ROC, Togus, ME
Maine Veterans Home Scarborough, (Kennebec) ME	VA Medical Center & ROC, Togus, ME
Maryland Veterans Home Charlotte Hall, (St. Mary) MD	VA Medical Center, Washington, DC
Soldiers' Home in Massachusetts Chelsea, (Suffolk) MA	VA Outpatient Clinic, Boston, MA
Massachusetts War Veterans Home Holyoke, (Hampden) MA	VA Medical Center, Northampton, MA
Michigan Veterans Facility Grand Rapids, (Kent) MI	VA Medical Center, Allen Park, MI
Michigan Veterans Facility Marquette, (Marquette) MI	VA Medical Center, Iron Mountain, MI
Minnesota Veterans Home Hastings, (Dakota) MN	VA Medical Center, Minneapolis, MN
Minnesota Veterans Home Minneapolis, (Hennepin) MN	VA Medical Center, Minneapolis, MN
Minnesota Veterans Home Silver Bay, (Lake) MN	VA Medical Center, Minneapolis, MN
Mississippi Veterans Home Jackson, (Hinds) MS	VA Medical Center, Jackson, MS
Missouri Veterans Home Cape Girardeau, (Cape Girardeau) MO	VA Medical Center, Poplar Bluff, MO

Name and Address of State Home	Facility of Jurisdiction
Missouri Veterans Home Mexico, (Audrain) MO Missouri Veterans Home Mt. Vernon, (Lawrence) MO Missouri Veterans Home St. James, (Phelps) MO	VA Medical Center, St. Louis, MO  VA Medical Center, St. Louis, MO  VA Medical Center, St. Louis, MO
Montana Soldiers' Home Columbia Falls (Flathead) MT	VA Medical Center & ROC, Fort Harrison, MT
Nebraska Veterans Home Grand Island, (Hall) NE	VA Medical Center, Grand Island, NE
Nebraska Veterans Home Norfolk, (Madison) NE Nebraska Veterans Home Omaha, (Douglas) NE Nebraska Veterans Home Scottsbluff, (Scottsbluff) NE	VA Medical Center, Grand Island, NE  VA Medical Center, Omaha, NE  VA Medical Center and ROC, Cheyenne, WY
New Hampshire Veterans Home Tilton, (Hillsborough) NH	VA Medical Center, Manchester, NH
New Jersey Veterans Memorial Home Menlo Park, (Middlesex) NJ	VA Medical Center, East Orange, NJ
New Jersey Veterans Home Paramus, (Bergen) NJ	VA Medical Center, East Orange, NJ
New Jersey Memorial Home Vineland, (Salem) NJ	VA Medical Center and ROC, Wilmington, DE
New Mexico Veterans Home Truth or Consequences, (Sierra) NM	VA Medical Center, Albuquerque, NM
New York State Veterans Home Oxford, (Chenango) NY	VA Medical Center, Syracuse, NY
New York State Veterans Home Stony Brook, NY	VA Medical Center, Northport, NY
North Dakota Veterans' Home Lisbon, (Ransom) ND	VA Medical Center & ROC, Fargo, ND
Ohio Veterans' Home Sandusky, (Erie) OH	VA Medical Center, Cleveland, OH



**M-1, Part I**  
**Chapter 3**  
**Change 1**  
**APPENDIX 3A**

**September 30, 1992**

<b>Name and Address of State Home</b>	<b>Facility of Jurisdiction</b>
Oklahoma Veterans Center Ardmore, (Carter) OK	VA Medical Center, Oklahoma City, OK
Oklahoma Veterans Center Claremore, (Rogers) OK	VA Medical Center, Muskogee, OK
Oklahoma Veterans Center Clinton, (Custer) OK	VA Medical Center, Oklahoma City, OK
Oklahoma Veterans Center Norman, (Cleveland) OK	VA Medical Center, Oklahoma City, OK
Oklahoma Veterans Center Sulphur, (Murray) OK	VA Medical Center, Oklahoma City, OK
Oklahoma Veterans Center Talihina, (Pittsburgh) OK	VA Medical Center, Oklahoma City, OK
Pennsylvania Soldiers' and Sailors' Home Erie, (Erie) PA	VA Medical Center, Erie, PA
Hollidaysburg Veterans Home Hollidaysburg, (Blair) PA	VA Medical Center, Altoona, PA
Southeastern Veterans Home Spring City, (Chester) PA	VA Medical Center, Coatesville, PA
Rhode Island Veterans Home Bristol, (Bristol) RI	VA Medical Center, Providence, RI
South Carolina Veterans Pavilion Anderson, (Anderson), SC	VA Medical Center, Columbia, SC
South Carolina Veterans Pavilion Columbia, (Richland) SC	VA Medical Center, Columbia, SC
South Dakota Veterans Home Hot Springs, (Fall River) SD	VA Medical Center & ROC, Hot Springs, SD
Tennessee Veterans Home Murfreesboro, (Rutherford) TN	VA Medical Center, Murfreesboro, TN
Vermont Veterans Home Bennington, (Bennington) VT	VA Medical Center and ROC, White River Junction, VT
Washington Soldiers' Home Orting, (Pierce) WA	VA Medical Center, Seattle, WA
Washington Veterans Home Retsil, (Kitsap) WA	VA Medical Center, Seattle, WA

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**Name and Address of State Home**

**Facility of Jurisdiction**

Barboursville Veterans Home  
Barboursville, (Cabell) WV

VA Medical Center, Huntington, WV

Wisconsin Veterans Home  
King, (Waupaca) WI

VA Medical Center, Madison, WI

Veterans Home of Wyoming  
Buffalo, (Johnson) WY

VA Medical Center, Sheridan, WY

**VERIFICATION OF THE COMPUTATION OF THE PER DIEM RATE**

**1. BASIC PER DIEM COST FIGURE FOR INDIRECT COSTS**

ITEM (Personal services and operating expenses for administration, utility and maintenance, building management, etc., in accordance with Office of Management and Budget Circular A-87<sup>1</sup> which establishes principles and standards for determining cost applicable to grants and contracts with State and local governments.)

INDIRECT EXPENSE PER DIEM RATE = TOTAL INDIRECT COST : PATIENT DAYS OF CARE

**2. DIRECT PER DIEM = DOM TOTAL DIRECT COST : PATIENT DAYS OF CARE**

ITEM (Personal services and operating expenses for home and care, food service, etc. in accordance with OMB Circular A-87.)

DIRECT DOM PER DIEM = DOM TOTAL DIRECT COST : PATIENT DAYS OF CARE

DIRECT NHC PER DIEM = NHC TOTAL DIRECT COST : PATIENT DAYS OF CARE

DIRECT HOSPT PER DIEM = HOSPT TOTAL DIRECT COST : PATIENT DAYS OF CARE

**3. COMPUTATION OF PER DIEM**

DOM TOTAL PER DIEM RATE = PER DIEM DIRECT + PER DIEM INDIRECT  
EXPENSE EXPENSE

NHC TOTAL PER DIEM RATE = PER DIEM DIRECT + PER DIEM INDIRECT  
EXPENSE EXPENSE

HOSPT TOTAL PER DIEM RATE = PER DIEM DIRECT + PER DIEM INDIRECT  
EXPENSE EXPENSE

**4. VA CAN PAY THE HOME UP TO ONE-HALF THE PER DIEM RATE, BASED ON ITS COST, NOT TO EXCEED THE MAXIMUM OF CURRENT PER DIEM RATES AS SPECIFIED IN AN APPROVED DEPARTMENTAL CIRCULAR.**

<sup>1</sup> The OMB (Office of Management and Budget) Circular A-87, which supersedes Federal Management Circular 74-4, establishes principles and standards for determining costs applicable to grants, contracts, and other agreements with State and local governments. No substantive changes are made in the Circular.

**VERIFICATION THAT VA PAYMENTS EXCEED NEITHER ONE-HALF OF AGGREGATE  
COST OF MAINTAINING VETERANS IN A HOME  
NOR  
THE DIFFERENCE BETWEEN TOTAL ALLOWABLE AGGREGATE COST  
AND INCOME COLLECTED BY THE STATE FROM VETERANS**

**1. TOTAL ALLOWABLE COST**

INDIRECT + DOM DIRECT + NHC DIRECT + HOSPT DIRECT XXXX

2. TOTAL INCOME COLLECTED BY THE STATE FROM ALL VETERANS  
FOR WHOM VA AID IS CLAIMED AND ALL OTHER SOURCES ON BEHALF  
OF THESE VETERANS (EXCLUDING VA PAYMENTS AND STATE  
APPROPRIATIONS) XXXX

3. TOTAL ALLOWABLE COST LESS TOTAL INCOME COLLECTED BY  
THE STATE FROM ALL VETERANS FOR WHOM VA AID IS CLAIMED AND  
ALL OTHER SOURCES ON BEHALF OF THESE VETERANS.  
(1 MINUS 2 ABOVE) XXXX

4. ONE-HALF TOTAL ALLOWABLE COST (1/2 OF 1 ABOVE) XXXX

5. TOTAL CLAIM BY THE HOME XXXX

6. TOTAL VA PAYMENTS (CANNOT EXCEED 3 OR 4 ABOVE) XXXX

7. TOTAL VA PAYMENTS - TOTAL ALLOWABLE COST = PERCENTAGE XXXX

## REPORTS AND STATEMENTS OF ACCOUNT

### 1. USE OF VA FORM 10-5588, STATE HOME REPORT AND STATEMENT OF FEDERAL AID CLAIMED, RCS 18-5, AND DUE DATES

a. This form will be used as a combined monthly report and quarterly statement of account, providing a basis for payment of VA aid. The State home may be paid monthly or quarterly.

b. If a state home is receiving VA aid monthly, a copy of the monthly report/statement of account should be submitted by each State home to VA facility by the end of the 5th workday after the close of the monthly report period.

c. For State homes receiving monthly VA aid, three copies of the combined quarterly report based on the Federal fiscal year are to be submitted by each State home to the VA facility by the end of the 5th workday after the close of the report period.

d. For State homes being paid quarterly, a copy of the monthly report and three copies of the quarterly report based on the Federal fiscal year are submitted by each State home to the VA facility by the end of the 5th workday after the close of the report period.

e. VA facilities will check all monthly reports for accuracy, resolve any discrepancies with the home and file the reports. A report should not be accepted by the VA facility of jurisdiction if it is not complete (i.e., signed by the Administrator).

f. State homes should be encouraged to submit VA Form 10-5588 promptly following the end of the month and/or quarter. The original of the monthly and quarterly statement will be verified and signed by the Medical Administration Service and forwarded in duplicate to the Fiscal Office for audit and payment. On completion of accounting certification, one copy of each quarterly report should be sent to the Assistant Chief Medical Director for Geriatrics and Extended Care (145B) not later than the 15th workday after the quarter ends.

### 2. GENERAL INSTRUCTIONS

a. Enter the last day of the calendar quarter covered by the report in the box labeled "For Quarter Ending."

b. Enter under the heading "For Month Of" the appropriate month or, when submitting quarterly report, the 3 months covered by the report. Line entries for domiciliary, columns A, D and G; nursing home, columns B, E and H; or hospital care, columns C, F and I are to be entered under the appropriate month.

c. Lines 1 through 12 are to be completed for each monthly report. Lines 13, 14, 15 and 17 will also be completed on the quarterly report for months of December, March, June, and September. The sum of lines 1 through 4 must equal the sum of lines 5 through 9 in all columns.

(1) Line 1, Total Veteran Patients Remaining End of Prior Month. Enter the number of eligible patients present and remaining on the rolls of the home as of midnight on the last day of the prior month. Entries on this line will be the same as those shown on line 9 for the prior month.

(2) Line 2, Admissions (Change of Status). Enter the number of eligible veterans whose status was changed by transfer from another level of care in the home.

(3) Line 3, Admissions (Other). Enter the number of eligible veterans admitted to the home during the report month.

(4) Line 4, Returns From Leave of Absence of More Than 96 Hours. Enter the number of eligible veterans who returned from an absence of more than 96 hours.

(5) Line 5, Discharges (Change of Status). Enter the number of eligible veterans whose status was changed by transfer to another level of care in the home. The total entries on lines 2 and 5 for any month will be the same.

(6) Line 6, Discharges (Others). Enter the number of eligible veterans who were discharged from the home or dropped from the rolls, except for deaths.

(7) Line 7, Deaths. Enter the number of eligible veterans who died during the report month. Identify deaths by name on the reverse of the report.

(8) Line 8, To Leave of Absence (More Than 96 Hours). Enter in the appropriate column the number of eligible veterans who departed on an absence of, or were absent for, more than 96 hours.

(9) Line 9, Total Veteran Patients Remaining End of Month. Enter the number of eligible male and female veterans present and remaining as of midnight on the last day of the report month. This entry will be equal to the sum of lines 1, 2, 3 and 4 minus lines 5, 6, 7 and 8.

(10) Line 10, Total Veteran Days of Care Furnished. Enter total number of days of care furnished, including days of care for eligible veterans absent 96 hours or less. One day of care may be counted for a veteran either on the day they are shown as a gain or on the day they are counted as a loss, but not both. A gain and a loss on the same day will be reported as one day of care.

(11) Line 11, Female Veteran Patients Remaining End of Month (included in Line 9). Enter eligible female veterans included on line 9, present on the last day of the report month.

(12) Line 12, Non-Veteran Patients Remaining End of Month (included in Line 9). Enter patients not eligible for reimbursement by VA, present on the last day of the report month.

**3. INSTRUCTIONS FOR QUARTERLY STATEMENT OF ACCOUNT FOR EACH QUARTER OF THE FISCAL YEAR**

a. Column J, Days of Care, Lines 13, 14 and 15. Enter from line 10 the sums of columns A, D and G for domiciliary, B, E and H for nursing home and C, F and I for hospital care to show the total number of days for each level of care.

b. Column K, Average Daily Census, Lines 13, 14 and 15. Enter the average daily census computed by dividing the appropriate entry in column J by the number of calendar days in the quarter, carried to one decimal place.

c. Column L, Per Diem Cost, Lines 13, 14 and 15. Enter on the appropriate line the per diem costs for the quarter computed in accordance with instructions in paragraph 3.14.

d. Column M, Per Diem Claimed, Lines 13, 14 and 15. Enter the authorized maximum per diem rate or one-half the amount shown in column L carried to two decimal places (drop half cents) whichever is the lesser, for the appropriate level of care.

e. Column N, Total Amount Claimed

(1) Lines 13, 14 and 15. Enter the product of the entries in columns J and M.

(2) Line 17. Use the following method of computation to verify that the total amount claimed in line 17 neither exceeds:

(a) One-half the sum of products of entries in columns J and L, lines 13, 14, and 15; nor

(b) The difference between the total amount collected by the State from the veterans, and all other sources on their behalf, for maintenance, during the quarter, and the product of entries in columns J and L, lines 13, 14, and 15. Verification that computation of the total amount claimed is correct will be shown on an attached sheet (see app. C).

#### 4. OPERATING BEDS

a. The home, at the end of each month and/or quarter, will enter the current operating bed capacities for domiciliary, nursing home or hospital care in the appropriate spaces on the reverse of the report form.

b. The VA facility will enter bed capacities approved by VA, and within 5 working days, report in writing through the Regional Director any change in bed capacities shown on the monthly report to the Assistant Chief Medical Director for Geriatrics and Extended Care (145B).

c. The VA facility will include with the report of change in bed capacity, estimates of change of census by quarter for the current and succeeding fiscal year.

#### 5. AMIS REPORTS

Instructions for reporting of State home care by VA facilities in AMIS (Automated Management Information System) may be found in MP-6, part VI, supplement No. 1.2, chapter 21.

TRANSMITTAL SHEETS



**September 30, 1992**

1. Transmitted is a change to Veterans Health Administration Manual M-1, "Operations," Part I, "Medical Administration Activities," Chapter 3, "State Veterans' Homes," Appendix 3A, "Field Facility Jurisdiction of State Veterans' Homes." Brackets have not been used to indicate the changes.

2. **Principal changes** are the:

- a. Addition of new State Homes, and
- b. Jurisdictional changes of State Homes.

3. **Filing Instructions**

**Remove pages**

3-i through 3-ii  
3A-1 through 3A-4

**Insert pages**

3-i through 3-ii  
3A-1 through 3A-5

4. **RESCISSIONS:** M-1, Part I, appendix 3A, dated October 24, 1990.

James W. Holsinger, Jr., M.D.  
Chief Medical Director

**DISTRIBUTION: RPC: 1021  
FD**

Printing Dated: 10/92

**October 24, 1990**

1. Transmitted is a revision to Veterans Health Services and Research Administration Manual M-1, "Operations," Part I, "Medical Administration Service," Chapter 3, "State Veterans' Homes." Brackets have not been used to indicate the changes.

2. Principal changes are:

a. **To separate the manual into two distinct manuals:** Medical Administration (M-1, part I, chapter 3) and Geriatrics and Extended Care (M-5, Part V, to be published).

b. **To incorporate the recommendations contained in VA Office of Inspector General Report No. 7R2-A06-113,** "Audit of the State Veterans Home Program," dated September 23, 1987.

c. **Paragraph 3.02c:** Emphasizes the need to verify that per diem payments provided for long-term care needs of State home veterans are accurate and adequate.

d. **Paragraph 3.03:** Adds two new definitions; "Income Limitations" and "Adequate Means of Support."

e. **Paragraph 3.04c:** Requires VA medical centers of jurisdiction to maintain patient information cards (VA Forms 10-3563) on each veteran in the program.

f. **Paragraph 3.05:** Includes criteria for VA medical center's evaluation of veterans eligibility to ensure VA per diem payments are provided only for state home veterans who are eligible.

g. **Paragraph 3.06:** Ensures adequate physician oversight.

h. **Paragraph 3.08:** Provides a cross-reference for determining legal eligibility and strengthens oversight of veterans entitlement.

i. **Paragraph 3.09b:** Ensures VA per diem payments are adequately supported and validated.

j. **Paragraph 3.09d(1):** Ensure VA requirements for State home records are maintained.

k. **Paragraph 3.09f:** Ensures VA per diem payments are provided only for State home veterans who are eligible.

l. **Paragraph 3.11h:** Reenforces eligibility criteria to ensure VA per diem payments are provided only for State home veterans who are eligible.

m. **Paragraph 3.15b:** Provides increased oversight of the inspection team responsibilities.

n. **Paragraph 3.16a:** Ensures adequate oversight is provided to properly trained staff capable of fulfilling program responsibilities.

o. **Paragraph 3.18a and b:** Ensure timely corrective action is taken in compliance with State home inspection reports.

p. **Paragraph 3.19:** Ensure VA requirements for State home inspection reports are followed.

3. **Filing Instructions**

**Remove pages**

3-i through 3-iii  
3-1 through 3-22  
3A-1 through 3E-1

**Insert Pages**

3-i through 3-ii  
3-1 through 3-11  
3A-1 through 3D-3

4. **RESCISSIONS:** M-1, Part I, dated March 3, 1987.

James W. Holsinger, Jr., M.D.  
Chief Medical Director

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